

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

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please send this document, together with its accompanying documents, 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. However, the distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom 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 of America, Canada, Australia, Japan, the Republic of Ireland, or South Africa nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. 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.

The Open Offer does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the FCA pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to section 85 of FSMA.

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# CHAPEL DOWN GROUP PLC

*(incorporated and registered in England and Wales with Company number 04362181)*

## **Open Offer of up to 2,940,000 new Ordinary Shares at 50 pence per share**

finnCap, which is authorised and regulated in the United Kingdom by the FCA, is acting as NEX Exchange Corporate Adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that finnCap will not be responsible to anyone other than the Company for providing the protections afforded to clients of finnCap plc or for advising any other person on the arrangements described in this document. finnCap has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by finnCap for the accuracy of any information or opinion contained in this document or for the omission of any information.

The Company's Ordinary Shares are currently admitted to trading on the Nex Exchange Growth Market which is operated by NEX Exchange Limited (**NEX Exchange**). Application will be made to the Nex Exchange for the new Ordinary Shares to be admitted to trading on the Nex Exchange Growth Market. It is expected that Admission will become effective, and dealings for normal settlement in the Open Offer Shares will commence, at 8.00 a.m. on 12 January 2018. No application has been made for the new Ordinary Shares to be admitted to trading on any other investment exchange. The new Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

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

This document should be read as a whole. Your attention is drawn to the letter from the Chief Executive Officer of the Company which is set out in Part I of this document and to the Risk Factors in Part II of this document.

The latest time for acceptance and payment under the Open Offer is 11.00a.m. on 5 January 2018. The procedure for application is set out in Part III of this document and the Application Form.

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 Open Offer Entitlements to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. 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 of America, Canada, Australia, Japan, the Republic of Ireland or South Africa or in or into 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 United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan, the Republic of Ireland or South Africa and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan, the Republic of Ireland, or South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Japan, the Republic of Ireland, or South Africa or to any US person (within the definition of Regulation S made under the US Securities Act 1933 (as amended)).

A copy of this document will also be available from the Company's website, [www.chapeldown.com](http://www.chapeldown.com).

This document contains (or may contain) certain forward-looking statements with respect to the Group and certain of its goals and expectations relating to its future financial condition and performance which involve a number of risks and uncertainties. No forward-looking statement is a guarantee of future performance and actual results could differ materially from those contained in any forward-looking statements. Such forward-looking statements may use words such as "aim", "anticipate", "target", "expect", "estimate", "plan", "goal", "believe", "will", "may", "should", and other words having a similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of changes in interest rates and foreign exchange rates, changes in legislation, changes in consumer habits and other factors outside the control of the Group, which may cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements contained in this document are based upon information available to the Directors at the date of this document and the posting or receipt of the document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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## DIRECTORS AND ADVISORS

<b>Directors of Chapel Down Group Plc</b>	Paul Brett ( <i>Non-Executive Director</i> ) James Brooke ( <i>Non-Executive Director</i> ) John Dunsmore ( <i>Chairman and Non-Executive Director</i> ) Mark Harvey ( <i>Managing Director – Wines</i> ) Frazer Thompson ( <i>Chief Executive Officer</i> ) Richard Woodhouse ( <i>Chief Financial Officer</i> ) Nigel Wray ( <i>Non-Executive Director</i> )
<b>Secretary</b>	Richard Woodhouse
<b>Company Number</b>	04362181
<b>Registered office</b>	Chapel Down Winery Smallhythe Road Tenterden Kent TN30 7NG
<b>Corporate Adviser</b>	<b>finnCap Limited</b> 60 New Broad Street London EC2M 1JJ
<b>Legal Advisers to the Company</b>	<b>Cripps LLP</b> Number 22 Mount Ephraim Tunbridge Wells TN4 8AS
<b>PR Adviser to the Company</b>	<b>Headland</b> Cannon Green 1 Suffolk Lane London EC4R 0AX
<b>Registrars</b>	<b>Link Market Services Limited</b> The Registry 34 Beckenham Road Beckenham, BR3 4TU United Kingdom
<b>Receiving Agent</b>	<b>Link Asset Services</b> Corporate Actions The Registry 34 Beckenham Road Beckenham, BR3 4TU United Kingdom

