

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action to take, you are recommended to seek your own financial advice from your stockbroker, solicitor, accountant, bank manager or other independent professional adviser who, if you are resident in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 or, if you are not resident in the United Kingdom, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please send this document, together with its accompanying documents (but not any personalised Form of Proxy or Application Form), to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications set out in the accompanying Application Form. However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the UK may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or any other jurisdiction where to do so might constitute a violation of local securities laws or regulations.

The total consideration under the Open Offer is less than €5 million (or an equivalent Sterling amount) in aggregate. Therefore, in accordance with Section 85 and Schedule 11A of FSMA, this document is not, and is not required to be, 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, pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. This document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this document.

The Existing Ordinary Shares are currently admitted to trading on the AIM market of the London Stock Exchange ("AIM"). Application will be made for the New Ordinary Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. 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. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List. The New Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made. It is anticipated that Admission will become effective and that dealings in the New Ordinary Shares, will commence on AIM at 8.00 a.m. on 31 October 2017. The New Ordinary Shares will, on their admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company by reference to a record date falling after Admission.



Randall & Quilter Investment Holdings Ltd.

(Registered in Bermuda with company number 47341)

**Firm Placing of 34,883,720 New Ordinary Shares at a price of 129 pence per share
Open Offer of 3,309,117 New Ordinary Shares at a price of 129 pence per share
and Notice of General Meeting**

Numis Securities Limited ("Numis"), which is regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and joint broker to the Company and is acting for no-one else in connection with the matters referred to in this document, and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Numis nor for providing advice to any other person in relation to the matters referred to in this document. Numis is not making any representation or warranty, express or implied, as to the contents of this document, including the accuracy, verification or completeness of any information contained in this document or for any other statement made or purported to be made by the Company, or on the Company's behalf, or by them or on their behalf, and nothing in this document shall be relied upon as a promise or representation in this respect, whether as to the past or future. The responsibilities of Numis as the Company's nominated adviser and joint broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person. Numis has not approved the contents of, or any part of, this document and no liability whatsoever is accepted by Numis for the accuracy of any information or opinions contained in this document or for the omission of any information from this document, and accordingly Numis disclaims to the fullest extent permitted by law all and any liability whatsoever whether arising in tort, contract or otherwise which it might otherwise have to any person, other than the Company, in respect of this document or any such statement.

Shore Capital Stockbrokers Limited ("Shore Capital"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as joint broker exclusively for the Company and no one else in connection with the matters referred to in this document, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, for the contents of this document or for providing any advice in relation to this document. Apart from the responsibilities and liabilities, if any, which may be imposed by the FCA or the FSMA or the regulatory regime established thereunder, Shore Capital, or any person affiliated with it, does not accept any responsibility whatsoever and makes no representation or warranty, express or implied, in respect of the contents of this document including its accuracy or completeness or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company or any matter described in this document and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Shore Capital has not approved the contents of, or any part of, this document and no liability whatsoever is accepted by Shore Capital for the accuracy of any information or opinions contained in this document or for the omission of any information from this document and accordingly, Shore Capital disclaims all liability to the fullest extent permitted by law, all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have to any person, other than the Company, in respect of this document or any such statement.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company set out in Part I of this document which contains the recommendation by the Directors to Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting, referred to below, and to the Risk Factors set out in Part II of this document.

The General Meeting of the Company, (notice of which is set out at the end of this document), at which the Resolutions will be proposed, will be held at 71 Fenchurch Street, Ground Floor, London EC3M 4BS on 30 October 2017 at 11.00 a.m.

- Shareholders who do not hold Depository Interests should complete the Form of Proxy enclosed with this document for use at the General Meeting or complete a Form of Proxy electronically by going to the following website www.investorcentre.co.uk/eproxy.
- DI Holders should either complete a Form of Instruction (a copy of which can be found on the Company's website at www.rqih.com, or requested from the Custodian at Computershare Investor Services PLC, The Pavilions, Bridgwater, Bristol BS13 8AE or on +44 (0)370 707 4040) or place an instruction through the CREST system to direct the Custodian to cast votes on their behalf in respect of their Depository Interests at the General Meeting.

To be valid, Forms of Proxy and Forms of Instruction should be completed and returned in accordance with the instructions thereon so as to reach Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as follows:

- Electronic and hard copy Forms of Proxy must be received by Computershare no later than 11.00 a.m. on 26 October 2017 or 48 hours before the time of any adjourned meeting (without taking into account any part of a day that is not a Business Day).
- Forms of Instruction and any instructions placed through CREST in relation to the General Meeting must be received by Computershare no later than 11.00 a.m. on 25 October 2017 or 72 hours before the time of any adjourned meeting (without taking into account any part of a day that is not a Business Day).

The return of a completed Form of Proxy, Form of Instruction or CREST instruction will not prevent you from attending the General Meeting and voting in person if you so wish.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 27 October 2017. The procedure for application is set out in Part III of this document and, for Shareholders who do not hold Depository Interests, in the Application Form.

Qualifying non-CREST Shareholders will find an Application Form accompanying this document. Qualifying DI Holders (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 9 October 2017. 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. Qualifying DI Holders 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.

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.

ONLINE ACCESS

A copy of this document is available online at <http://www.rqih.com/investors/shareholder-information/documents/>.

IMPORTANT NOTICE NOTICE IN RELATION TO OVERSEAS SHAREHOLDERS

The distribution of this document and/or any accompanying documents in or into jurisdictions other than the UK may be restricted by law and therefore any person 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.

Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy New Ordinary Shares and/or the Open Offer Entitlements to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. Accordingly, the New Ordinary Shares and/or Open Offer Entitlements may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The New Ordinary Shares and the Open Offer Entitlements have not been, and will not be, registered under the US Securities Act or under the securities legislation of any state of the United States or Australia, Canada, Japan, New Zealand or the Republic of South Africa and they may not be offered or sold, directly or indirectly, within the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to any US person (within the definition of Regulation S made under the US Securities Act).

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains a number of “forward-looking statements” relating to the Group including with respect to the trading prospects of the Group. The Company considers any statements that are not historical facts as “forward-looking statements”. They relate to events and trends that are subject to risks, uncertainties and assumptions that could cause the actual results and financial position of the Group to differ materially from the information presented in the relevant forward-looking statement. When used in this document the words “estimate”, “project”, “intend”, “aim”, “anticipate”, “believe”, “expect”, “should”, “may”, and similar expressions, as they relate to the Group or management of it, are intended to identify such forward-looking statements. Shareholders are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither the Company nor any member of the Group nor Numis nor Shore Capital nor any of their subsidiaries or affiliates nor any of their respective officers, directors, employees advisers or agents undertakes any obligation to update publicly or revise any of the forward-looking statements whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the AIM Rules and other regulations.

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Shareholders are advised to read this document carefully. If you require assistance in completing any of the accompanying forms, please call Computershare on 0370 707 4040 or, if phoning from outside the UK, on +44 (0)370 707 4040. Calls may be recorded and monitored randomly for security and training purposes.

For legal reasons, Computershare will not be able to give advice on the merits of the matters referred to in this document or to provide legal, financial or taxation advice.

You may not use any electronic address provided within this document or any related documents to communicate with the Company other than as expressly stated.

Fundraising Statistics

Closing Price per Existing Ordinary Share ⁽¹⁾	146.5 pence
Issue Price of each New Ordinary Share	129 pence
Discount to Closing Price per Existing Ordinary Share ⁽¹⁾	11.9 per cent.
Number of Existing Ordinary Shares in issue ⁽²⁾	87,682,783
Entitlement under Open Offer	1 Open Offer Share for every 26 Existing Ordinary Shares
Number of Firm Placing Shares to be issued pursuant to the Firm Placing	34,883,720
Maximum number of Open Offer Shares to be issued pursuant to the Open Offer ⁽³⁾	3,309,117
Proceeds of the Fundraising (before expenses) ⁽⁴⁾	£49.3m
Enlarged Share Capital following the Fundraising ⁽⁴⁾	125,875,620
Firm Placing Shares as a percentage of the Enlarged Share Capital ⁽⁴⁾	27.7 per cent.
Open Offer Shares as a percentage of the Enlarged Share Capital ⁽⁴⁾	2.6 per cent.
Market capitalisation of the Company immediately following the Fundraising at the Issue Price ⁽⁴⁾	£162,379,550
Estimated net proceeds of the Fundraising ⁽⁴⁾	£47.6m
ISIN Code for Open Offer Entitlements	BMG7371X1636
ISIN Code for Excess CREST Open Offer Entitlements	BMG7371X1719

Notes:

(1) Closing Price on AIM on 4 October 2017, being the latest practicable date prior to the announcement of the Firm Placing and Open Offer.

(2) As at 4 October 2017, being the latest practicable date prior to the announcement of the Firm Placing and Open Offer.

(3) The actual number of New Ordinary Shares to be issued under the Open Offer will depend on the level of applications made and accepted pursuant to the Open Offer.

(4) Assuming 38,192,837 New Ordinary Shares are issued pursuant to the Fundraising.

Expected Timetable of Principal Events

	2017
Record Date and time for entitlements under the Open Offer	5.00 p.m. on 3 October
Announcement of the Fundraising	5 October
Posting of this document, the Form of Proxy, Form of Instruction and, to Qualifying non-CREST Shareholders only, the Application Form	6 October
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	8.00 a.m. on 6 October
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying DI Holders	8.00 a.m. on 9 October
Recommended latest time for requesting withdrawal of CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 23 October
Latest time and date for depositing CREST Open Offer Entitlements into CREST	3.00 p.m. on 24 October
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 25 October
Latest time and date for receipt of the Form of Instruction for, or placing of a CREST instruction in relation to, the General Meeting	11.00 a.m. on 25 October
Latest time and date for receipt of completed Forms of Proxy to be valid at the General Meeting	11.00 a.m. on 26 October
Latest time and date for receipt of completed Application Forms from Qualifying Shareholders and payment in full under the Open Offer or settlement of relevant CREST instructions in respect of Depositary Interests (as appropriate)	11.00 a.m. on 27 October
General Meeting	11.00 a.m. on 30 October
Announcement of result of the General Meeting and Open Offer	30 October
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 31 October
New Ordinary Shares credited to CREST stock accounts (uncertificated holders only) in Depositary Interest form	31 October
Despatch of definitive share certificates for New Ordinary Shares held in certificated form	within 14 days

Notes:

- (1) All references to time in this document are to London (UK) time unless otherwise stated.
- (2) The dates and times given in this document are based on the Company's current expectations and may be subject to change. If any of the above times or dates should change at the discretion of the Company, the revised times and/or dates will be notified to Shareholders by an announcement on a Regulatory Information Service.
- (3) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III of this document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries or questions relating to this document, the completion and return of the Application Form, or the procedure for acceptance and payment, or wish to request another Application Form, they should contact Computershare on 0370 707 4040 or, if phoning from outside the UK, on +44 (0)370 707 4040. Calls may be recorded and monitored randomly for security and training purposes. Computershare cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Directors, Secretary and Advisers

Directors

Kenneth Randall, Group Chairman and Chief Executive Officer

Alan Quilter, Deputy Group Chief Executive Officer

Thomas Booth, Group Chief Financial Officer

Philip Barnes, Non-Executive Director

Alastair Campbell, Non-Executive Director

Michael Smith, Non-Executive Director

Company Secretary

Beverley Murphy

Registered Office

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Website

www.rqih.com

Nominated Adviser and Joint Broker

Numis Securities Limited

The London Stock Exchange Building

10 Paternoster Square

London

EC4M 7LT

Joint Broker

Shore Capital Stockbrokers Limited

Bond Street House

14 Clifford Street

London

W1S 4JU

Legal advisers to the Company as to English law

Mills & Reeve LLP

24 Monument St

London

EC3R 8AJ

Legal advisers to the Company as to Bermuda law

Conyers Dill & Pearman

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Legal advisers to the Nominated Adviser and Joint Brokers

CMS Cameron McKenna Nabarro Olswang LLP

Cannon Place

78 Cannon Street

London

EC4N 6AF

Registrar and Receiving Agent

Computershare Investor Services PLC

The Pavilions

Bridgwater Road

Bristol

BS99 6ZZ

Definitions

The following words and expressions bear the following meanings in this document unless the context requires otherwise.

“Acceptance Date”	11.00 a.m. on 27 October 2017, being the latest time and date for the return of validly completed Application Forms from Qualifying non-CREST Shareholders;
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies as issued by the London Stock Exchange as amended from time to time;
“Application Form”	the application form accompanying this document on which Qualifying non-CREST Shareholders may apply for Open Offer Shares in respect of the Open Offer;
“Bermuda Companies Act”	the Bermuda Companies Act 1981 as amended;
“Board” or “Directors”	the directors of the Company, whose names are set out on page 04 of this document or a duly appointed committee of such directors;
“Business Day”	a day (excluding Saturday or Sunday or public holidays in England) on which banks generally are open for business in the City of London for the transaction of normal banking business;
“Bye-Laws”	the bye-laws of the Company at the date of this document;
“certificated” or “in certificated form”	a share or other security, which is not in uncertificated form (that is, not in CREST);
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange;
“Company” or “Randall & Quilter”	Randall & Quilter Investment Holdings Ltd., a company registered in Bermuda with company number 47341;
“Computershare”, “Registrar” or “Receiving Agent”	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations;
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (as updated in November 2001);
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual);
“CREST member account ID”	the identification code or number attached to a member account in CREST;
“CREST Open Offer Entitlement”	the entitlement of a Qualifying DI Holder, pursuant to the Open Offer, to apply to acquire Open Offer Shares pursuant to the Open Offer;
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the Uncertificated Securities Regulations);
“CREST participant ID”	shall have the meaning given in the CREST Manual issued by Euroclear;
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear;
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Custodian”	Computershare Company Nominees Limited in its capacity as custodian of the Depositary Interests;
“Depositary Interest”	the dematerialised depositary interests issued in CREST in respect of Ordinary Shares;
“DI Holders”	holders of Depositary Interests;
“Enlarged Share Capital”	the issued ordinary share capital of the Company as enlarged following the issue of the New Ordinary Shares;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying DI Holder, the entitlement (in addition to his Open Offer Entitlement) to apply for Open Offer Shares to be represented by Depositary Interests, which is conditional on him taking up his Open Offer Entitlement in full;
“Excess Shares”	Open Offer Shares applied for by Qualifying Shareholders in accordance with the Excess Application Facility;
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 6 October 2017;

Definitions continued

“Existing Ordinary Shares”	the 87,682,783 Ordinary Shares in issue at the date of this document;
“FCA”	the Financial Conduct Authority of the UK;
“Firm Placees”	those institutional investors and current Shareholders participating in the Firm Placing;
“Firm Placing”	the firm placing of the Firm Placing Shares with the Firm Placees at the Issue Price, otherwise than on a pre-emptive basis, pursuant to the Firm Placing and Open Offer Agreement;
“Firm Placing and Open Offer Agreement”	the agreement dated 5 October 2017 between the Company, Numis and Shore Capital in respect of the Firm Placing and Open Offer;
“Firm Placing Shares”	34,883,720 of the New Ordinary Shares which are the subject of the Firm Placing;
“Form of Instruction”	the form of instruction for use by DI Holders in connection with the General Meeting. Copies of the Form of Instruction can be found on the Company’s website at www.rqih.com ;
“Form of Proxy”	a form of proxy for use in connection with the General Meeting, in hard copy or electronic form;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Fundraising”	together the Firm Placing and the Open Offer;
“General Meeting”	the general meeting of the Company (or any adjournment thereof) to be held at 71 Fenchurch Street, Ground Floor, London, EC3M 4BS at 11.00 a.m. on 30 October 2017, notice of which is set out at the end of this document;
“Group”	the Company and its subsidiaries;
“Issue Price”	129 pence per New Ordinary Share;
“HMRC”	Her Majesty’s Revenue and Customs of the United Kingdom;
“London Stock Exchange”	London Stock Exchange plc or any recognised investment exchange for the purposes of the Financial Services and Markets Act 2000 which may take over the function of London Stock Exchange plc;
“Money Laundering Regulations”	Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993 and the Proceeds of Crime Act 2002;
“New Ordinary Shares”	the new Ordinary Shares to be issued pursuant to the Fundraising, subject to the Resolutions being passed at the General Meeting;
“Numis”	Numis Securities Limited;
“Open Offer”	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part III of this document and, where relevant, in the Application Form;
“Open Offer Entitlement”	the entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply to subscribe for Open Offer Shares pursuant to, and subject to the terms of, the Open Offer;
“Open Offer Shares”	the 3,309,117 New Ordinary Shares which Qualifying Shareholders will be invited to subscribe for pursuant to the Open Offer;
“Ordinary Shares”	ordinary shares of par value two pence each in the capital of Randall & Quilter, and includes the Depositary Interests in respect of such shares;
“Overseas Shareholder”	a Shareholder who is not a citizen of or who is not resident in the United Kingdom or who is a citizen, resident or national of a country other than the United Kingdom;
“PRA”	the Prudential Regulation Authority of the United Kingdom;
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC;
“Qualifying DI Holders”	DI Holders as set out in the register of DI Holders of the Custodian on the Record Date (other than Overseas Shareholders);
“Qualifying non-CREST Shareholders”	holders of Existing Ordinary Shares in certificated form on the register of members of the Company on the Record Date (other than Overseas Shareholders);
“Qualifying Shareholders”	Qualifying DI Holders and Qualifying non-CREST Shareholders;
“Record Date”	5.00 p.m. on 3 October 2017 in respect of the entitlements of Qualifying Shareholders under the Open Offer;
“Resolutions”	the resolutions set out in the notice of the General Meeting contained at the end of this document;
“Restricted Jurisdiction”	the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa and any other jurisdiction in which it would be unlawful to offer the Firm Placing Shares or the Open Offer Shares, or where the Firm Placing and Open Offer would be required to be approved by a regulatory body;
“RIS”	a regulatory information service as defined in the AIM Rules;
“Shareholders”	holders of Existing Ordinary Shares whether such shares are held in certificated form or through Depositary Interests, as the context so requires;

“Shore Capital”	Shore Capital Stockbrokers Limited;
“Sterling”, “£” or “pounds”	pounds sterling, the basic unit of currency in the UK;
“Takeover Code”	the City Code on Takeovers and Mergers;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority” or “UKLA”	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part V of FSMA;
“uncertificated” or “in uncertificated form”	when used in relation to shares, recorded on the relevant register “in uncertificated form” as being held in uncertificated form in CREST (through the Depositary Interests) and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST;
“Uncertificated Securities Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“US Securities Act”	the United States Securities Act of 1933, as amended; and
“VAT”	value added tax.