## DEFINITIONS

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

<b>Act</b>	Companies Act 2006 (as amended)
<b>Admission</b>	to the extent that Qualifying Shareholders apply to subscribe for Open Offer Shares under the Open Offer, the admission of the Open Offer Shares subscribed under the Open Offer to trading on the NEX Exchange Growth Market
<b>Application Form</b>	the personalised application form on which Qualifying non-CREST Shareholders may apply for new Ordinary Shares under the Open Offer, which accompanies this document
<b>Board or Directors</b>	the directors of the Company as at the date of this document
<b>Company or Chapel Down</b>	Chapel Down Group plc (company number 04362181)
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
<b>CREST Manual</b>	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since)
<b>CREST member</b>	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual)
<b>CREST member account ID</b>	the identification code or number attached to a member account in CREST
<b>CREST participant</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>CREST participant ID</b>	shall have the meaning given in the CREST Manual issued by Euroclear
<b>CREST payment</b>	shall have the meaning given in the CREST Manual issued by Euroclear
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member
<b>Enlarged Share Capital</b>	the entire issued share capital of the Company following completion of the Open Offer at Admission and assuming that

	the Open Offer is fully subscribed
<b>EU</b>	the European Union
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>Excess Application Facility</b>	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlements in accordance with the terms and conditions of the Open Offer
<b>Excess CREST Open Offer Entitlements</b>	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to an Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on taking up the Open Offer Entitlement in full
<b>Excess Shares</b>	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility
<b>Ex-entitlement Date</b>	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Open Offer, being 15 December 2017
<b>Existing Ordinary Shares</b>	the 101,020,948 Ordinary Shares in issue on the date of this document
<b>FCA</b>	the Financial Conduct Authority of the UK
<b>FSMA</b>	Financial Services and Markets Act 2000 (as amended)
<b>Group</b>	the Company and all of its subsidiary undertakings (“subsidiary undertakings” having the same meaning as set out in the Act)
<b>Issue Price</b>	50 pence per new Ordinary Share
<b>Link Asset Services</b>	a trading name of Link Market Services Limited
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Money Laundering Regulations</b>	Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA, the Terrorism Act 2000, the Anti Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006
<b>NEX Exchange</b>	NEX Exchange Limited
<b>NEX Rules</b>	the NEX Exchange Growth Market Rules for Issuers
<b>Open Offer</b>	the 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 in the Application Form

<b>Open Offer Entitlements</b>	the basic entitlements of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders on the Record Date pursuant to the Open Offer
<b>Open Offer Shares</b>	the 2,940,000 Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer
<b>Ordinary Shares</b>	ordinary shares of 5p each in the capital of the Company
<b>Overseas Shareholders</b>	a Shareholder with a registered address outside the United Kingdom
<b>Qualifying CREST Shareholders</b>	Qualifying Shareholders holding Existing Ordinary Shares in a CREST account
<b>Qualifying non-CREST</b>	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
<b>Qualifying Shareholders</b>	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in the United States of America or any other Restricted Jurisdiction)
<b>Record Date</b>	8:00pm on 12 December 2017
<b>Registrar</b>	Link Asset Services in its capacity as the Company's registrar
<b>Regulatory Information Service</b>	has the meaning given in the NEX Rules
<b>Restricted Jurisdiction</b>	United States of America, Canada, Australia, Japan, the Republic of Ireland, South Africa and any other jurisdiction where the making of the Open Offer would breach any applicable law or regulation
<b>Securities Act</b>	US Securities Act of 1933 (as amended)
<b>Shareholders</b>	the holders of Existing Ordinary Shares
<b>Subscription</b>	the subscription for new Ordinary Shares announced by the Company on 13 December 2017
<b>UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States</b>	"United States of America" or "US" the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	12 December 2017
Announcement of the Open Offer	15 December 2017
Ex-entitlement Date	15 December 2017
Posting of this document and Application Form to Qualifying non-CREST Shareholders	15 December 2017
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	18 December 2017
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST	4:30pm on 28 December 2017
Recommended latest time and date for depositing Open Offer Entitlements into CREST	3:00pm on 29 December 2017
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3:00pm on 2 January 2018
Latest time and date for acceptance of the Open Offer and receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (if appropriate)	11:00am on 5 January 2018
Announcement of result of Open Offer	9 January 2018
Admission and commencement of dealings in the Open Offer Shares on the NEX Exchange Growth Market	8.00am on 12 January 2018
Open Offer Shares credited to CREST members' accounts	12 January 2018
Despatch of definitive share certificates for Open Offer Shares in certificated form	within 10 Business Days of Admission

**If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.**

**All references are to London time unless stated otherwise.**



## STATISTICS

Number of Open Offer Shares	2,940,000
Basic entitlement under the Open Offer	1 Open Offer Share for every 35 Existing Ordinary Shares held
Issue Price	50p
Gross proceeds from the Open Offer	£1,470,000
Enlarged issued share capital following the Open Offer	141,020,948
Open Offer Shares as a percentage of the Enlarged Share Capital	2.085%
Market capitalisation of the Company immediately assuming full take-up of the Open Offer at the Issue Price	£70,510,474

## PART I

### LETTER FROM THE CHIEF EXECUTIVE OFFICER OF CHAPEL DOWN GROUP PLC

*(Incorporated and registered in England and Wales under the Companies Act 2006 with company number 04362181)*

Dear Shareholder

#### **Open Offer of up to 2,940,000 new Ordinary Shares at 50 pence per share**

##### **1 Introduction**

The Company announced on 13 December that it had received commitments from investors, and certain of the Directors and members of the management team of the Company to subscribe for new Ordinary Shares in the Company to raise £18,530,000 (before fees and expenses) by the issue and allotment by the Company of 37,060,000 Ordinary Shares at the issue price of 50 pence per Ordinary Share. It is expected that the Subscription will complete on 15 December 2017.

In addition, in order to provide Shareholders who have not taken part in the Subscription with an opportunity to participate in the proposed issue of new Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of 2,940,000 new Ordinary Shares, to raise up to £1,470,000 before expenses, with a basic entitlement of 1 new Ordinary Share for every 35 Existing Ordinary Shares, at 50 pence per share, payable in full on application.

Those Directors and members of the management team who have participated in the Subscription, have confirmed to the Company that they will not take up their Open Offer Entitlements pursuant to the Open Offer.

The Issue Price is at a discount of 37.11 per cent. to the closing middle market price of 79.5 pence per Existing Ordinary Share on 12 December 2017 (being the last practicable date before the announcement of the Open Offer).

The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of new Ordinary Shares on a pre-emptive basis whilst providing the Company with additional capital to invest in the business of the Group.

The Subscription and the Open Offer are being made pursuant to existing authorities granted to the Directors at the last annual general meeting of the Company further details of which are set out in paragraph 2 of Part V of this document.

The Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 2,940,000 new Ordinary Shares at a price of 50 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 the United States or another Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer. Qualifying Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full. Please see Part III and Part IV for further details.

Admission is expected to occur at 8.00 a.m. on 12 January 2018 (or such later time and/or date as finnCap and the Company may agree but not later than 19 January 2018).

The purpose of this document is to explain the background to the Open Offer and to set out the reasons why your Board believes that the Open Offer is in the best interests of the Company and its Shareholders.

## **2 Reasons for the Open Offer and Use of Proceeds**

The Board has resolved to launch the Open Offer for existing Shareholders to allow them to continue their journey with Chapel Down and take part in the exciting next stage of the Company's development.

The funds raised pursuant to the Open Offer will be used for general working capital purposes and corporate M&A activity.

## **3 Trading Update**

The Company has delivered consistent growth over the last 6 years of 25% compounded annual growth rate in sales.