Part I Letter from the Group Chairman and Chief Executive Officer of Randall & Quilter

RANDALL & QUILTER INVESTMENT HOLDINGS LTD.

(Registered in Bermuda with company number 47341)

DIRECTORS:

Kenneth Randall Group Chairman and Chief Executive Officer
Alan Quilter Deputy Group Chief Executive Officer and Chief Operating Officer
Thomas Booth Group Chief Financial Officer
Alastair Campbell Non-Executive Director
Philip Barnes Non-Executive Director
Michael Smith Non-Executive Director

REGISTERED OFFICE:

Clarendon House
 2 Church Street
 Hamilton HM11
 Bermuda

6 October 2017

To Shareholders

Dear Shareholder,

Firm Placing of 34,883,720 New Ordinary Shares at 129 pence per New Ordinary Share Open Offer of 3,309,117 New Ordinary Shares at 129 pence per New Ordinary Share and Notice of General Meeting

1. INTRODUCTION

The Company has today announced a conditional Firm Placing and Open Offer of up to 38,192,837 New Ordinary Shares at 129 pence per share to raise up to £49.3 million before expenses.

Under the Fundraising, the Board is proposing to issue 34,883,720 New Ordinary Shares through the Firm Placing (on a non-pre-emptive basis) and up to 3,309,117 New Ordinary Shares through the Open Offer.

The Board feels strongly that our existing Shareholders should, where it is practical for them to do so, have the opportunity to participate in any fundraising undertaken by the Company and, on behalf of the Directors, it is my pleasure to offer Qualifying Shareholders an opportunity to participate in the Open Offer to subscribe at the Issue Price for an aggregate of up to 3,309,117 New Ordinary Shares, to raise gross proceeds of up to approximately £4.3 million (before expenses) on the basis of 1 Open Offer Share for every 26 Existing Ordinary Shares. Qualifying Shareholders subscribing for their Open Offer Entitlement in full under the Open Offer may also apply for additional Open Offer Shares through the Excess Application Facility.

The Fundraising is conditional, amongst other things, on the passing of the Resolutions by Shareholders at the General Meeting, notice of which is set out at the end of this document. If the Resolutions are passed, the New Ordinary Shares will be allotted after the General Meeting. Admission is expected to occur no later than 8.00 a.m. on 31 October 2017 or such later time and/or date(s) as Numis, Shore Capital and the Company may agree. Neither the Firm Placing nor the Open Offer will be underwritten.

The purpose of this document is to explain the background to the Fundraising and to set out the reasons why your Board believes that the Fundraising is in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of the Resolutions at the forthcoming General Meeting, which will be held at 71 Fenchurch Street, Ground Floor, London EC3M 4BS at 11.00 a.m. on 30 October 2017.

2. CURRENT TRADING

The Board was pleased to announce on 4 September 2017 that the H1 2017 results were significantly ahead of the equivalent period in 2016, driven primarily by a record contribution from legacy transactions completed in the first half year of £19.1m (2016: £2.7m). The business has made excellent progress in deploying funds raised in the placing announced in February 2017. Additional capital has been injected into R&Q Insurance Malta and Accredited and the funds raised to pursue legacy transactions have already supported deals with others being finalised. The pipeline remains very strong. Accordingly, the Board increased the proposed interim distribution per share to 3.5p (2016: 3.4p).

The process of simplifying the Group continues. This has allowed the Group to focus on its core activities of legacy and underwriting niche programme business on behalf of high quality reinsurers. The key recent disposals by the Group were:

- the Lloyd's managing agency sold to Coverys for \$22.6m representing a gain of £12.6m over carrying value (subject to regulatory approval); and
- Triton, a Norwegian insurance manager, sold during the period.

Additional disposals are currently being progressed and the Board will update the market in due course.

As a result of these announced disposals, expected disposals and ongoing trading performance, the Board expects net asset value per share (excluding goodwill) to be in the range of 136 pence to 146 pence at the end of the current financial year (after payment of the interim distribution, and before the impact of the issue of the New Ordinary Shares and any currency movements).

3. BACKGROUND TO AND REASONS FOR THE FUNDRAISING

At the centre of the Group's simplification strategy is the Group's focus on (1) its core legacy acquisition activity and (2) fee generation in Accredited and R&Q Insurance Malta through its underwriting programme/MGA business, primarily on behalf of well-rated reinsurers. The Directors consider that the outlook looks strong for the Group as it capitalises on opportunities driven by, but not limited to, regulatory changes impacting large underwriters globally, macroeconomic effects, Brexit and separation of distribution from underwriting capital.

Summary of current pipeline:

- (i) Accredited: multiple loss portfolio transfer (“LPT”) and assumption opportunities from US insurers and especially self-insured groups. Multiple MGA/programme opportunities with gross written premiums (“GWP”) ranging from \$5 million to \$40 million; and
- (ii) R&Q Insurance Malta: various MGA/programme opportunities as well as captive transfer and LPT mandates.

The first six months of 2017 alone saw the Group complete 11 legacy transactions across the US, Bermuda and UK markets. Four MGA/programmes were also signed up between R&Q Insurance Malta and Accredited.

4. USE OF PROCEEDS

The Company intends to raise gross proceeds of up to approximately £49.3 million pursuant to the Fundraising.

It is expected that the net amount of cash available to the Company following the Fundraising will be up to approximately £47.6 million, which it is intended to use as follows:

- (i) £30 million capital contribution to R&Q Insurance Malta to grow its balance sheet, help secure an A- credit rating, and support its solvency capital ratios during its expansion. The credit rating and increased size will, in turn, open up further MGA/programme business with higher commission rates. A credit rating should also expand the universe of legacy transaction opportunities, especially loss portfolio transfers of larger, rated insurance groups’ discontinued portfolios. The Directors consider it likely that there will also be other intra-group structuring and solvency capital benefits.
- (ii) \$25 million capital contribution to Accredited, the Group’s A- rated US carrier, which will push Accredited into the size ‘7’ category (defined as vehicles with \$50 million to \$100 million of net assets), opening up larger loss portfolio transfer opportunities and programme business alike.

Approximately £1.7 million of the gross proceeds will be used to pay fees and expenses (including VAT) incurred in connection with the Fundraising (including broking commissions and other fees).

5. PRINCIPAL TERMS OF THE FUNDRAISING

The Company proposes to raise up to approximately £49.3 million (before expenses) in aggregate by way of the Fundraising.

The Shareholder approvals necessary for the Fundraising will be sought at the General Meeting to be held at 11.00 a.m. on 30 October 2017, full details of which are set out in the notice at the end of this document.

The Fundraising is conditional, amongst other things, upon:

- (i) the passing of all of the Resolutions;
- (ii) the Firm Placing and Open Offer Agreement having become or being declared unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (iii) Admission of the New Ordinary Shares becoming effective by no later than 8.00 a.m. on 31 October 2017 or such later time and/or date (being no later than 8.30 a.m. on 24 November 2017) as Numis, Shore Capital and the Company may agree.

If any of the conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 31 October 2017 (or such later time and/or date

as the Company, Numis and Shore Capital may agree being not later than 8.30 a.m. on 24 November 2017), the Firm Placing and Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, monies received from the Firm Placees and/or Qualifying Shareholders will be returned to them (at the risk of these investors and without interest) as soon as possible thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

6. FIRM PLACING

The Firm Placees, who comprise certain institutional investors and certain current Shareholders of the Company, have agreed to subscribe for the Firm Placing Shares at the Issue Price pursuant to the Firm Placing raising approximately £45 million. The Firm Placing Shares are not subject to clawback and are not part of the Open Offer.

The Firm Placing Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid by reference to a record date falling after Admission.

Application will be made for the Firm Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 31 October 2017. Settlement of the New Ordinary Shares in the form of Depository Interest is expected to take place within the CREST system following Admission.

7. OPEN OFFER

The Open Offer is for 3,309,117 Ordinary Shares at the Issue Price, to raise gross proceeds of up to approximately £4.3 million.

The Directors propose to offer Open Offer Shares by way of the Open Offer to all Qualifying Shareholders (other than, subject to certain exceptions, Overseas Shareholders with a registered address or located in Restricted Jurisdictions) on the following basis:

1 Open Offer Share for every 26 Existing Ordinary Shares

and so in proportion for any number of Existing Ordinary Shares held on the Record Date. Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be offered to the Qualifying Shareholders but will be made available under the Excess Application Facility.

Qualifying Shareholders may also apply for Open Offer Shares in excess of their *pro rata* entitlement pursuant to the Excess Application Facility. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their respective Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be

Part I Letter from the Group Chairman and Chief Executive Officer of Randall & Quilter continued

appropriate. The balance of any Open Offer Shares not subscribed for under the Excess Application Facility will not be available to Firm Placees under the Firm Placing.

Not all Shareholders will be Qualifying Shareholders. In particular, Overseas Shareholders who are located in, or are citizens of, or have a registered office in a Restricted Jurisdiction will not qualify to participate in the Open Offer. The attention of Qualifying Shareholders and in particular Overseas Shareholders is drawn to paragraph 8 of Part III of this document.

The Issue Price of 129 pence per New Ordinary Share represents a discount of approximately 11.9 per cent. to the Closing Price of 146.5 pence per Existing Ordinary Share on 4 October 2017 (being the latest practicable date prior to the announcement of the Firm Placing and the Open Offer).

If you are a Qualifying non-CREST Shareholder and have received an Application Form with this document, please refer to paragraph 4 of Part III of this document.

If you are a Qualifying DI Holder and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 5 of Part III of this document and also the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue. Application will be made to the London Stock Exchange for the admission of the Open Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings in the Open Offer Shares will commence at 8.00 a.m. on 31 October 2017, at which time it is also expected that Depositary Interests representing Open Offer Shares to be held in uncertificated form will be enabled for settlement in CREST.

8. FIRM PLACING AND OPEN OFFER AGREEMENT

Pursuant to the Firm Placing and Open Offer Agreement, each of Numis and Shore Capital has severally agreed to use their reasonable endeavours as agent of the Company to procure subscribers for the Firm Placing Shares at the Issue Price.

The Firm Placing and Open Offer Agreement provides, *inter alia*, for payment by the Company to each of Numis and Shore Capital of commissions based on certain percentages of the product of the number of Firm Placing Shares placed by each of Numis and Shore Capital and the Open Offer Shares applied for respectively, multiplied by the Issue Price.

The Company will bear all other expenses of and incidental to the Firm Placing and the Open Offer, including the fees of the London Stock Exchange, printing costs, Receiving Agent's fees, all legal and accounting fees of the Company and all stamp duty and other taxes and duties payable.

The Firm Placing and Open Offer Agreement contains certain customary warranties and indemnities from the Company in favour of each of Numis and Shore Capital and is conditional, *inter alia*, upon:

- (i) the passing of all of the Resolutions;
- (ii) the Firm Placing and Open Offer Agreement having become or being declared unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (iii) Admission of the New Ordinary Shares becoming effective by no later than 8.00 a.m. on 31 October 2017 or such later time and/or date (being no later than 8.30 a.m. on 24 November 2017) as Numis, Shore Capital and the Company may agree.

Each of Numis and Shore Capital may terminate the Firm Placing and Open Offer Agreement in certain circumstances, if, *inter alia*, the Company is in material breach of any of its obligations under the Firm Placing and Open Offer Agreement; if there is a material adverse change in the financial position and prospects of the Company; or if there is a material adverse change in the financial, political, economic or stock market conditions, which in its reasonable opinion is or will be materially prejudicial to the successful outcome of the Firm Placing and the Open Offer.

9. DILUTIONARY IMPACT OF FUNDRAISING

The proposed issue of the Firm Placing Shares and the Open Offer Shares pursuant to the Fundraising will dilute existing shareholdings of Shareholders. Qualifying Shareholders will be able to mitigate the extent of this dilution by applying for Open Offer Shares in the Open Offer.

The following table outlines the maximum dilution which a Shareholder will be subject to if he/she does not participate in the Open Offer, as a result of completion of the Firm Placing and Open Offer:

Maximum Dilution

Following the Firm Placing	28.5 per cent.
Following the Fundraising	30.3 per cent.

10. DIRECTORS' PARTICIPATION IN THE FUNDRAISING

The following Directors have confirmed that they support the Fundraising and they have agreed to participate in the Firm Placing and subscribe for the following number of New Ordinary Shares:

Director	Number of New Ordinary Shares	Value of New Ordinary Shares at the Issue Price (£)	Total holding of Ordinary Shares following Placing	Percentage of the Company's enlarged issued share capital following Fundraising
Ken Randall	1,550,387	1,999,999.23	14,061,852	11.45%
Alan Quilter	500,000	645,000.00	3,766,456	3.07%
Tom Booth	77,519	99,999.51	1,508,845	1.23%

These Firm Placing subscriptions by the Directors named above, are considered to constitute related party transactions pursuant to AIM Rule 13 of the AIM Rules. Phoenix Asset Management Partners, ("Phoenix") has agreed to subscribe for 7,955,257 Firm Placing Shares in the Firm Placing. Due to the size of Phoenix's existing holding of 16,435,477 Ordinary Shares in the capital of the Company representing 18.7% of the current issued share capital, this transaction is considered to be a related party transaction pursuant to AIM Rule 13 of the AIM Rules. The Directors (excluding Ken Randall, Alan Quilter and Tom Booth) consider, having consulted with Numis, that the terms of the related party transactions are fair and reasonable insofar as shareholders of the Company are concerned. Immediately following Admission, it is envisaged that Phoenix

will hold 24,390,734 Ordinary Shares representing 19.9% of the enlarged share capital (before the issue of any shares under the Open Offer).

11. SUCCESSION PLANNING

The Board is also pleased to announce that, as part of its succession planning, in the summer of 2018 it is expected that Ken Randall will relinquish his role as CEO and continue as Executive Chairman.

At that time, Tom Booth will assume the role of Group CEO and a new Chief Financial Officer will be appointed. In addition, it is also expected that Alan Quilter will step down from the role of Chief Operating Officer ("COO") to become Deputy Chairman and the Group will seek to appoint a new COO.

12. DISTRIBUTION POLICY

The Group operates a progressive distribution policy. Distributions are made bi-annually and are typically paid in May / June and October / November. New Ordinary Shares issued under the Firm Placing and Open Offer will not affect this policy. New Ordinary Shares issued under the Firm Placing and Open Offer will be eligible for the dividend payment expected in May / June 2018. Without pre-judging the outcome, the Board has committed to reviewing whether it would be in the interests of shareholders to look at paying dividends rather than capital returns (which form the basis of the current distribution strategy). For the avoidance of doubt, any such change will not affect the progressive nature of the policy.