The business continues to thrive and despite the challenges of the English weather, turnover is expected to be at or above £11,600,000 for the current financial year, in line with management and the Board's expectations.

Following the expansion of the senior team with the hiring of Gareth Bath from Brewdog and Mark Harvey from LVMH to drive the beer and wines and spirits businesses, respectively, the recent launch of the new spirits brands, and with the investment in the business enabled by this fundraising, management and the board expect the sales growth trajectory to significantly accelerate in the coming 12 months.

Whilst the focus will be on rapid beer growth next year, the delivery of the brewery at the end of 2018 will see a further structural EBITDA margin enhancement from 2019.

## **4 Principal Terms of the Open Offer**

A total of 2,940,000 new Ordinary Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price, payable in full on application. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to other Qualifying Shareholders under the Excess Application Facility.

Although Qualifying Shareholders can apply for as many Open Offer Shares as they wish, Qualifying Shareholders will receive an entitlement to apply for Open Offer Shares pursuant to the Open Offer at the Issue Price on the following basis:

1 Open Offer Share for every 35 Existing Ordinary Shares

registered in their name 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 issued to the Qualifying Shareholders but will be made available under the Excess Application Facility.

The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their respective Open Offer Entitlements provided they have agreed to take up their Open Offer entitlement in full. For the avoidance of doubt, Qualifying Shareholders with no Open Offer Entitlement (by virtue of their owning fewer than 35 Existing Ordinary Shares) may still apply for Excess Shares under the Excess Application Facility.

Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 7 of Part III of this document.

If there is a change in exchange rate between the date of this document and the date of Admission that would result in the gross proceeds of the Open Offer being EUR 5,000,000 or more, the Company will scale back the Excess Application Facility and then, if necessary, the number of Open Offer Shares to be issued pursuant to Open Offer Entitlements (on a pro rata basis).

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form for certificated Shareholders. Applicants can apply for fewer or more than their entitlements under the Open Offer. Applications made under the Excess Application Facility will be allocated in such manner as the Company may determine in its 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.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 18 December 2017. The Open Offer Entitlements will be enabled for settlement in CREST until 11:00a.m. on 5 January 2018. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of bona fide market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST application and payment in respect of the Open Offer is 11.00a.m. on 5 January 2018. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 7 of Part III of this document.

**Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the 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.**

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part III of this document and on the accompanying Application Form.

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 NEX Exchange for the admission of the Open Offer Shares, which are subscribed for, to trading on the NEX Exchange Growth Market. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 12 January 2018 at which time it is also expected that the Open Offer Shares will be enabled for settlement in CREST.

## 5 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 7 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 the United States of America), 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 entitlements under the Open Offer.

## **6 Risk Factors and Additional Information**

The attention of Shareholders is drawn to the risk factors set out in Part II and the information contained in Parts III, IV and V of this document, which provide additional information on the Open Offer and the Company.

## **7 Action to be Taken**

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares or Excess Shares must complete the Application Form which accompanies this document in accordance with the instructions set out in paragraph 4.1 of Part III of this document and on the Application Form and return it with the appropriate payment to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 11.00a.m. on 5 January 2018.

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.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders 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 4.2 of Part III of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 4.2 of Part III of this document by no later than 11.00a.m. on 5 January 2018.

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

Frazer Thompson  
*Chief Executive Officer*

## PART II

### RISK FACTORS

An investment in the Company involves a high degree of risk. Accordingly, in relation to any investment decision concerning Ordinary Shares you are advised to consult an investment adviser authorised under the FSMA who specialises in the acquisition of shares and other securities.

**It should be noted that this list is not exhaustive and does not purport to be a complete explanation of all the risks and significant considerations involved in investing in the Company.**

#### 1. RISK FACTORS RELATING TO THE COMPANY

##### 1.1. Further equity issues

The Company may choose to raise further equity funds in the future to fund its development over the coming years, through the issue of additional Ordinary Shares. Such funding may not be achieved and additional share issues may have a dilutive effect on existing shareholdings.

#### 2. RISKS RELATING TO THE ORDINARY SHARES AND THEIR TRADING ON THE NEX EXCHANGE GROWTH MARKET

##### 2.1. Investment in unlisted securities

Investment in shares traded on the NEX Exchange Growth Market is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List of the London Stock Exchange or Alternative Investment Market of the London Stock Exchange.

An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

##### 2.2. Suitability

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

##### 2.3. Share price volatility and liquidity

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

##### 2.4. Market risks

Notwithstanding the fact that an application has been made for the Ordinary Shares to be traded on the NEX Exchange Growth Market, this should not be taken as implying that

there will be a "liquid" market in the Ordinary Shares. Continued admission to the NEX Exchange Growth Market is entirely at the discretion of the NEX Exchange.

**The investment opportunity offered in this Document may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult a professional adviser authorised under FSMA, who specialises in investments of this nature, before making their decision to invest.**

### **3. RISK FACTORS RELATING TO THE BUSINESS**

#### **3.1. Climate**

The Directors believe that climatic conditions in the South of England are generally favourable to the growing of grapes used in sparkling wine and aromatic light wine production. However grape yields can be affected by certain adverse weather patterns such as late frosts and wet and windy weather during the flowering period. The risk for the Business is the impact of adverse unfavourable weather patterns on the production of grapes. Please also refer to paragraph 3.3 (Crop disease) below.

#### **3.2. Competition**

With the continuing growth in vineyard plantings in the South of England, the supply of English wines and craft beers are likely to continue to increase significantly with increased competition from other suppliers. This may adversely affect retail prices and the assumed levels of pricing in the Company's development strategy may not be achieved, adversely affecting the Company's financial performance. The industry may also face stronger competition from similar overseas products, which could also adversely affect the retail prices of its product.

#### **3.3. Crop disease**

Commercial viticulture is a farming system prone to disease pressures. The relatively cool climate of the UK can exacerbate these pressures. While there is no significant pressure from fatal diseases threatening vine growing in the UK at present, there are certain diseases which may reduce yield under adverse climatic circumstances. However these risks can be minimised through good husbandry, increased use of technology and contemporary vineyard management practices. Please also refer to paragraph 3.1 (Climate) above.

#### **3.4. Management**

The Company relies on a motivated, committed and high quality management team to drive the Business. The loss of the services of any of these key people could have a material adverse effect on the Business.

#### **3.5. Political**

The demand for wine and beer could be adversely impacted by any increase in duties and taxes on the products that the Group sells, which could adversely affect the Business.

#### **3.6. Social Change**

The demand for wine and beer could be adversely affected by the social acceptability of alcoholic drinks, generally combined with further medical evidence of the adverse health

impacts. This could adversely affect the Business.

### 3.7. **Litigation Risks**

All industries, including the wine industry, are subject to legal claims, with and without merit. The Group may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Group's financial position or results of operations.

### 3.8. **Reliance on Key Customers**

All wine brands are, to some degree, reliant on a relatively small number of key customers. Accordingly, if such brands lose one of these customers, there could be an adverse effect on its performance in the short term.

**It should be noted that the factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Group's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.**

**If any of the risks referred to in this Part II crystallise, Chapel Down's business, financial condition, results or future operations could all be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.**



## PART III

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. INTRODUCTION

As explained in the letter from the Chief Executive Officer set out in Part I of this document, the Company is proposing to raise up to £1,470,000 (before expenses) by way of the Open Offer.

The purpose of this Part III is to set out the terms and conditions of the Open Offer. Up to 2,940,000 new Ordinary Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying non-CREST Shareholders is close of business on 12 December 2017. An Application Form for use by Qualifying Non-CREST Shareholders accompanies this document and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST on 18 December 2017.

Those Directors and members of the management team who have participated in the Subscription, have confirmed to the Company that they will not take up their Open Offer Entitlements pursuant to the Open Offer.