13. OVERSEAS SHAREHOLDERS

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 8 of Part III of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation any Restricted Jurisdiction), 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 take up their Open Offer Entitlements.

14. GENERAL MEETING

The notice convening the General Meeting of the Company, to be held at 71 Fenchurch Street, Ground Floor, London EC3M 4BS at 11.00 a.m. on 30 October 2017 is set out at the end of this document.

Under the Bermuda Companies Act and the Bye-Laws, the Directors are not permitted to allot shares (or grant certain rights over shares) unless authorised to do so by Shareholders.

At the last Annual General Meeting of the Company held on 1 June 2017, Shareholders passed resolutions in order to (i) grant the Directors authority to allot equity securities (other than in connection with a rights issue) up to a maximum nominal value of £582,641.64 and (ii) disapply statutory pre-emption rights to allow the allotment by the Directors of equity securities for cash up to a maximum nominal value of £87,396.24 without the requirement for such equity securities to be first offered to existing Shareholders.

The authorities referred to above are insufficient to allow the Fundraising to proceed without further Shareholder approval. In addition, the Directors

are seeking the approval of Shareholders to renew standard authorities to allot Ordinary Shares. Accordingly, at the General Meeting, the following Resolutions will be proposed:

Resolution 1 – Authority to allot Ordinary Shares

The Directors require the authority of Shareholders in order to allot the New Ordinary Shares. Resolution 1 provides such authority by granting the Directors authority to allot Ordinary Shares pursuant to the Fundraising up to a maximum nominal amount of £763,856.74 (representing, as at the date of this document, 43.6 per cent. of the Existing Ordinary Shares) being 38,192,837 Ordinary Shares in number. In addition, Resolution 1 grants the Directors authority to allot shares, otherwise than in connection with the Fundraising: (i) up to an aggregate nominal amount of £839,170.80 or, if less, 33.3 per cent. of the aggregate nominal value of the Enlarged Share Capital (exclusive of shares held in treasury); and (ii) up to a further aggregate nominal amount of £839,170.80 or, if less, 33.3 per cent. of the aggregate nominal value of the Enlarged Share Capital (exclusive of shares held in treasury), but only in connection with a rights issue.

Resolution 1 is being proposed as an ordinary resolution and will therefore require more than 50 per cent. of the votes cast, whether in person or by proxy, to be in favour of the resolution. This authority, if granted, will expire on the date of the next Annual General Meeting of the Company or, if earlier, the date 15 months from the date of passing of Resolution 1 and shall be granted in substitution for the Directors' existing authorities to allot relevant securities granted at the last Annual General Meeting held on 1 June 2017.

Resolutions 2, 3, 4 and 5 – Disapplication of pre-emption rights

The Bye-Laws require that, on an allotment of shares for cash, such shares must first be offered to existing Shareholders in proportion to the number of Ordinary Shares they each hold at that time. This is known as a shareholder's pre-emption right. Accordingly, the Fundraising cannot proceed unless Shareholders have first waived their pre-emption rights. Resolution 2, if passed, provides such a waiver. If Resolution 2 is passed, the Directors will be able to allot the New Ordinary Shares, on a non pre-emptive basis, to the extent of the authority granted by Resolution 1.

Resolution 3 authorises the Directors to issue and allot up to an aggregate nominal amount of £839,170.80 or, if less, 33.3 per cent. of the aggregate nominal value of the Enlarged Share Capital (exclusive of shares held in treasury): (i) as to Ordinary Shares with an aggregate nominal value of up to £125,875.62 or, if less, 5 per cent. of the aggregate nominal value of the Enlarged Share Capital (exclusive of shares held in treasury), for cash on a non pre-emptive basis; and (ii) otherwise on a pre-emptive basis.

Resolution 4 authorises the Directors to issue and allot up to an aggregate nominal amount of £125,875.62 or, if less, 5 per cent. of the aggregate nominal value of the Enlarged Share Capital (exclusive of shares held in treasury), on a non pre-emptive basis in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

Resolution 5 authorises the Directors to issue and allot up to an aggregate nominal amount of £839,170.80 or, if less, 33.3 per cent. of the aggregate nominal value of the Enlarged Share Capital (exclusive of shares held in treasury), as if Bye-law 53 did not apply to any such allotment, in connection with a rights issue.

Resolutions 2, 3, 4 and 5 are being proposed as special resolutions and will therefore require a majority of not less than three-fourths of votes cast by

Part I Letter from the Group Chairman and Chief Executive Officer of Randall & Quilter continued

such Shareholders as, being entitled so to do, vote in person or by proxy to be in favour of the resolution. These authorities, if granted, will expire on the date of the next Annual General Meeting of the Company or, if earlier, the date 15 months from the date of passing of the Resolutions and shall be granted in substitution for the Directors' existing authorities to allot shares on a non pre-emptive basis granted at the last Annual General Meeting held on 1 June 2017.

General Meeting queries

Shareholders who have queries about the General Meeting or about completion of a Form of Proxy or Form of Instruction should call Beverley Murphy, the Company Secretary, on +44 (0)20 7780 5850. Please note that advice cannot be provided on the merits of the Fundraising nor can any financial, legal or tax advice be given.

15. ACTION TO BE TAKEN IN RESPECT OF THE GENERAL MEETING

Form of Proxy

If you hold your Ordinary Shares in certificated form, you are requested to complete, sign and return your Form of Proxy whether or not you intend to be present at the General Meeting.

Completion and return of the Form of Proxy will not prevent you from attending the General Meeting and voting in person should you wish to do so.

Forms of Proxy can be completed using either of the following methods:

Electronically: By going to the following website www.investorcentre.co.uk/eproxy. You will be asked to enter the Control Number, the Shareholder Reference Number (SRN) and PIN as provided on your proxy card and agree to certain terms and conditions.

In hard copy: By using the paper copy Form of Proxy enclosed (printed on white paper) and by returning it, in accordance with the instructions printed thereon, to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

Forms of Proxy should be completed and returned as soon as possible and in any event no later than 11.00 a.m. on 26 October 2017, or 48 hours before the time of any adjourned meeting (without taking into account any part of a day that is not a Business Day).

Form of Instruction

DI Holders are asked to either complete a Form of Instruction (copies of which can be found on the Company's website at www.rqih.com) or place an instruction through the CREST system to direct the Custodian to cast votes on their behalf in respect of the Ordinary Shares represented by their Depository Interests at the General Meeting. A Form of Instruction should be completed in accordance with the instructions printed on it. Completed Forms of Instruction should be sent to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Completed Forms of Instruction and instructions placed in relation to the General Meeting through the CREST system should be sent as soon as possible and, in any event, must be received not later than 11.00 a.m. on 25 October 2017 or 72 hours before the time of any adjourned meeting (without taking into account any part of a day that is not a Business Day).

The return of a completed Form of Proxy or Form of Instruction, or placing of instructions through CREST in respect of the Resolutions, will not prevent a Shareholder from attending the General Meeting and voting in person (in substitution for their proxy vote or instructions given pursuant to a Form of Instruction or by CREST, as appropriate) should they wish

to do so and are so entitled. DI Holders wishing to attend the General Meeting should contact Computershare in its capacity as custodian of the Depository Interests at The Pavilions, Bridgwater, Bristol BS13 8AE or by emailing [!UKALLDIteam2@computershare.co.uk](mailto:UKALLDIteam2@computershare.co.uk) by no later than 11.00 a.m. on 25 October 2017 or 72 hours before the time of any adjourned meeting (without taking into account any part of a day that is not a Business Day).

16. ACTION TO BE TAKEN IN RESPECT OF THE OPEN OFFER

Qualifying non-CREST Shareholders

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the Application Form, which accompanies this document, in accordance with the instructions set out in paragraph 4 of Part III of this document and in the accompanying Application Form and return it with the appropriate payment in the envelope addressed to Computershare by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 27 October 2017.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

Qualifying DI Holders

If you are a Qualifying DI Holder, no Application Form will be sent to you. Qualifying DI Holders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 5 of Part III of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 5 of Part III of this document by no later than 11.00 a.m. on 27 October 2017.

17. RISK FACTORS

Your attention is drawn to the risk factors in Part II of this document which are important and which should be read in full.

18. RECOMMENDATION

For the reasons given above, the Directors believe that completion of the Fundraising and approval of the Resolutions are in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions as the Directors intend to do or procure that their nominee(s) do in respect of their own beneficial holdings amounting to 17,244,247 Ordinary Shares and/or Depository Interests in aggregate, representing approximately 19.7 per cent. of the issued and voting share capital of the Company as at 5 October 2017 (being the last Business Day prior to the publication of this document).¹

Yours faithfully



Kenneth Randall

Group Chairman & Chief Executive Officer

¹ Note: to be reviewed if there are any related party transaction concerns.

Part II Risk Factors

An investment in the New Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in the New Ordinary Shares. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not purport to comprise all those risks associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following occur, the Company's business, financial condition, capital resources, results and/or future operations could be materially and adversely affected. In this event, the price of the New Ordinary Shares could decline and investors may lose all or part of their investment.

The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective investors should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

A. RISKS RELATING TO THE GROUP

A description of those risks that the Board considers to be the major strategic risks the Company faces follows below.

1. Management of strategic change

This is the risk that the Group fails to manage both the focus on its core competencies and its simultaneous initiatives, as it implements its range of strategic objectives and/or fails to raise the necessary capital to finance its new initiatives. At this juncture, the Group is looking not only to simplify its business model but also to expand and take advantage of emerging opportunities, some of them significant, in its ongoing core areas of activity. Furthermore, the core "Business as Usual" acquisitions pipeline remains strong. All of these activities demand significant manpower and capital and the challenge for the Group is to ensure that limited resource is deployed appropriately at the right time, with commensurate level of management control and oversight.

To this end, the Group Board actively reviews current strategic priorities and returns on its various investments and acquisitions to ensure that the Group continues to focus on areas of core strengths and operates within its predefined Risk Appetite, which is reviewed periodically to ensure it continues to be appropriate.

All operating divisions within the Group are expected to work together to meet strategic divisional and Group objectives. Where there is a lack of understanding, cooperation or potentially even conflict across divisions, there is a risk that these objectives will not be met. The Directors seek to mitigate this risk through regular reporting in the various divisional and Group committees, including the Group Executive Committee, and through a clearly communicated strategy disseminated across the Group. The Group's P.R. representatives also help ensure that the full breadth of the business is understood both internally and externally.

2. Business Development and Growth

This is the risk that the Group fails to identify and harness new business opportunities, and/or its profitability is impaired following the establishment/acquisition of new business.

The Group operates in a competitive environment and faces competition from current and potential competitors. The Group may not be able to compete effectively with such competitors, particularly those with far greater capital resources.

The Group's operations have grown significantly in recent years both organically and through acquisition. Where growth occurs without requisite management controls in place, there is an increased risk that business objectives are not aligned, new business targets not met and costs not adequately managed.

The Group has made numerous acquisitions in recent years and the Directors expect to continue to make such acquisitions. There is no guarantee, however, that there will be any potential acquisitions in the future which meet the Group's criteria.

The insurance run-off industry is competitive. Existing and new competitors may compete with the Group in identifying, assessing and acquiring future run-off companies and businesses, resulting in the Group either being unable to acquire such run-off companies and/or businesses, or only acquiring them at a higher price than the current targets allow, therefore impacting on the Group's growth and profitability.

The acquisition of insurance companies, businesses or portfolios will normally require the approval of the relevant regulator, in respect of, not only the Group, but also of its controllers and potentially the Group's directors and officers. There is no guarantee that the relevant regulators will provide such approval or that the conditions on which the regulators will grant such approval will be acceptable.

The Group may acquire other run-off insurance companies and portfolios of policies as appropriate opportunities become available. Any future acquisition, due to its nature as a run-off business, may have unanticipated litigation or a level of claims against which the Group may have no effective or full redress against the vendors of the company or portfolio of policies, or have much leeway in managing or settling. There may also be integration costs as a result of the acquisition, including potential redundancy related costs. Also, the Group may be unable to manage the run-off of the acquired company or portfolio of policies in accordance with the projections modelled by the Group at the time of the acquisition. Further, any acquisitions may significantly affect the Group's results or operations because the acquisitions will require the attention of the Group's management and may require the diversion of other resources. The negotiation of potential acquisitions as well as the integration of an acquired insurance company or portfolio of policies could result in a substantial diversion of management resources, due to the numerous additional risks such as potential losses from unanticipated litigation or levels of claims or an inability to generate sufficient earnings to offset acquisition costs and financial exposures. Further, any future acquisitions may expose the Group to operational challenges and risks.

If the Group failed to appropriately manage the run-off of the acquisitions or these operational challenges and risks arising from these acquisitions, there might be a material adverse effect on its business, financial condition or results of operations. No assurance can be given that the Group will be able to manage future acquisitions profitably or to integrate such acquisitions successfully without substantial costs, delays or other problems.

The Group's AM Best public ratings (existing and prospective) are, in the view of the Directors, key to attracting future business in all areas, but particularly in Fronting, where the AM Best public ratings are viewed as sign of confidence in the Group's financial credibility and longevity. There is a risk that the Group fails to maintain and/or improve these ratings,

Part II Risk Factors continued

which could have a detrimental effect on the Group's potential to maintain and grow its business. A downturn in the Company's fortunes in terms of its financial performance, share price, creditworthiness, ability to make payments on debt instruments and overall future outlook may well lead to a downgrade in the public ratings. This is because these and other criteria are monitored on an ongoing basis by AM Best and the ratings reviewed at least annually.

In the area of Live Underwriting/Fronting, growth is dependent on maintaining strong relationships with insurance brokers and coverholders/managing general agents ("MGAs"), who are the key source of distribution. The ability of the Syndicates and MGAs to maintain or grow their underwriting is also dependent on the continued support of the existing third party capital providers or the ability of the Group to secure alternative sources of capital. There can be no guarantee that the Group will continue to benefit from third party capital support.

3. Contagion Risk

This is the risk that events elsewhere in the Group, and individual divisional strategies, may be misaligned with the core activities of the Group. This risk stems from the diversity of the Group – both in terms of geographical spread and its various areas of activity, and could arise from a lack of vertical and/or horizontal communication within the Group's hierarchy. Any such misalignment could have an adverse effect on the organisation as a whole – most notably, reputational, as it could affect the views of actual and potential external stakeholders (including, but not restricted to, potential investors and customers).

There is also a more general risk that there is a failure to control and monitor internal and external communications. This could compromise the way in which the Group is viewed by its key external stakeholders – including investors, customers and regulators. Given the diversity of the Group's operations – in terms of geography and the business areas in which the Group operates, control over communications – both external and internal – is key to delivering a clear and unified message, both within and outside the organisation. It is important to communicate a clear and unified strategy to stakeholders and this could be compromised if there were misalignment between the core activities of the Group and individual divisional strategies.

The risk of misalignment is actively overseen by the Group Board. All external communications are channeled via the Executive Director responsible for external communications. Divisional business plans are scrutinised carefully as part of the annual and ongoing budgeting process to ensure consistency and alignment with the Group's overall strategic objectives. The key business and functional heads, along with the Executive Directors, form the Group Executive Committee, who meet regularly to discuss and share information concerning the activities across the Group as a whole and within the operating divisions.

4. Regulatory Compliance and Governance Structure – Solvency II or equivalent

This is the risk that the Group is not Solvency II compliant (or Solvency II compliant under an equivalent regime, such as the Bermuda Monetary Authority) in accordance with local regulatory requirements and expectations.

The Solvency II Directive (2009/138/EC) is a Directive in European Union law that codifies and harmonises the EU insurance regulation. Primarily, this concerns the amount of capital that EU insurance companies must hold to reduce the risk of insolvency.

Solvency II came into effect across the European Union on 1 January 2016 and Bermuda gained Solvency II equivalence in February 2016.

The challenges for the Group have been, and continue to be, around the interpretation and implementation of the Solvency II requirements in multiple jurisdictions (e.g. UK, Malta and Bermuda), and ensuring, as far as possible, consistency whilst addressing the nuances of each jurisdiction and its interpretation of Solvency II. The risk of non-compliance includes (but is not restricted to) the risk of an incorrect interpretation of capital/technical provisions, or an incorrect calculation thereunder, which could lead to regulatory censure and restriction on the ability to conduct business within a particular regime.

To assist the Group with Solvency II compliance, the Group has a well-resourced Actuarial function with significant capital modeling expertise and external help is procured as required. Furthermore,

The Group has a Governance Function to ensure that Compliance, Risk Management and Internal Audit functions are closely aligned. The Risk Management Function is directly responsible for the co-ordination and production of Own Risk and Solvency Assessments and also for the implementation of an effective governance structure around the capital calculation models. The Own Risk and Solvency Assessment is a key Solvency II requirement and encompasses the processes and procedures employed by an insurer to identify, assess, monitor, manage and report the short and long term risks it faces or may face and to determine the capital necessary to ensure that the insurer's overall solvency needs are met at all times.

The Group actively manages its relationships with relevant regulators, which includes regular liaison. The Group is supervised by the Bermuda Monetary Authority ("BMA") where communication is regular and ongoing.

5. Ineffective Cash Flow Management

This is the risk that the Group fails to implement adequate controls over cash flow and liquidity leading to financial shortfalls.

The Group must actively manage its cash flow to ensure that operating cash flow requirements, debt repayments (together with interest payable) and claims payments can be met and the Group's distribution policy sustained. The Group undergoes a thorough annual budgeting process, which includes a monthly Group cash flow projection, against which actual movements are regularly monitored through, for example, the weekly circulation of the cash balances in each of the Group's entities. If cash flows are not managed, this will adversely affect the Group's ability to make acquisitions, meet debt and claims repayments and sustain its distribution policy.

There is a dedicated Group Cash flow, Treasury Management and Invested Assets Function providing focused effort and a tighter control regime. Detailed cash flow reporting and monitoring of adherence to banking covenants is in place, along with a forward looking monitoring of the Group's cash flow projecting the likely liquidity position over a twelve month planning horizon, embedded into the Cash Flow monitoring mechanism. Active and ongoing seeking of alternative financing options is in place, as is ongoing and proactive liaison with the Group's bankers.

The cash position of each of the insurance companies is monitored on a regular basis to ensure that sufficient funds are available to meet liabilities as they fall due. Funds required to meet immediate and short term needs are invested in money market funds or short term deposits. Funds in excess of those required to meet short term needs are managed by external fund managers. The investment performance of the fund managers and pooled funds is closely monitored throughout the year by the Group investment Committee and insurance company boards.

Certain significant management contracts are structured such that fees are payable by clients quarterly or annually in advance, thus providing the Group's Insurance Services Division with working capital. The cash position of each of the service companies is monitored on a regular basis to ensure that sufficient funds are available to meet liabilities as they fall due.

The Group has a five year credit facility with the Royal Bank of Scotland plc which has over four years until expiration.

6. Regulatory Compliance and Governance Structure – General

This is the risk that the Group or one of its component parts breaches legal, regulatory or tax requirements of other jurisdictions in which it has a presence.

The insurance industry is heavily regulated in most jurisdictions. The majority of the insurance companies owned by the Group are subject to the insurance regulatory system in the jurisdictions in which they operate. These companies, and any future acquisitions by the Group, may not be able to maintain the necessary licences, permits and permissions, authorisations or accreditations in jurisdictions in which they currently engage in business or may only be able to do so only at significant cost.

Regulatory agencies covering the Group's jurisdictions will have broad administrative power over many aspects of the Group's insurance business, which for this purpose comprises Insurance and Reinsurance companies, coverholders/managing general agents, captives, protected cell companies, corporate members of Lloyd's and various intermediaries, both active and in run-off. These powers may influence, amongst other things, premium rates, marketing and selling practices, advertising, licensing agents, policy forms, capital adequacy and permitted investments. At the same time, government regulators that operate in the jurisdictions will be concerned primarily with the protection of policyholders rather than shareholders or creditors.

In the United Kingdom, the Group is subject to regulation by the PRA, the FCA and the Council of Lloyd's, whilst in the United States, the Group is subject to the regulations of each of the States in which a Group insurance entity is admitted. In Bermuda, the Group is subject to regulation by the BMA. Each of these regulatory authorities has substantial powers of intervention in relation to the companies and the markets which they regulate, with the ability to remove, restrict or modify the authorisations and licences required by carriers and markets such as Lloyd's to conduct insurance business. Such authorisations and licences are fundamental to the Group's business. Group companies operating within the Lloyd's regulatory environment are also potentially subject to levies made by the Council of Lloyd's to maintain and support the New Central Fund.

In particular, the Council of Lloyd's has wide discretionary powers to regulate members' underwriting at Lloyd's. It may, for instance, vary the method by which the solvency ratio of Lloyd's and that of its members is calculated, vary the investment criteria applicable to funds at Lloyd's or restrict the level of profits distributed. Any of these actions could affect the amount of the Group's underwriting capacity and, consequently, the return on an investment in a given year of account.

Similarly, the PRA and the FCA have wide regulatory powers under FSMA and the Financial Services Act 2012, including the authority to grant, vary the terms of, or cancel a regulated firm's authorisation, to investigate marketing and sales practices and to require the maintenance of adequate financial resources. The PRA and the FCA have the power to take a range of investigative, disciplinary or enforcement actions, including public censure, restitution, fines or sanctions and to award compensation.

The PRA and FCA may make enquiries of the companies which they regulate regarding compliance with regulations governing the operation of business and, like all UK regulated financial service companies, the Group faces the risk that the PRA and the FCA could find that the Group has failed to comply with applicable regulations or has not undertaken corrective action as required.

Regulators in other jurisdictions where the Group operates have broadly similar powers to those of the PRA, FCA and US state regulatory authorities.

In addition, the relevant members of the Group may not be able to comply fully with, or obtain appropriate exemptions from, any amendments to a regulatory regime. Failure to comply with or to obtain appropriate exemptions under any applicable laws could result in restrictions on the Group's ability to conduct business in one or more of the jurisdictions in which it operates and could result in the imposition of fines and other sanctions, each of which could have a material adverse effect on its reputation, financial condition and/or operating results.

Failure to comply with applicable regulations and solvency requirements could result in an impediment to business development and/or a variety of sanctions (for further information, please see paragraph 5 above). The Directors are responsible for ensuring that best practice is applied to ensure regulatory compliance.

In addition, changes in the laws and regulations to which the Group's insurance operations are subject could have a material adverse effect on the Group's business and may increase the costs of complying with such laws and regulations.

A curtailment of certain of the licences held by Lloyd's or a deterioration in the credit rating and standing of Lloyd's could also adversely affect the Group's business and its future development, especially of its active underwriting operations.

The Group operates in several tax jurisdictions around the world. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to a financial penalty for failure to comply with required tax procedures or other aspects of tax law. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions.

There are also specific rules governing the taxation of policyholders. The Group will be unable to predict accurately the impact of future changes in tax law on the taxation of insurance policies in the hands of policyholders. Amendments to existing legislation (particularly if there is the withdrawal of any tax relief or an increase in tax rates) or the introduction of new rules may affect the future long-term business and the decisions of policyholders. The impact of such changes could have a material adverse effect on the Group's business and/or operating results.

The extent and complexity of the legal and regulatory environment in which the Group operates and the products and services the Group offers mean that many aspects of the business involve substantial risks of liability. Any litigation brought against the Group or any companies within it in future could have a material adverse effect on the Group.

In addition, litigation may have a material adverse effect upon the Group's business in that legal decisions between third parties may expand the

Part II Risk Factors continued

apparent scope of legal liabilities, which in turn could increase the amount of claims which have to be paid by the Group, thereby reducing profits. The Group's owned insurance companies are also exposed to potential tort claims including claims for punitive or exemplary damages that could have a materially adverse effect on profitability.

The Group's Governance Function contains the control and assurance functions (Compliance, Risk Management and Internal Audit) which ensure that such functions are closely aligned. The Group ensures that there is regular liaison with local management and recruitment of local expertise where needed. The Group actively manages relationships with all local regulators where the Group has a presence.

7. Retention of key staff and succession planning

This is the risk that the Group is reliant upon the knowledge and expertise of key directors and staff and fails to adequately plan for succession.

Appropriate succession planning arrangements are considered by the Directors to ensure that business operations are not disrupted by the loss of key staff. The Group has developed strength and depth across its management structures and believes its Human Resource policies are appropriate to retain such staff and recruit any appropriately skilled people required. There is a competitive pay and bonus structure which is externally benchmarked. The Development of Reward strategy, commensurate with the Group's overall strategic objectives, is underway and the Group has a Performance Management process in place. The Group also purchases limited amounts of Key Man Insurance in respect of its key underwriters. However, the Group's reputation and standing is still significantly linked to the involvement of its founding directors, Ken Randall and Alan Quilter. A significant amount of knowledge, especially with regard to the terms of acquisition and detail of certain of the insurance company subsidiaries also lies with Ken Randall especially and is not easily replaceable.

8. Capital Adequacy/Availability

This is the risk that the Group or third parties are unable and/or unwilling to continue to invest in Divisional/Group activity.

Annually and on an ongoing basis as required, the Directors work together with the Finance and Management team to consider any requirements for capital to expand the Group's existing operations and to fund the likely acquisition pipeline of legacy insurance assets or investment in further syndicate participations. This capital requirement is monitored on an ongoing basis. The visibility of pipeline acquisitions is however limited and the ability to complete transactions on the terms desired uncertain.

The majority of the Group's insurance entities are subject to external risk based or minimum capital requirements. The Directors have overall responsibility for managing the Group's overall capital base and for maintaining sufficient capital within the Group's insurance entities, including the Funds at Lloyd's requirement to support its syndicate participations to satisfy external regulatory requirements. The Group receives timely information regarding the levels of capital each entity is required to hold and the prevailing surpluses, which facilitates the Group's active capital management strategy. The Group is also required to meet its Group Capital Adequacy Requirement under the BMA requirements, as its Group Supervisor. This obligation requires constant monitoring both of the Group's capital resources and requirements, which may vary, especially following new insurance company acquisitions. The Group's robust monitoring and forecasting processes are designed to confirm compliance on a daily basis.

This risk is mitigated by the management of relationships with all capital providers, including the investment community. Additional sources of

capital are actively sought, and the Group's overall Capital Adequacy is reviewed and assessed at least annually.

9. Investment Returns/Market Risk

This is the risk that the Group fails to realise an adequate return on the invested funds under its control and/or experiences a default on investments held.

The insurance companies in run-off owned by the Group and the syndicates (both run-off and active) on which the Group participates hold significant investments to support their liabilities and their earnings will be affected by the returns achieved on their investment portfolios. Therefore despite the Group's asset and liability management strategies, changes in credit spreads, interest rates, credit ratings, default rates and other economic variables could substantially affect the Group's profitability. The capital value of the Group's investments may fall as well as rise and the income derived from them may fluctuate. A fall in such capital values may adversely affect the Group's solvency position.

The Group's accounting policy in its consolidated financial statements, in relation to the insurance company subsidiaries is not to discount insurance reserves and only to take a provision for future run-off operating expenses if estimated investment income is insufficient over the Group as a whole to cover future anticipated operating expenses. Each Group insurance company is modelled in detail to ascertain the quantum of any provision required, taking into account estimated investment returns, average funds held and operating costs over the expected life of the run-off.

The investments held in the insurance company subsidiaries are subject to market risks, which include interest rate and credit risk. Returns may not therefore meet expectations or losses may materialise. To mitigate these risks the Group has an Investment Committee, formed of all the Executive Directors which advises the boards of the insurance company subsidiaries on asset allocation and manager selection. The Investment Committee is also assisted by an independent investment advisor. Timely and accurate performance information is regularly made available to both the Group Investment Committee and boards of insurance company subsidiaries to assist active management, which the Group believes is vital in this prolonged period of low interest rates and economic uncertainty. The vast majority of securities held by the Group are investment grade and credit spread duration is kept low.

The level of funds held in the insurance company subsidiaries may also decrease faster than anticipated due to accelerated claims payments and this may have an impact on the sufficiency of investment income to meet operating expenses, provided the latter does not reduce proportionately.

The Group's main exposure to fluctuation in interest rates arises in its effect on the value of funds invested in bonds. In order to mitigate this risk, the Group investment committee and insurance company boards, together with the external investment managers, attempt to anticipate any future interest rate movement and to take appropriate action to mitigate its effect on the value of investments held. The Group is also exposed to credit risk through holding collateralised loan obligations, mortgage backed securities, corporate bonds and loans, depending on actual default rate and/or changes in the perceived default rates, which may fluctuate over time. The Group is therefore exposed to absolute loss and mark to market movements in the valuations of these securities.

The Group has businesses with funds, assets, investments and liabilities denominated in currencies other than sterling and may, from time to time, experience losses resulting from fluctuations in the values of US dollars, Euros and other non-UK currencies, which could adversely affect its operating results. Where possible, the Group manages the impact of this

risk by broadly matching the currency of assets and liabilities. The Group however holds the surplus of the US insurance companies in US dollars and there is thus an impact on the Group's consolidated net asset position as a result of any fluctuations between Sterling and the US dollar. The Group has in the past hedged this exposure at times and the cost-benefit of such protection is regularly assessed.

Individual operating entities will define local investment risk criteria within the context of the overall Group appetite, which may be agreed in excess of the aggregate Group limits to reflect one or more of the following criteria, subject to the aggregate Group portfolio remaining within the Group's criteria:

- The treatment of asset classes for the purposes of admissibility, and the calculation of, capital requirements according to local regulatory and/or rating agency requirements.
- The specific risk/reward profile of potential investment opportunities within the local market.
- The economies of scale and practicalities associated with the management of investments.

10. Inappropriate Reserving Methodology/Reserving

This is the risk that the Group adopts a reserving methodology that produces incorrect reserving, exposing the Group to reserving risk and presenting liquidity and profitability issues and also potential litigation. Incorrect reserving can also arise if the process does not take account of all relevant information (e.g. historical loss data, emerging legislation) leading to over or understated reserves.

Reserves are monies earmarked for a specific purpose. Insurers establish unearned premium reserves and loss reserves which are indicated on their balance sheets. Unearned premium reserves show the aggregate amount of premiums that would be returned to policyholders if all policies were canceled on the date the balance sheet was prepared. Loss reserves are estimates of outstanding losses, loss adjustment expenses ("LAEs"), and other related items.

Reserve risk is a key risk to the Group given its large portfolio of insurance companies either in run-off or accepting legacy transactions of lines of business which in many cases have a long tail (e.g. US Workers' Compensation, Asbestos and Noise Induced Hearing Loss).

Reserve risk represents a significant risk to the Group in terms of both driving required capital levels and the threat to volatility of earnings. In the Group's run-off entities, reserve risk represents the most significant source of risk concerning balance sheet items.

On an ongoing basis, the Group manages reserve risk through application of an appropriate reserving approach to existing live and run-off portfolios and the performance of extensive due diligence on new run-off portfolios prior to acceptance.

The Group's Actuarial function generates best estimates utilising information in respect of actual or anticipated developments in conjunction with annual Independent Statements of Actuarial Opinion. As well as annual Independent Statements of Actuarial Opinion, the Group supplements the reserve reviews conducted by the in house actuarial team with ad-hoc reviews and benchmarking provided by external consultancies as appropriate. The actuarial best estimates are reviewed by both individual company boards and the Group Board and Audit Committee.

Downside reserve risk is also managed through the effective use of reinsurance on live underwriting portfolios and through taking over the inuring reinsurance treaties in place in respect of acquired run-off portfolios (taking due note of any provisions for bad debts or adjustments for doubtful recoveries).

Where appropriate, the Group mitigates reserve risk through the use of Adverse Loss Development Cover.

11. Reliance on Group IT and communications

The Group may be unable to operate efficiently or in a timely manner in the event of a partial or complete failure of the IT infrastructure and/or telephone systems. This is particularly important for the Group's active underwriting operations which rely on efficient and timely communications and will not tolerate well a failure of IT communications.

The Group operates from a number of different locations (e.g. UK, US and Bermuda) where it faces different challenges in terms of maintaining and protecting its IT infrastructure and telephone systems. Any failure of IT infrastructure and/or telephone systems affects the ability of the Group to conduct its business, and any failure in a specific location can have a knock-on effect on operations in other locations.

The Group keeps its IT and communications systems under continual review and conducts disaster regular recovery testing (both at a local and Group level) to check the effectiveness of IT models. The Group has a dedicated Business Continuity Manager who oversees the application of the Business Continuity/Disaster recovery plan, and the testing thereof.

12. Cyber risk

This risk has arisen from rapid technological advances, particularly in the area of social media. This risk is increased by the Group's extensive array of legacy systems and the information which is inherited by the Group through acquisition.

Cyber-attacks or information security failures can take many forms, and include (but are not restricted to):

- Generally, breaches of the Group's Corporate Information Security Policy
- More specifically, breaches of Data Protection legislation
- Organised crime entities
- Phishing
- Viruses, worms, malware, hacks
- Denial of service attacks
- Data corruption

Cyber-attacks or information security failures could have a significant adverse impact on the reputation of the Group and its relationships with its customers and other stakeholders. It could also lead to sanctions and penalties from the Group's regulators.

The Group has developed, maintained and embedded a robust information risk management system. This system is underpinned by an "empowered" Information Security Governance Structure. The major components of this Structure are: a Corporate Information Risk Policy, dedicated information security personnel and compliance, where relevant, with ISO/IEC 27000 standards. A "lifecycle approach" is adopted to ensure that the process takes account of ongoing business change and technological advances.

Part II Risk Factors continued

13. Reinsurer Counterparty Risk

The Group is exposed to reinsurer counterparty default in respect of both its live and fronting underwriting activity and run-off activity.

Traditionally, much of the Group's counterparty exposure has been in respect of inuring treaties from legacy acquisitions over which there is no direct control. However, the Group assesses potential exposures and concentrations as part of its due diligence procedures in advance of accepting a new portfolio. Active commutation strategies have, in the past, been deployed to extinguish old reinsurance counterparty debt.

However, fronting activity in R&Q Malta and Accredited has led to the selection of appropriate reinsurance counterparties for which R&Q Malta and Accredited act as fronting insurers. Only reinsurers with a sound credit rating (a- or above) or who are able to supply collateral, are selected.

The Group continues to monitor significant concentrations of exposure to individual counterparties. Each individual division develops processes that are appropriate and proportionate to its business to limit and monitor concentrations to individual counterparties to within acceptable levels. The Group's Reinsurance Assets Committee identifies and manages potential significant aggregate concentrations to individual counterparties arising from exposure across multiple R&Q entities.

Notwithstanding the Group's efforts to contain and monitor its exposure and concentration to individual counterparties and to maintain quality within its reinsurance assets, there is no guarantee that an insurer may not default, particularly if it has unexpectedly been exposed to significant market-wide losses. The Group considers the use of commutations and/or the use of additional Adverse Development Cover to mitigate the potential risk of default.

B. RISK MANAGEMENT: INSURANCE COMPANIES AND SYNDICATES

1. Risk management

The activities of the Group's subsidiary insurance companies (live and run-off) and Lloyd's syndicates expose each of them to financial and non-financial risks. Other than as reported in Note 3 to the audited accounts of the Group for the financial year ended 31 December 2016, the Company and its other subsidiaries bear no financial responsibility for any liabilities or obligations of individual risk bearing entities. Should any of the insurance companies cease to be able to continue as a going concern, any loss to the Company and its other subsidiaries is restricted to the book value of their investment in that individual insurance company and any intra group balances due by them or due to them.

Although the Directors strategically manage the risks within the Group, it is the responsibility of the Directors of the insurance companies to adhere to the Group's ethos in managing their company's exposure to these risks and, where possible, introduce controls and procedures that mitigate the effects of the exposure to risk.

2. Insurance risk

The very nature of insurance business is that insurers are exposed to the possibility that claims will arise on business written. The risk attaching to insurance contracts is based on the fortuity that events will occur which will lead to a claim under the contract.

The main insurance risks which affect the insurance companies and Lloyd's syndicates (both run-off and active) on which the Group participates are:

- **Pricing risk** – the risk that coverage provided by the Group's insurance policies is inadequately priced, resulting in underwriting losses which in turn could lead to capital impairment.

- **Claims risk** – a series of claims in respect of a latent liability that the insurance industry is not currently aware of and/or a higher level of attritional losses and catastrophe related losses than anticipated and/or modelled on the policies underwritten in the active syndicates.
- **Reinsurance/Credit risk** – the risk that the reinsurers of the insurance companies will dispute the coverage of losses and/or inadequate or inappropriate reinsurance cover, especially of large catastrophe related losses in the active syndicates on which the Group participates.
- **Legal risk** – changes in statute or legal precedent.
- **Reserving risk** – failure to adopt the correct reserving techniques exposes the Group to reserving risk and may present liquidity issues. The Directors actively manage this risk through the appointment of both internal and external actuaries to perform all reserve calculations.
- **Exposure Management** – the risk of failure to identify, monitor and manage accumulations of losses from catastrophic or generic events.

3. Commutations and accelerated run-offs may not be possible

A major element of the Group's proposed operations is for the Group insurance companies to enter into commutations with its policyholders, thereby allowing them to accelerate the run-off process. However, changes in market conditions (such as the availability of insurance from other insurers, and developments which may increase the policyholder's perception that it should retain the cover rather than commute the cover) may result in policyholders being reluctant to enter into commutations at all or on terms which are unfavourable to the Group insurance companies. The inability to commute policies successfully on favourable terms due to changes in market conditions could adversely affect the Group's profits, and its ability to accelerate the run-off and extract capital from the businesses and the operations of the Group insurance companies. Furthermore, the terms of any reinsurance contracts may impose constraints on the extent to which claims may be settled or commuted without the reinsurer's consent. Such consent may not be forthcoming.

4. Reinsurance receivables

There is a credit risk on reinsurance receivables in the owned companies, managed syndicates and fronting operation (see also paragraph 13 of Part A above). Reinsurance receivables are evaluated each quarter as to credit risk and existing bad debt provisions are evaluated as to adequacy.

The carrying value (i.e. original acquisition cost) of the insurance debt acquired by the Group in the Insurance Investments Division may also prove to be overstated and/or may not be realisable.

There is a risk that structured settlements with a number of life companies which had been negotiated prior to the Group's acquisition of R&Q Reinsurance Company and Transport Insurance Company to settle certain of their liabilities may not pay out if the life companies were to default.

5. Lloyd's market risks relating to 1992 and prior business

No corporate members, including members of the Group, participated in Lloyd's in 1992 and prior years' business. Equitas was established to reinsure and run-off the 1992 and prior years' non-life liabilities of Lloyd's "Names" or Lloyd's underwriters. National Indemnity Company, a member of the Berkshire Hathaway group of companies, has reinsured Equitas Insurance Limited's liabilities and another member of the Berkshire Hathaway group, Resolute Management Services Limited, has taken over responsibility for the run-off. However, in the event that Equitas Insurance

Limited and National Indemnity Company were to fail or were to meet their respective liabilities by a proportionate cover plan and then pay claims at the appropriate reduced rate, the Group, and other insurance businesses which the Group may acquire in the future, could still be adversely affected. This is because, in those circumstances, Lloyd's would be required to consider whether it wished to make good any shortfall or replenish the regulatory deposits that may have been used to meet policyholder claims. This could require the use of the Central Fund following prior approval of Lloyd's members in an extraordinary general meeting. If the Central Fund is used for these purposes, an additional Central Fund Levy could be imposed, subject to approval by vote, on all Lloyd's members underwriting on the relevant years of account.

6. Terrorism

The Group is exposed to the impact of terrorist activity on certain of its businesses and cannot rely upon individual governments to underwrite its exposure. Following the terror attacks on the United States on 11 September 2001, the implementation of legislation in jurisdictions such as the United Kingdom, Australia and the United States provides for a governmental backstop by way of reinsurance protection for certain insured risks. There is no guarantee, however, that this protection will be extended to provide the Group with coverage for any exposure to such events. Given current global tensions, future terrorist activity leading to insurance losses is possible and any such losses could have a material adverse effect on the Group's financial condition and/or operating results.

7. Bail risk

In addition to the Group utilising its licences to write program business and also acting as a conduit for certain legacy transactions, the Group's US subsidiary, Accredited Surety and Casualty Company Inc., writes bail bonds in the United States.

Bail business has a significantly different set of risk drivers from the other activities within the Group. Bail bonds are written via a network of bail agents and the principal operational risks centre around control of these agents, ensuring that they adhere to the authorities granted to them, control over the premiums charged and also the process of bail forfeiture where collateral taken fails. The company has a robust and improving control environment in this area, including around the preapproval and ongoing monitoring of agents' activities. However the nature of the business and reliance on the agent network means that it is not possible to extinguish the risks of agent/bail default completely.

C. RISK MANAGEMENT: SERVICE COMPANIES

1. Service companies

The activities of the Group's service companies expose each of them to financial and non-financial risks.

Although the Directors strategically manage the risks within the Group, it is the responsibility of the directors of the service companies to adhere to the Group's ethos in managing the companies' exposures to these risks and, where possible, introduce controls and procedures that mitigate the effects of the exposure to risk.

2. Credit write-back

The Group is a provider of legacy services to (re)insurers, brokers and a variety of insurance related third parties. As part of this service offering, the Group may acquire a broker in run-off or a service provider who specialises in broker related issues or the management of difficult or aged portfolios. In doing so the Group becomes responsible for the on-going administration and all contractual obligations and must ensure that funds held within such companies are meticulously identified and tracked as they pass through the fiduciary process. In acquiring legacy brokers or

portfolios of this nature it is possible that the Group may inherit a shortfall or an excess of held funds within the company's debtor and creditor ledgers. In such instances the Group must make good any shortfalls and may, after an extensive review, take credit for any excess cash.

Before taking credit for any excess cash, the Group must follow its own strict write back policy and the Board must be satisfied that the funds remain unexplained credit balances. The Board undertakes to pay any third party who subsequently comes forward and lays claim to the balance and is able to provide reasonable evidence of ownership. In reality this is extremely unlikely to happen as credit write backs are, in the main, related to aged transactions/payments (between 6 and 25 years) caused by poor or inefficient accounting practices of the relevant entity prior to acquisition which made identification extremely difficult.

3. Dependence on clients

The service companies derive a significant proportion of their income from management contracts, which vary in length by up to five years. Failure to retain key clients on renewal will have an adverse impact on income. The Group enjoys a diverse client base with no single contract accounting for more than 10 per cent. of service income.

D. RISK MANAGEMENT: UNDERWRITING MANAGEMENT

1. Strategic/capital risk

The Group manages the Lloyd's syndicates in return for a managing agency fee, management charges and profit commission out of which it must meet retained expenses. The Group must maintain certain regulatory solvency surpluses to maintain an adequate capital base and to this end, the Group monitors its financial position by way of quarterly management accounts and weekly cash flow reports and action would be taken to maintain the regulatory solvency position where appropriate.

2. Operational risk

This is the risk that errors caused by people, processes, systems or external events lead to losses to the Lloyd's syndicates. The Group seeks to manage this risk with detailed policies and procedures addressing each potential source of operational risk and a structured programme of testing of processes and systems by internal audit.

3. Legal and regulatory risk

The Group's approval as a Managing Agent of Lloyd's syndicates is subject to continuing approval by the Council of Lloyd's, the FCA and the PRA. The risk of this approval being removed is mitigated by monitoring and fully complying with all requirements in relation to a Lloyd's Managing Agent and the operation of its managed syndicates.

E. GENERAL

1. Forward-looking statements

This document includes forward-looking statements concerning the Group. Forward-looking statements are based on current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group. Subject to the Company's continuing obligations under the AIM Rules and applicable laws and regulations, the Group undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

F. RISKS RELATING TO THE NEW ORDINARY SHARES

1. Conditionality of the Fundraising

The Fundraising is conditional upon, among other things, Admission. In the event that any condition to which Admission is subject is not satisfied or, if capable of waiver, waived, Admission will not be implemented.

Part II Risk Factors continued

2. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, many of which may be out of the Company's control

The share price of publicly traded companies can be highly volatile and subject to wide fluctuations in price in response to a variety of factors. The price at which the Ordinary Shares may be quoted and the price which Shareholders may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations, and some which may affect the industry as a whole or quoted companies generally.

These factors include those referred to in this Part II as well as, amongst other things, changes in government policies, changes in legislation and economic conditions, fluctuations in the Company's operating results, changes in economic performance or market valuations of similar businesses, announcements by the Company or its competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments, additions or departures of key personnel, litigation and press, newspaper and other media reports. In addition, the Ordinary Shares may not be traded in sufficient volumes to give share liquidity to Shareholders.

Stock markets have also from time to time experienced extreme price and volume fluctuations, which have affected the market prices of securities and which have often been unrelated to the operating performance of the companies affected. These broad market fluctuations, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Group while others of which may be outside the Group's control.

3. AIM

The New Ordinary Shares will be traded on AIM and no application is being made for the admission of the Ordinary Shares to the Official List. AIM has been in existence since June 1995 but admission to AIM should not be taken to imply that there is or will be a liquid market in the Ordinary Shares. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. 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 authorised under FSMA who specialises in advising on the acquisition of shares and other securities. An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Group and he/she may lose all of his/her investment.

4. Investment risk

An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. The Ordinary Shares may be illiquid and, accordingly, an investor may find it difficult to sell Ordinary Shares, either at all or at an acceptable price. Consequently, it might be difficult for an investor to realise his/her investment in the Group and he/she may lose all of his/her investment.

Investors should be aware that the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various facts and events, including the availability of information for determining the market value of an investment in the Group, any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. The Ordinary Shares may, therefore, not be suitable as a short term investment.

5. No guarantee that the Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Company's Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded could decline.

6. Future issues of Ordinary Shares will result in immediate dilution

The Group may require additional capital in the future which may not be available to it. If available, future financings to provide this capital may dilute shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on and/or increase the volatility of the market price of the Ordinary Shares.

Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Fundraising.

The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

In addition, the issue of additional Ordinary Shares by the Company, or the possibility of such issue or exercise, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price.

7. Future sale of Ordinary Shares

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market. Any such sales, or the perception that such sales might occur, could result in a material fall in the market price of the Ordinary Shares.

8. Risks relating to Open Offer entitlements

If a Shareholder does not take up his Open Offer Entitlement, his interest in the Company will be diluted. Shareholders' proportionate ownership and voting interest in the Company will be reduced pursuant to the Fundraising. In addition, to the extent that Shareholders do not take up their Open Offer Entitlement, their proportionate ownership and voting interest in the Company will be further reduced.

9. Risks relating to US securities legislation

The New Ordinary Shares have not been, nor will they be, registered under the US Securities Act and there are restrictions on transfer under the US Securities Act. The New Ordinary Shares are being offered and sold outside the United States in transactions exempt from the registration requirements of the US Securities Act in reliance on Regulation S under the US Securities Act. The New Ordinary Shares may not be offered, sold or delivered in or into the United States unless the transfer is registered under the US Securities Act, or an exemption from the registration requirements of Section 5 of the US Securities Act provided by section 4(2) under the US Securities Act or another applicable exemption is available.

Only the Company is entitled to register the Ordinary Shares under the US Securities Act and the Company has no obligation to do so. The Company can give no assurances that an exemption from registration under the US Securities Act will be available to any subscribers for or purchasers of Ordinary Shares.

10. The rights of New R&Q Shareholders will be governed by Bermuda law and regulations

The rights afforded to Shareholders will be governed by applicable Bermuda law and regulations and by the Bye-Laws. The rights of Shareholders under Bermuda law are different and in certain circumstances the treatment of Shareholders could be less favourable than it would be under UK law.

Some of the directors of the Company are not residents of the United Kingdom, and a substantial portion of the Company's assets are located outside the United Kingdom. As a result, it may be difficult for investors to effect service of process in the United Kingdom on those persons or to enforce judgments obtained in foreign courts against the Company or those persons who may be liable under foreign law, although The Judgments (Reciprocal Enforcement) Act 1958 of Bermuda may, in certain cases, facilitate the enforcement of a judgment obtained in a foreign court which is situated in a country to which The Judgments (Reciprocal Enforcement) Act 1958 applies.

The Bye-Laws contain provisions that could make it more difficult for a third party to acquire Company without the consent of the board of directors. In particular, these provisions include limitations on the acquisition of additional shares above certain thresholds.

These provisions could make it more difficult for a third party to acquire the Company, even if the third party's offer may be considered beneficial by many Shareholders. As a result, Shareholders may be limited in their ability to obtain a premium for their Ordinary Shares.

11. The Company is not subject to the Takeover Code

The Takeover Code will not apply to the Company and Bermuda law does not contain any provisions similar to those contained in the Takeover Code applicable in the UK which are designed to regulate the way in which takeovers are conducted. As a result, a takeover offer for the Company will not be regulated by the UK Panel on Takeover and Mergers. The Bye-Laws contain certain takeover protections, although these will not provide the full protections afforded by the Takeover Code and enforcement of such provisions will be the responsibility of the Board and not any regulatory authority.

The risks noted above do not necessarily comprise all those potentially faced by the Group and are not intended to be presented in any assumed order of priority.

Although the Directors will seek to minimise the impact of the risk factors, including those noted above, investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorised under the FSMA who specialises in investments of this nature before making any decision to invest.

Part III Terms and Conditions of the Open Offer

1 INTRODUCTION

As explained in Part I of this document, the Company is proposing to raise proceeds of up to approximately £47.6 million (net of expenses) by the issue of up to 38,192,837 New Ordinary Shares at the Issue Price through the Firm Placing and Open Offer.

34,883,720 of the New Ordinary Shares are proposed to be issued pursuant to the Firm Placing and up to 3,309,117 New Ordinary Shares are proposed to be issued pursuant to the Open Offer.

Further details of the Firm Placing and Open Offer are set out in this Part III.

The Open Offer is an opportunity for Qualifying Shareholders to apply for in aggregate 3,309,117 Open Offer Shares *pro rata* to their current holdings at the Issue Price.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlements in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements as at the Record Date.

The Fundraising is conditional on, amongst other things, the passing of the Resolutions at the General Meeting, the Firm Placing and Open Offer Agreement becoming unconditional in all respects (save for the condition relating to Admission) and Admission.

The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares and will together represent approximately 30.3 per cent. of the Enlarged Share Capital. As a result of the issue of the New Ordinary Shares, the Company's net assets will be increased by approximately £47.6 million. The issue of the New Ordinary Shares will have no effect on the Company's earnings, save for interest that may be earned on the net proceeds of the Fundraising.

2 TERMS AND CONDITIONS OF THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying non-CREST Shareholders, the Application Form), each Qualifying Shareholder (other than Shareholders with a registered address or located in Restricted Jurisdictions) is being given an opportunity to apply for Open Offer Shares at the Issue Price (payable in full on application and free of all expenses) on the following *pro rata* basis:

1 Open Offer Share at 129 pence each for every 26 Existing Ordinary Shares

held and registered in their name as at the Record Date. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' entitlement. Any fractional entitlements will be aggregated, rounded down to the nearest whole number, and then made available under the Excess Application Facility. Further details in relation to the procedure for application and payment for the Open Offer Shares and Excess Shares are set out in paragraphs 4 and 5 of Part IV ("**Questions and Answers about the Open Offer**") of this document.

The Issue Price represents a discount of approximately 11.9 per cent. to the Closing Price for an Ordinary Share of 146.5 pence on 4 October 2017 (being the latest practicable date prior to the announcement of the Firm Placing and Open Offer).

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

Entitlements, as will holdings under different designations and in different accounts.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore New Ordinary Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer, and Qualifying Shareholders who do not apply to take up their entitlements will have no rights to, nor receive, any benefit under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided that they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part IV ("**Questions and Answers about the Open Offer**") of this document and, for Qualifying non-CREST Shareholders, the Application Form. Qualifying DI Holders will have their Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 5 of this Part III ("**Terms and Conditions of the Open Offer**") for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying DI Holders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

The aggregate number of Open Offer Shares available for application pursuant to the Open Offer is 3,309,117 Open Offer Shares. The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. The attention of Qualifying Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document or an Application Form into a jurisdiction other than the UK is drawn to paragraph 8 of this Part III ("**Overseas Shareholders**"). In particular, Shareholders with a registered address or located in a Restricted Jurisdiction will not be sent this document or the Application Form, and will not have their CREST stock accounts credited with Open Offer Entitlements.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of their issue.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying DI Holders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts by 9 October 2017.

Application has been made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 31 October 2017.

Neither the Firm Placing nor the Open Offer are underwritten.

The Firm Placing and Open Offer are conditional, amongst other things, upon:

- (i) the passing of all of the Resolutions;
- (ii) the Firm Placing and Open Offer Agreement having become or being declared unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (iii) Admission of the New Ordinary Shares becoming effective by no later than 8.00 a.m. on 31 October 2017 or such later time and/or date (being no later than 8.30 a.m. on 24 November 2017) as Numis, Shore Capital and the Company may agree.

If any of the conditions are not satisfied or waived (where capable of waiver by 8.00 a.m. on 31 October 2017 (or such later time and/or date as the Company, Numis and Shore Capital may agree being not later than 8.30 a.m. on 24 November 2017)), the Firm Placing and Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies received from the Firm Placees and/or Qualifying Shareholders will be returned to them (at the risk of these investors and without interest), as soon as possible thereafter. No temporary documents of title will be issued in respect of the Open Offer Shares held in uncertificated form. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Depositary Interests representing the Existing Ordinary Shares are already CREST-enabled. No further application for admission to CREST is required for the New Ordinary Shares and all of the New Ordinary Shares when issued and fully paid may be held and transferred through Depositary Interests by means of CREST. Applications will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST as participating securities.

Subject to the conditions above being satisfied and save as provided in this Part III, it is expected that:

- (i) Computershare will instruct Euroclear to credit the appropriate stock accounts of Qualifying DI Holders (other than DI Holders with a registered address or located in Restricted Jurisdictions) with such Qualifying DI Holders' CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements with effect from 8.00 a.m. on 9 October 2017;
- (ii) New Ordinary Shares in uncertificated form will be credited by 8.00 a.m. on 31 October 2017 to the appropriate stock accounts of relevant Qualifying DI Holders who have submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company; and
- (iii) share certificates for the New Ordinary Shares held in certificated form will be despatched by post within 14 days of Admission to relevant Qualifying non-CREST Shareholders who have submitted a valid application for New Ordinary Shares by submitting the Application Form and whose applications have been accepted by the Company.

Qualifying Shareholders taking up their Open Offer Entitlement will be deemed to have given the representations and warranties set out in the subparagraphs with the heading "**Effect of Application**" in paragraph 4 of this Part III (in the case of Qualifying non-CREST Shareholders), and paragraph 5 of this Part III (in the case of Qualifying DI Holders) unless, in each case, such requirement is waived by the Company. All Qualifying Shareholders taking up their rights under the Open Offer will be deemed to have given the representations and warranties set out in paragraph 8 of this Part III ("**Overseas Shareholders**").

All documents and cheques posted to or by Qualifying Shareholders and/or their transferees (or their agents, as appropriate) will be posted at their own risk.

The attention of Overseas Shareholders is drawn to paragraph 8 of this Part III which forms part of the terms and conditions of the Fundraising.

References to dates and times in this document should be read as subject to adjustment. The Company will make an appropriate announcement to an RIS giving details of any revised dates or times.

If you have sold or otherwise transferred all your Existing Ordinary Shares before the Ex-entitlement Date, you are not entitled to participate in the Open Offer. Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore New Ordinary Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer, and Qualifying Shareholders who do not apply to take up their entitlements will have no rights to, nor receive, any benefit under the Open Offer. Qualifying non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded or otherwise transferred. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

3 ACTION TO BE TAKEN IN CONNECTION WITH THE OPEN OFFER

The action to be taken in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has received an Application Form in respect of his entitlement under the Open Offer or has had his Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.

If you are a Qualifying non-CREST Shareholder and you are not a Shareholder with a registered address or located in a Restricted Jurisdiction, please refer to paragraph 4 and paragraphs 7 to 12 (inclusive) of this Part III.

If you are a Qualifying DI Holder and you are not a Shareholder with a registered address or located in a Restricted Jurisdiction, please refer to paragraph 5 and paragraphs 7 to 12 (inclusive) of this Part III.

Qualifying non-CREST Shareholders who wish to deposit their Open Offer Entitlements into CREST, or Qualifying DI Holders who wish to withdraw their Open Offer Entitlements from CREST, should read paragraph 6 of this Part III.

Qualifying DI Holders who are CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to apply under the Open Offer in respect of the CREST Open Offer Entitlements of such members held in CREST.

CREST members who wish to apply under the Open Offer in respect of their CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to above.

Part III Terms and Conditions of the Open Offer continued

4 ACTION TO BE TAKEN BY QUALIFYING NON-CREST SHAREHOLDERS

General

Save as provided by paragraph 8 of this Part III in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will have received an Application Form with this document. The Application Form sent to each such Qualifying non-CREST Shareholder sets out:

- (A) in Box A, the number of Existing Ordinary Shares registered in such person's name at the Record Date (on which a Qualifying non-CREST Shareholder's entitlement to New Ordinary Shares is based);
- (B) in Box B, the maximum number of Open Offer Shares for which such person is entitled to apply under the Open Offer, taking into account that they will not be entitled to take up any fraction of a New Ordinary Share arising when their Open Offer Entitlement was calculated;
- (C) in Box C, how much they would need to pay in sterling if they wish to take up their Open Offer Entitlement in full;
- (D) the procedures to be followed if such Qualifying non-CREST Shareholder wishes to convert all or part of his Open Offer Entitlement into uncertificated form; and
- (E) instructions regarding acceptance and payment, consolidation and splitting.

Qualifying non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so by completing Boxes E to G of the Application Form. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

The instructions and other terms set out in the Application Form constitute part of the terms and conditions of the Open Offer to Qualifying non-CREST Shareholders.

The latest time and date for receipt of the Application Forms and payment in full will be 11.00 a.m. on 27 October 2017.

The New Ordinary Shares are expected to be issued on 31 October 2017. After such date the New Ordinary Shares will be freely transferable by written instrument of transfer, and will be either in registered (or uncertificated) form, or, if they have been issued in or converted into uncertificated form, in electronic form under the CREST system.

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

Qualifying Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy.

Bona fide market claims

Applications to acquire Open Offer Shares may only be made on the

Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Ordinary Shares through the market prior to 8:00 a.m. on 6 October 2017 (being the date upon which the Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer). Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims made prior to 3.00 p.m. on 25 October 2017.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Ordinary Shares prior to the date upon which the Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer (being 8.00 a.m. on 6 October 2017), should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee (a "*bona fide* market claim").

Qualifying non-CREST Shareholders who have sold all of their registered holdings prior to 8.00 a.m. on 6 October 2017 should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee (if known). The Application Form should not, however, be forwarded to or transmitted in or into the Restricted Jurisdictions.

Qualifying non-CREST Shareholders who have sold or otherwise transferred part only of their registered holdings prior to 8.00 a.m. on 6 October 2017 should, if the market claim is to be settled outside CREST, complete Box J of the Application Form and immediately deliver to Computershare the Application Form, together with a letter stating:

- (i) the number of replacement Application Forms required (being one for the Qualifying non-CREST Shareholder in question and one for each of the purchasers or transferees);
- (ii) the total number of Existing Ordinary Shares to be included in each replacement Application Form (the aggregate of which must equal the aggregate number of Existing Ordinary Shares held by such Qualifying non-CREST Shareholder prior to the part-transfer or disposal); and
- (iii) the total number of Open Offer Entitlements to be included in each replacement Application Form (the aggregate of which must equal the number shown in Box B of the original Application Form being returned with such letter),

so as to be received by 3.00 p.m. on 25 October 2017. Computershare will then create new Application Forms, mark the Application Forms "Declaration of sale or transfer duly made" and send them by post to the person submitting the original Application Form.

Application procedures

Qualifying non-CREST Shareholders who wish to apply to subscribe for Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) must return the Application Form in accordance with the instructions thereon. Qualifying non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications by Qualifying Shareholders will be returned to the applicant (at the applicant's risk), without payment of interest, as soon as practicable thereafter.

Completed Application Forms should be posted in the accompanying pre-paid envelope (in the UK only) or delivered by hand (during normal office hours only) to Computershare (who will act as the Company's receiving agent in relation to the Open Offer) so as to be received by Computershare by no later than 11.00 a.m. on 27 October 2017, after which time, subject to the limited exceptions set out below, Application Forms will not be valid. Applications delivered by hand will not be checked upon delivery and no receipt will be provided. Qualifying non-CREST Shareholders should note that applications to subscribe for Open Offer Shares, once made, will be irrevocable and receipt thereof will not be acknowledged.

If an Application Form is being sent by first-class post in the UK, Qualifying non-CREST Shareholders are recommended to allow at least four Business Days for delivery. Completed Application Forms should be returned together with a cheque or banker's draft in sterling made payable to "CIS PLC re R&Q" for the full amount payable on acceptance, by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 27 October 2017.

Payment in sterling

All payments must be made by cheque or banker's draft in sterling made payable to "CIS PLC re R&Q". Third party cheques may not be accepted except building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the application. Cheques or banker's drafts must be drawn on an account at a bank or building society or a branch of a bank or building society which must be in the UK, the Channel Islands or the Isle of Man and which is either a settlement member of Cheque & Credit Clearing Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by either of those companies. Cheques and banker's drafts must bear the appropriate sorting code number in the top right-hand corner. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Computershare 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 acceptances 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 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.

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, Computershare shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall

be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Computershare, Numis, Shore Capital or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders as a result.

All enquires in connection with the Application Forms should be addressed to Computershare on 0370 707 4040 or, if phoning from outside the UK, on +44 (0)370 707 4040. Calls may be recorded and monitored randomly for security and training purposes.

Incorrect sums

If an Application Form encloses a payment for an incorrect sum, the Company through Computershare reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying non-CREST Shareholder in question without payment of interest; or
- (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 Qualifying non-CREST Shareholder in question without payment of interest, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying non-CREST Shareholder in question without payment of interest, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Computershare in respect of Open Offer Shares will be held in a separate client account.

The Excess Application Facility

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying non-CREST Shareholder to apply for Excess Shares. Qualifying non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Boxes E to G of 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, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Qualifying non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out in the Application Form.

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

Part III Terms and Conditions of the Open Offer continued

Discretion as to validity of acceptances

If payment is not received in full by 11.00 a.m. on 27 October 2017, the offer to subscribe for Open Offer Shares will be deemed to have been declined and will lapse. However, the Company may, but shall not be obliged to, treat as valid (a) Application Forms received through the post after 11.00 a.m. on 27 October 2017; and (b) acceptances in respect of which a remittance is received prior to 11.00 a.m. on 27 October 2017 from an authorised person (as defined in section 31(2) of FSMA) specifying the number of New Ordinary Shares to be acquired and undertaking to lodge the relevant Application Form, duly completed, in due course but, in any event, within two Business Days.

The Company may also (in its absolute discretion) treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required. The Company reserves the right to treat as invalid any application or purported application for the New Ordinary Shares pursuant to the Fundraising that appears to the Company to have been executed in, despatched from, or that provides an address for delivery of definitive share certificates for New Ordinary Shares in a Restricted Jurisdiction.

Effect of Application

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. By completing and delivering an Application Form the applicant:

- (A) represents and warrants to the Company, Numis and Shore Capital that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (B) agrees with the Company, Numis and Shore Capital that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (C) confirms with the Company, Numis and Shore Capital that in making the application he is not relying on any information or representation other than that contained in this document, and the applicant accordingly 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 so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information contained in this document (including information incorporated by reference);
- (D) represents and warrants to the Company, Numis and Shore Capital that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (E) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form, subject to the Bye-Laws;
- (F) represents and warrants to the Company, Numis and Shore Capital that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under this Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (G) represents and warrants to the Company, Numis and Shore Capital that: (a) he is not, nor is he applying on behalf of any person who is, located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law, and (b) he is not applying with a view to re-offering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law, except where proof satisfactory to the Company has been provided to the Company, in respect of (a) and (b) above, that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor a person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer or Excess Application Facility;
- (H) represents and warrants to the Company, Numis and Shore Capital that he is not, nor is he applying on behalf of any person who is in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organized in or under any laws, in or of the United States of America or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States 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, in or of the United States of America or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (I) represents and warrants to the Company, Numis and Shore Capital that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (J) confirms that in making the application he is not relying and has not relied on the Company, Numis or Shore Capital or any person affiliated with each of the Company, Numis or Shore Capital in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

Money Laundering Regulations

To ensure compliance with the Money Laundering Regulations, Computershare may require, in its absolute discretion, verification of the identity of the beneficial owner by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If an application is made by a UK-regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Computershare. In such case, the lodging agent's stamp should be inserted on the Application Form.

The applicant lodging the Application Form with payment, including any person who appears to Computershare to be acting on behalf of some other person, shall thereby be deemed to agree to provide Computershare with such information and other evidence as Computershare may require to satisfy the verification of identity requirements. Submission of an Application Form shall constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of remittance and an undertaking by the applicant to provide promptly to Computershare such information as may be specified by Computershare as being required for the purpose of the Money Laundering Regulations.

If Computershare determines that the verification of identity requirements apply to any applicant or application, the relevant New Ordinary Shares (notwithstanding any other term of the Fundraising) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. Computershare is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and neither Computershare nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, Computershare has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the application monies will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

The verification of identity requirements will not usually apply if:

- (A) the applicant is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (B) the applicant is an organisation required to comply with the EU Money Laundering Directive (No. 91/308/EEC) as amended by Directives 2001/97/EC and 2005/60/EC; or
- (C) the applicant is a company whose securities are listed on a regulated market subject to specified disclosure obligations; or
- (D) the applicant (not being an applicant who delivers his/her application in person) makes payment through an account in the name of such applicant with a credit institution which is subject to the Money Laundering Regulations or with a credit institution situated in a non-EEA state which imposes requirements equivalent to those laid down in that directive; or
- (E) the aggregate subscription price for the relevant New Ordinary Shares is less than €15,000 (approximately £13,400).

Submission of the Application Form with the appropriate remittance will constitute a warranty to the Company from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

Where the verification of identity requirements apply, please note the following as this will assist in satisfying the requirements. Satisfaction of these requirements may be facilitated in the following ways:

- (i) if payment is made by cheque or banker's draft in sterling drawn on a branch of a bank or building society in the UK and bears a UK bank sort code number in the top right hand corner, the following applies:

Cheques, which are recommended to be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "CIS PLC re R&Q". Third party cheques may not be accepted except for building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/banker's draft to such effect. The account name should be the same as that shown on the application; or

- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in sub-paragraph (B) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force, the agent should provide written confirmation that it has that status with the Application Form(s) and written assurances that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Computershare and/or any relevant regulatory or investigatory authority; or
- (iii) if an Application Form is lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his current address (for example, a photocard driving licence or utility bill).

To confirm the acceptability of any written assurance referred to in paragraph (ii) above, or in any other case, the applicant should contact Computershare on +44 (0)370 707 4040. Calls may be recorded and monitored randomly for security and training purposes.

Issue of New Ordinary Shares in certificated form

Definitive share certificates in respect of the New Ordinary Shares to be held in certificated form are expected to be despatched by post within 14 days of Admission, at the risk of the person(s) entitled to them, to accepting Qualifying non-CREST Shareholders or their agents or, in the case of joint holdings, to the first-named Shareholder, in each case at their registered address (unless lodging agent details have been completed on the Application Form).

5 ACTION TO BE TAKEN BY QUALIFYING DI HOLDERS

General

Save as provided in paragraph 8 of this Part III in relation to certain Overseas Shareholders, each Qualifying DI Holder is expected to receive a credit to his CREST stock account of his CREST Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply to subscribe under the Open Offer plus a separate credit of Excess CREST Open Offer Entitlements equal to the maximum number of Excess Shares for which he is entitled to apply. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the CREST participant ID and CREST member account ID that apply to the Depository Interests held on the Record Date by the Qualifying DI Holder in respect of which the CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason it is impracticable to credit the stock accounts of Qualifying DI Holders by 9 October 2017 (or such later time as the Company shall decide), Application Forms shall, unless the Company determines otherwise, be sent out in substitution for the CREST Open

Part III Terms and Conditions of the Open Offer continued

Offer Entitlements and Excess CREST Open Offer Entitlements which have not been so credited and the expected timetable as set out in this document may be adjusted as appropriate. References to dates and times in this document should be read as subject to any such adjustment. The Company will make an appropriate announcement to a RIS giving details of the revised dates but Qualifying DI Holders may not receive any further written communication.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to take up your entitlement, as only your CREST sponsor will be able to take the necessary action to take up your entitlements in respect of Open Offer Shares. If you have any queries on the procedure for acceptances and payment, you should contact Computershare on +44 (0)370 707 4040. Calls may be recorded and monitored randomly for security and training purposes.

In accordance with the instructions of this paragraph 5 the CREST instruction must have been settled by 11.00 a.m. on 27 October 2017.

Bona fide market claims

Each of the CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction.

Transactions identified by the Euroclear's Claims Processing Unit as "cum" the CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant CREST Open Offer Entitlements will thereafter be transferred accordingly. Euroclear's Claims Processing Unit will not generate market claims for the Excess CREST Open Offer Entitlements and any Qualifying Shareholder who requires Excess CREST Open Offer Entitlements to be credited to their CREST account should contact Computershare on +44 (0)370 707 4040.

USE instructions

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

- (i) the crediting of a stock account of the Custodian under the CREST participant ID and CREST member account ID specified below, with a number of CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Custodian in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

Content of USE instructions in respect of CREST 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 CREST Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Custodian);
- (ii) the ISIN of the CREST Open Offer Entitlement. This is BMG7371X1636;
- (iii) the CREST participant ID of the CREST member;
- (iv) the CREST member account ID of the CREST member from which the CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare in its capacity as a CREST receiving agent. This is 8RA23;
- (vi) the CREST member account ID of Computershare in its capacity as a CREST receiving agent. This is RANDALL;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 27 October 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above. In order to assist prompt settlement of the USE instruction, CREST members may consider adding the following non-mandatory fields to the USE instruction:

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 27 October 2017 in order to be valid is 11.00 a.m. on that day. After 31 October 2017, the New Ordinary Shares will be registered and freely transferable in electronic form under the CREST system.

If the conditions to the Fundraising are not fulfilled at or before 8.00 a.m. on 31 October 2017, or such other time and/or date as may be agreed between the Company, Numis and Shore Capital (being not later than 8.30 a.m. on 24 November 2017), the Open Offer will lapse, the CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by Qualifying DI Holders by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

Content of USE instructions in respect of Excess CREST 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 Excess Shares for which application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Custodian);

- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is BMG7371X1719;
- (iii) the CREST participant ID of the CREST member;
- (iv) the CREST member account ID of the CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare in its capacity as a CREST receiving agent. This is 8RA23;
- (vi) the CREST member account ID of Computershare in its capacity as a CREST receiving agent. This is RANDALL;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 27 October 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess 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. In order to assist prompt settlement of the USE instruction, CREST members may consider adding the following non-mandatory fields to the USE instruction:

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 27 October 2017 in order to be valid is 11.00 a.m. on that day. After 31 October 2017, the New Ordinary Shares will be registered and freely transferable in electronic form under the CREST system.

If the conditions to the Fundraising are not fulfilled at or before 8.00 a.m. on 31 October 2017, or such other time and/or date as may be agreed between the Company, Numis and Shore Capital (being not later than 8.30 a.m. on 24 November 2017), the Open Offer will lapse, the CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and Computershare will refund the amount paid by Qualifying DI Holders by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

CREST procedures and timings

Qualifying DI Holders who are CREST members and CREST sponsors (on behalf of CREST sponsored members) 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 Qualifying DI Holder concerned to take (or, if the Qualifying DI Holder is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 27 October 2017. In this connection, Qualifying DI Holders and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by not later than 11.00 a.m. on 27 October 2017 will constitute a valid application under the Open Offer.

Incorrect or incomplete applications

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

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

The Excess Application Facility

The Excess Application Facility enables Qualifying DI Holders, who have taken up their Open Offer Entitlement in full, to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. 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, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 8 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying DI Holders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying DI Holders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement 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.

To apply for Excess Shares pursuant to the Open Offer, Qualifying DI Holders 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 Entitlements and the relevant Open Offer Entitlements be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlements claim. In order for the purchaser or transferee to receive the Excess CREST Open Offer Entitlements they should contact Computershare on +44 (0)370 707 4040. 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 maximum number of Open Offer Shares, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Each Qualifying DI Holder who has made a valid application pursuant to his Excess CREST

Part III Terms and Conditions of the Open Offer continued

Open Offer Entitlement 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 DI Holder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk by way of a CREST payment as appropriate.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess CREST Open Offer Entitlements should be addressed to Computershare on +44 (0)370 707 4040. Calls may be recorded and monitored randomly for security and training purposes.

Effect of valid application

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

- (A) represents and warrants to the Company, Numis and Shore Capital that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (B) agrees with the Company, Numis and Shore Capital that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (C) confirms to the Company, Numis and Shore Capital that in making the application he is not relying on any information or representation other than that contained in this document, and the applicant accordingly 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 so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information contained in this document (including information incorporated by reference);
- (D) represents and warrants to the Company, Numis and Shore Capital that he is the Qualifying Shareholder originally entitled to the CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements or that he received such CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (E) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Bye-Laws;
- (F) represents and warrants to the Company, Numis and Shore Capital that if he has received some or all of his CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements from a person other than the Company, he is entitled to apply under this Open Offer in relation to such CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (G) represents and warrants to the Company, Numis and Shore Capital that: (a) he is not, nor is he applying on behalf of any person who is, located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, (b) he is not applying with a view to re-offering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law, except where proof satisfactory to the Company has been provided to the Company, in respect of (a) and (b) above, that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor a person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer or the Excess Application Facility;
- (H) represents and warrants to the Company, Numis and Shore Capital that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organized in or under any laws, in or of the United States of America or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States 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, in or of the United States of America or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (I) represents and warrants to the Company, Numis and Shore Capital that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (J) confirms that in making the application he is not relying and has not relied on the Company, Numis or Shore Capital or any person affiliated with each of the Company, Numis or Shore Capital in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

Discretion as to rejection and validity of acceptances

The Company may:

- (i) reject any acceptance constituted by a USE instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 5 of this Part III. Where an acceptance is made as described in this paragraph 5 which is otherwise valid, and the USE instruction concerned fails to settle by 11.00 a.m. on 27 October 2017 (or by such later time and date as the Company may determine), the Company shall be entitled to assume, for the purposes of their right to reject an acceptance as described in this paragraph 5, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 5 above unless the Company is aware of any reason outside the control of the Qualifying DI Holder or CREST sponsor (as appropriate) concerned for the failure of the USE instruction to settle;

- (ii) treat as valid (and binding on the Qualifying DI Holder concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 5;
- (iii) accept an alternative properly authenticated dematerialised instruction from a Qualifying DI Holder or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iv) treat a properly authenticated dematerialised instruction (in this sub-paragraph (iv), the “first instruction”) as not constituting a valid acceptance if, at the time at which Computershare receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or Computershare has received actual notice from Euroclear of any of the matters specified in CREST Regulation 35(5)(a) 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
- (v) accept an alternative instruction or notification from a Qualifying DI Holder or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of a USE instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any Qualifying DI Holder or (where applicable) CREST sponsor, the Qualifying DI Holder is unable validly to take up all or part of his CREST Open Offer Entitlement 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 of any part of CREST) or on the part of facilities and/or systems operated by Computershare in connection with CREST.

Money Laundering Regulations

If you hold your Open Offer Shares in CREST and apply to take up all or part of your entitlement to Open Offer Shares as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a bank, a broker or another UK financial institution), then, irrespective of the value of the application, Computershare is required to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. Such Qualifying DI Holders must therefore contact Computershare before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of an USE instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to the Company, Numis, Shore Capital and Computershare to provide promptly to Computershare any information Computershare may specify as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Computershare as to identity, Computershare, having consulted with the Company, may in its discretion take, or omit to take, such action as it may determine to prevent or delay settlement of the USE instruction. If satisfactory evidence of identity has not been provided within a reasonable time, Computershare will not permit the USE instruction concerned to proceed to settlement (without prejudice to the right of the Company to take proceedings to recover any loss suffered by it/them as a result of failure by the applicant to provide satisfactory evidence).

Right to allot/issue in certificated form

Despite any other provision of this document, the Company reserves the right to allot and to issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event

of an interruption, failure or breakdown of CREST (or of any part of CREST) or of a part of the facilities and/or systems operated by Computershare in connection with CREST.

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), provided that such Qualifying non-CREST Shareholder is also a CREST member. Similarly, CREST Open Offer Entitlements and Excess CREST Open Offer Entitlements may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A Qualifying non-CREST Shareholder who wishes to make such a deposit should sign and complete Box O of their Application Form, and then deposit their Application Form with the CREST Courier and Sorting Service. In addition, the normal CREST stock deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST transfer form (as prescribed under the Stock Transfer Act 1963) with the CREST Courier and Sorting Service and (b) only the Open Offer Entitlement shown in Box B of the Application Form may be deposited into CREST. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by Computershare.

If you have received your Application Form by virtue of a *bona fide* market claim, the declaration in Box J must be completed or (in the case of an Application Form which has been split) marked “Declaration of sale or transfer duly made”. If you wish to take up your Open Offer Entitlement, the CREST Deposit Form in Box O of your Application Form must be completed and deposited with the CREST Courier and Sorting Service in accordance with the instructions above. A holder of more than one Application Form who wishes to deposit Open Offer Entitlements shown on those Application Forms into CREST must complete Box O of each Application Form.

In particular, having regard to normal processing times in CREST and on the part of Computershare, 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 and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 24 October 2017, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 23 October 2017 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST), to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility prior to 11.00 a.m. on 27 October 2017. DI Holders inputting the withdrawal of their Open Offer Entitlements from their CREST account must ensure that they withdraw both their Open Offer Entitlements and Excess CREST Open Offer Entitlements.

Part III Terms and Conditions of the Open Offer continued

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Computershare by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes set out in the Application Form, and a declaration to the Company and Computershare from the relevant CREST member(s) that it/they is/are not located in, or citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law, and that it/they is/are not located in the United States and, where such deposit is made by a beneficiary or 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.

7 NO WITHDRAWAL RIGHTS

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

8 OVERSEAS SHAREHOLDERS

The comments set out in this paragraph 8 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.

General

The distribution of this document and the making or acceptance of the Open Offer to or by 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 organized 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. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, Numis, Shore Capital 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) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of a CREST Open Offer Entitlement or Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

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

No person receiving a copy of this document and/or an Application Form and/or a credit of CREST Open Offer Entitlements or Excess CREST 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 CREST Open Offer Entitlements or Excess CREST 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 CREST Open Offer Entitlements and/or Excess CREST 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 themselves 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.

None of the Company, Numis, Shore Capital nor any of their 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 CREST Open Offer Entitlements and/or Excess CREST 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 CREST Open Offer Entitlements or CREST 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 CREST Open Offer Entitlements and/or Excess CREST 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, Numis and Shore Capital determine 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 CREST Open Offer Entitlements and/or Excess CREST 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 III "Terms and Conditions of the Open Offer" and specifically the contents of this paragraph 8.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other 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 CREST Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the United

Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

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

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

Due to restrictions under the securities laws of the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with CREST Open Offer Entitlements or Excess CREST Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of a CREST Open Offer Entitlement and/or Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

United States

The New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the 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 unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring 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 issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company, Numis and Shore Capital reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the US Securities Act.

Restricted Jurisdictions

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with CREST Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption. No offer or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

Other overseas territories

Application Forms will be sent to Qualifying non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying DI Holders. Qualifying Shareholders in jurisdictions other than Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

Representations and warranties relating to Overseas Shareholders

(a) Qualifying non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and

Part III Terms and Conditions of the Open Offer continued

warrants to the Company, Numis, Shore Capital and Computershare 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 any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Registrars 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 dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in a Restricted Jurisdiction 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 sub-paragraph (a).

(b) Qualifying DI Holders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company, Numis and Shore Capital 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) he or she is not within any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to offer, sell, resell, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

Waiver

The provisions of this paragraph 8 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, Numis and Shore Capital in their absolute discretion. Subject to this, the provisions of this paragraph 8 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 8 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 8 shall apply to them jointly and to each of them.

9 ADMISSION, SETTLEMENT AND DEALINGS

No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will be sent through the post at the risk of the applicant.

10 TIMES AND DATES

The Company shall, in agreement with Numis and Shore Capital and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on an RIS but Qualifying Shareholders may not receive any further written communication.

11 TAXATION

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

12 FURTHER INFORMATION

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

13 GOVERNING LAW AND JURISDICTION

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement and the Excess Application Facility, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

Part IV Questions and Answers about the Open Offer

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

This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to 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 8 of Part III “Terms and Conditions of the Open Offer” of this document and you should take professional advice as to whether you are eligible for and/or whether you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) in the form of depositary interests you should read Part III “Terms and Conditions of the Open Offer” 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. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call Computershare on 0370 707 4040 or, if phoning from outside the UK, on +44 (0)370 707 4040. Calls may be recorded and monitored randomly for security and training purposes.

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 usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance, Qualifying Shareholders will be offered the opportunity also to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 3,309,117 New Ordinary Shares at a price of 129 pence per share. If you hold Existing Ordinary 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 a Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 26 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 buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. The Issue Price of 129 pence per Open Offer Share represents a discount of 11.7 per cent. to the Closing Price of 146.5 pence per Ordinary Share on 4 October 2017 (being the latest practicable date prior to the announcement of the Firm Placing and Open Offer).

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor Open Offer Entitlements can themselves be traded. Shareholders will not, subject to certain exceptions, be able to apply for any New Ordinary Shares which are the subject of the Firm Placing.

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements as at the Record Date. Applications made under the Excess Application Facility may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

2 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW IF I AM ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 6 October 2017 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” to the Open Offer by the London Stock Exchange).

3 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW HOW MANY OPEN OFFER SHARES I AM ENTITLED TO TAKE UP?

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 any Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Record Date;
- 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 any Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of or all of 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. Completed Application Forms should be returned, along with a cheque or banker’s draft in sterling made payable to “CIS PLC re R&Q”, by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 27 October 2017.

4 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM AND AM ELIGIBLE TO RECEIVE AN APPLICATION FORM. WHAT ARE MY CHOICES IN RELATION TO THE OPEN OFFER?

(a) 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 sold, as would happen under a rights issue.

Part IV Questions and Answers about the Open Offer continued

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 27 October 2017, the Company has made arrangements under which the Company has agreed to issue those Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement, then following the issue of the Open Offer Shares pursuant to Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest will be diluted by the issue of New Ordinary Shares pursuant to the Firm Placing.

(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 D of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write '25' in Box D. 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, '25') by £1.29, which is the price in pounds of each Open Offer Share (giving you an amount of £32.25 in this example). You should write this amount in Box G of the Application Form, rounding up to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, along with the cheque or banker's draft, by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 27 October 2017.

All payments must be made by cheque or banker's draft in sterling made payable to "CIS PLC re R&Q". Third party cheques may not be accepted except building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the application. Cheques or banker's drafts must be drawn on an account at a bank or building society or a branch of a bank or building society which must be in the UK, the Channel Islands or the Isle of Man and which is either a settlement member of Cheque & Credit Clearing Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by either of those companies. Cheques and banker's drafts must bear the appropriate sorting code number in the top right-hand corner. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. 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 acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender.

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 within 14 days of Admission.

(c) 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 send the completed Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box C of your Application Form), by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 27 October 2017.

All payments must be made by cheque or banker's draft in sterling made payable to "CIS PLC re R&Q". Third party cheques may not be accepted except building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the application. Cheques or banker's drafts must be drawn on an account at a bank or building society or a branch of a bank or building society which must be in the UK, the Channel Islands or the Isle of Man and which is either a settlement member of Cheque & Credit Clearing Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by either of those companies. Cheques and banker's drafts must bear the appropriate sorting code number in the top right-hand corner. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

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 within 14 days of Admission.

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

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box B of the Application Form) in Box D of the Application Form and write the number of Excess Shares for which you would like to apply in Box E. You should then add the totals in Boxes D and E and insert the total number of Open Offer Shares for which you would like to apply in Box F of the Application Form. For example, if you have an Open Offer Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '50' in Box D, '25' in Box E and '75' in Box F. 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, '75') by £1.29, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £96.75 in this example). You should write this amount in Box G. You should then return your completed Application Form by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 27 October 2017.

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, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

A definitive share certificate will then 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 not later than 14 days after Admission.

5 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 III "Terms and Conditions of the Open Offer" of this document. Persons who hold Depository Interests through a CREST member should be informed by the CREST member through which they hold their Depository Interests of (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement and should contact them should they not receive this information and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full, and should contact them should they not receive this information.

6 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, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying DI Holders who held their Existing Ordinary Shares in uncertificated form in the form of Depository Interests on the Record Date and who have converted them to certificated form;
- Qualifying non-CREST Shareholders who bought Existing Ordinary Shares before the Record Date but were not registered as the holders of those shares on the Record Date; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Computershare on 0370 707 4040 or, if phoning from outside the UK, on +44 (0)370 707 4040. Calls may be recorded and monitored randomly for security and training purposes.

7 CAN I TRADE MY OPEN OFFER ENTITLEMENT?

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 DI Holders should note that, although Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), Open Offer Entitlements will not 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. Open Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it.

8 WHAT IF I CHANGE MY MIND?

If you are a Qualifying non-CREST Shareholder, once you have sent your completed Application Form and payment to Computershare, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

9 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?

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

10 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 Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 6 October 2017, 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 6 October 2017, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I PAY?

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be made by cheque or banker's draft in sterling made payable to "CIS PLC re R&Q". Third party cheques may not be accepted except building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the application. Cheques or banker's drafts must be drawn on an account at a bank or building society or a branch of a bank or building society which must be in the UK, the Channel Islands or the Isle of Man and which is either a settlement member of Cheque & Credit Clearing Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by either of those companies. Cheques and banker's drafts must bear the appropriate sorting code number in the top right-hand corner. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

12 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.

Even if you do decide to apply for your full entitlement of Open Offer Shares, your proportionate ownership and voting interest in the Company will be reduced by the issue of the Firm Placing Shares.

Part IV Questions and Answers about the Open Offer continued

13 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHERE DO I SEND MY APPLICATION FORM?

You should send your completed Application Form together with the monies in the appropriate form, by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 27 October 2017.

14 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN DO I HAVE TO DECIDE IF I WANT TO APPLY FOR OPEN OFFER SHARES?

Computershare must receive the completed Application Form by not later than 11.00 a.m. on 27 October 2017, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

15 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 sign and complete Box O of their Application Form, and then deposit your completed Application Form with the CREST Courier and Sorting Service. In addition, the normal CREST stock deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST transfer form (as prescribed under the Stock Transfer Act 1963) with the CREST Courier and Sorting Service and (b) only the Open Offer Entitlement shown in Box B of the Application Form may be deposited into CREST.

16 I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN WILL I RECEIVE MY NEW SHARE CERTIFICATE?

It is expected that Computershare will post all new share certificates within 14 days of Admission.

17 IF I BUY EXISTING ORDINARY SHARES AFTER THE RECORD DATE, WILL I BE ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?

If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Existing Ordinary Shares.

18 WILL I BE TAXED IF I TAKE UP MY ENTITLEMENTS?

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

19 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 any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 8 of Part III "Terms and Conditions of the Open Offer" of this document.

20 FURTHER ASSISTANCE

Should you require further assistance please call Computershare on 0370 707 4040 or, if phoning from outside the UK, on +44 (0)370 707 4040. Calls may be recorded and monitored randomly for security and training purposes. For legal reasons, Computershare will not be able to give advice on the merits of the matters referred to in this document or to provide legal, financial or taxation advice.

Notice of General Meeting

RANDALL & QUILTER INVESTMENT HOLDINGS LTD.

(Registered in Bermuda with company number 47341) (the "Company")

NOTICE IS HEREBY GIVEN that a **GENERAL MEETING** of the Company will be held at 71 Fenchurch Street, Ground Floor, London, EC3M 4BS at 11.00 a.m. on 30 October 2017 for the purpose of considering and, if thought fit, passing the following Resolutions of which the first will be proposed as an ordinary resolution and the second, third, fourth and fifth will be proposed as special resolutions. Unless the context requires otherwise, words and expressions defined in the circular dated 6 October 2017, of which this notice forms part, have the same meanings when used in this notice.

RESOLUTION 1:

THAT, in substitution for all subsisting authorities granted at the Annual General Meeting of the Company on 1 June 2017 to the extent unused, the directors of the Company be and are hereby generally and unconditionally authorised pursuant to and in accordance with Bye-law 44 of the Company's Bye-laws to exercise all the powers of the Company to allot ordinary shares, and/or to sell ordinary shares held by the Company as treasury shares and/or to grant rights to subscribe for or to convert any security into ordinary shares in the Company:

- a. up to 38,192,837 ordinary shares of par value 2 pence each pursuant to the Fundraising;
- b. up to a nominal amount of £839,170.80 (being 41,958,540 ordinary shares of par value 2 pence each) or, if less, 33.3 per cent. of the aggregate nominal value of the Enlarged Share Capital; and
- c. comprising equity securities up to a further nominal amount of £839,170.80 (being 41,958,540 ordinary shares of par value 2 pence each) or, if less, 33.3 per cent. of the aggregate nominal value of the Enlarged Share Capital in connection with an offer by way of a rights issue,

such authorities to expire at the end of the next annual general meeting or on 31 January 2019, whichever is the earlier, but so that the Company may, before expiry of such period, make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into ordinary shares to be granted after the authorities conferred by this resolution have expired.

RESOLUTION 2:

THAT, subject to the passing of Resolution 1, the directors of the Company be and are hereby empowered in accordance with Bye-law 57 of the Company's Bye-laws to allot ordinary shares or grant rights to subscribe for or to convert any security into ordinary shares in the Company for cash and/or to sell ordinary shares held by the Company as treasury shares for cash, under the authority given by sub-paragraph a. of Resolution 1, up to 38,192,837 ordinary shares of par value 2 pence each pursuant to the Fundraising as if Bye-law 53 did not apply to any such allotment or sale, such authority to expire at the end of the next annual general meeting or on 31 January 2019, whichever is the earlier, save that prior to the authority's expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

RESOLUTION 3:

THAT, subject to the passing of Resolution 1, in substitution for all subsisting authorities granted at the Annual General Meeting of the Company on 1 June 2017 to the extent unused, the directors of the Company be and are hereby empowered in accordance with Bye-law 57 of the Company's Bye-laws, in addition to any authority granted under

Resolution 2, to allot ordinary shares or grant rights to subscribe for or to convert any security into ordinary shares in the Company for cash and/or to sell ordinary shares held by the Company as treasury shares for cash, under the authority given by sub-paragraph b. of Resolution 1, as if Bye-law 53 did not apply to any such allotment or sale, such authority to be limited:

- a. to the allotment of equity securities or sale of treasury shares in connection with a pre-emptive offer; and
- b. to the allotment of equity securities or sale of treasury shares (otherwise than under sub-paragraph a. above) up to a nominal amount of £125,875.62 or, if less, 5 per cent. of the aggregate nominal value of the Enlarged Share Capital,

such authorities to expire at the end of the next annual general meeting or on 31 January 2019, whichever is the earlier, save that, in each case, prior to the authority's expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authorities expire and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authorities had not expired.

RESOLUTION 4:

THAT, subject to the passing of Resolution 1, in substitution for all subsisting authorities granted at the Annual General Meeting of the Company on 1 June 2017 to the extent unused, the directors of the Company be and are hereby empowered in accordance with Bye-Law 57 of the Company's Bye-laws, in addition to any authority granted under Resolutions 2 and 3, to allot ordinary shares or grant rights to subscribe for or to convert any security into ordinary shares in the Company for cash and/or to sell ordinary shares held by the Company as treasury shares for cash, under the authority given by sub-paragraph b. of Resolution 1, as if Bye-law 53 did not apply to any such allotment or sale, such authority to be:

- a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £125,875.62 or, if less, 5 per cent. of the aggregate nominal value of the Enlarged Share Capital; and
- b. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next annual general meeting or on 31 January 2019, whichever is the earlier, save that in each case, prior to the authority's expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the directors of the Company may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

RESOLUTION 5:

THAT, subject to the passing of Resolution 1, in substitution for all subsisting authorities granted at the Annual General Meeting of the Company on 1 June 2017 to the extent unused, the directors of the Company be and are hereby empowered in accordance with Bye-law 57 of the Company's Bye-laws, in addition to any authority granted under Resolutions 2, 3 and 4, to allot ordinary shares or grant rights to subscribe

Notice of General Meeting continued

for or to convert any security into ordinary shares in the Company for cash and/or to sell ordinary shares held by the Company as treasury shares for cash, under the authority given by sub-paragraph c. in connection with a rights issue, as if Bye-Law 53 did not apply to any such allotment, such power to expire at the end of the next annual general meeting on 31 January 2019, whichever is the earlier, but so that the Company may, before the expiry of such period, make offers and enter into agreements which would, or might, require equity securities to be allotted after the authority conferred by this Resolution has expired.

For the purposes of Resolutions 1, 2, 3, 4 and 5:

- a. **“Fundraising”** means, together, the Firm Placing and the Open Offer (as such terms are defined in the circular dated 6 October 2017, of which this notice forms part);
- b. **“rights issue”** means an offer to: a) ordinary shareholders in proportion (as nearly as may be practicable) to their respective holdings; and (b) people who are holders of other equity securities if this is required by the rights of those securities or, if the directors of the Company consider it necessary, as permitted by the rights of those securities, to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange;
- c. **“pre-emptive offer”** means an offer of equity securities open for acceptance for a period fixed by the directors of the Company to (a) holders (other than the Company) on the register on a record date fixed by the directors of Ordinary Shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or the requirements of any regulatory body or stock exchange;
- d. references to an allotment of equity securities shall include a sale of treasury shares; and
- e. the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

By Order of the Board



Beverley Murphy
Company Secretary

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda
6 October 2017

Notes

Only registered shareholders of the Company as at 5.00 p.m. on 29 October 2017 (or, if the meeting is adjourned, at the time which is 24 hours before the time of any adjourned meeting (without taking into account any part of a day that is not a Business Day)) shall be entitled to attend and vote at the meeting or adjourned meeting in respect of the number of shares held in certificated form or Depositary Interests registered in their respective names at that time. Changes to the Register of Members or Register of Depositary Interests after that time will be disregarded in determining the rights of any person to attend or vote at the meeting or adjourned meeting.

1. REGISTERED SHAREHOLDERS

Proxies

Registered shareholders should either:

- (i) complete the Form of Proxy by going to the following website www.investorcentre.co.uk/eproxy. You will be asked to enter the Control Number, the Shareholder Reference Number (SRN) and PIN as provided on your proxy card and agree to certain terms and conditions. For an electronic proxy to be valid, your appointment must be received by Computershare no later than 11.00 a.m. on 26 October 2017, or 48 hours before the time of any adjourned meeting (without taking into account any part of a day that is not a Business Day); or
- (ii) complete the Form of Proxy enclosed with this Notice of the General Meeting. The Form of Proxy must be deposited in hard copy form by post, by courier or by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY United Kingdom no later than 11.00 a.m. on 26 October 2017, or 48 hours (without taking into account any part of a day that is not a Business Day) before the time appointed for holding the said meeting or any adjourned meeting.

Your proxy could be the Chairman, another Director of the Company or another person who has agreed to attend to represent you. Every shareholder entitled to attend and vote at the meeting may appoint one or more persons as his/her proxy to attend and vote thereat instead of him/her, provided that each proxy is appointed to exercise the rights attaching to different shares held by the member.

Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.

To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Computershare at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY United Kingdom. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions.

2. DEPOSITARY INTERESTS

Forms of Instruction

The Ordinary Shares represented by the holdings of Depositary Interests ("DI Holders") are registered in the name of Computershare Company Nominees Limited (being the Custodian). In order to have votes cast at the meeting on their behalf, DI Holders must complete the Form of Instruction. The Form of Instruction must be deposited in hard copy form by post, by courier or by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY United Kingdom not

later than 11.00 a.m. on 25 October 2017 or 72 hours before the time of any adjourned meeting (without taking into account any part of a day that is not a Business Day). The Custodian will cast votes on behalf of DI Holders in accordance with instructions received pursuant to valid Forms of Instruction.

Electronic voting instructions through the CREST voting system

Alternatively DI Holders who are CREST members may issue an instruction by using the CREST electronic voting appointment service. Further details are set out below.

- (i) An instruction may be issued through the CREST electronic voting appointment service by using the procedures described in the CREST manual (available from www.euroclear.com/CREST) subject to the provisions of the Company's Bye-Laws. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting services provider(s), who will be able to take the appropriate action on their behalf.
- (ii) In order for instructions made using the CREST service to be valid, the appropriate CREST message (a CREST Voting Instruction) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited (EUI) and must contain the information required for such instructions, as described in the CREST Manual.
- (iii) To give an instruction through the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 11.00 a.m. on 25 October 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a CREST voting instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

The return of a completed Form of Instruction will not prevent you from attending the General Meeting and voting in person if you so wish. DI Holders wishing to attend the General Meeting should contact the Custodian at The Pavilions, Bridgwater, Bristol BS13 8AE by no later than 11.00 a.m. on 25 October 2017.

3. CORPORATE REPRESENTATIVES

A registered shareholder that is a corporation and/or Computershare in its capacity as Custodian may, by written authorisation, elect to appoint a corporate representative in accordance with Bye-Law 188 of the Bye-Laws to attend and vote at the meeting, in which case the Company will require written proof of the representative's appointment which must be lodged with Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS13 8AE United Kingdom not less than 48 hours before the time appointed for holding the said meeting or any adjourned meeting.

Any corporation which is a member can appoint more than one corporate representative who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