Subject to availability, the Excess Application Facility will enable a Qualifying Shareholder who has taken up all his Open Offer Entitlement to apply for Excess Shares. For the avoidance of doubt, Qualifying Shareholders with no Open Offer Entitlement (by virtue of their owning fewer than 35 Existing Ordinary Shares) may still apply for Excess Shares under the Excess Application Facility. Further details in relation to the Excess Application Facility are set out in Part IV of this document and, for Qualifying non-CREST Shareholders, on the Application Form.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00a.m. on 5 January 2018 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 12 January 2018.

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

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

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to an aggregate of 2,940,000 new Ordinary Shares pro rata (excepting fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

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

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

## 2. THE OPEN OFFER

Subject to the terms and conditions set out below (and in the case of Qualifying non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to subscribe for Open Offer Shares at the Issue Price pro rata to their holdings, payable in full on application. The Issue Price represents a discount of 37.11 per cent. to the closing middle market price of 79.5 pence per Existing Ordinary Share on 12 December 2017 (being the last practicable date before announcement of the Open Offer).

Qualifying Shareholders will be entitled to apply for:

1 Open Offer Share for every 35 Existing Ordinary Shares

registered in their name on the Record Date. Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

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

If you are a Qualifying non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box A) and your Open Offer Entitlement (in Box B).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 18 December 2017. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the new Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

If there is a change in exchange rate between the date of this document and the date of Admission that would result in the gross proceeds of the Open Offer being EUR 5,000,000 or more, the Company will scale back the Excess Application Facility then, if necessary, the number of Open Offer Shares to be issued pursuant to Open Offer Entitlements (on a pro rata basis).

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their respective Open Offer Entitlements. For the avoidance of doubt, Qualifying Shareholders with no Open Offer Entitlement (by virtue of their owning fewer than 35 Existing Ordinary Shares) may still apply for Excess Shares under the Excess Application Facility. Further details in relation to the Excess Application Facility are set out in Part IV of this document and, for Qualifying non-CREST Shareholders, the Application Form. Qualifying CREST Shareholders will have their Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part III for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for

further information on the relevant CREST procedures.

All applications under the Excess Application Facility will be allocated in such manner as the Company may determine in his 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.

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

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer.

The attention of Overseas Shareholders is drawn to paragraph 7 of this Part III.

The Open Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are only being made available under the terms of the Open Offer and are not being made available in whole or in part to the public.

### **3. FURTHER TERMS OF THE OPEN OFFER**

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 26 January 2018.

In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 12 January 2018.

Application will be made for the Open Offer Shares to be admitted to trading on the NEX Exchange Growth Market, and Admission is expected to occur at 8.00 a.m. on 12 January 2018, when dealings in the Open Offer Shares are expected to begin.

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

### **4. PROCEDURE FOR APPLICATION AND PAYMENT**

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

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form will receive the Application Form, which accompanies this document. The Application Form shows

the number of Existing Ordinary Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will only be able to apply for Open Offer Shares through the CREST system.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares for which they subscribe in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2 of this Part III.

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

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send an Unmatched Stock Event (**USE**) message through CREST.

4.1. If you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer

(a) **General**

Subject to paragraph 7 of this Part III in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box A. It also shows the Open Offer Entitlement allocated to them set out in Box B. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box C shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying non-CREST Shareholders may also hold such an Application Form by virtue of a bona fide market claim.

Under the Excess Application Facility, provided they have agreed to take up their 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. 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 by the Company in such manner as it may determine in its 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 form part of the terms of the Open Offer in relation to Qualifying non-CREST Shareholders.

(b) **Bona fide market claims**

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a bona fide market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy bona fide market claims up to 3.00p.m. on 2 January 2018. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected 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 purchaser(s) or transferee(s).

Qualifying non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box K on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into the United States of America, or any other Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2 below.

**(c) Application procedures**

Qualifying non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it.

Completed Application Forms should be posted to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or returned by hand (during normal business hours only) so as to be received by Link Asset Services by no later than 11.00a.m. on 5 January 2018. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11.00a.m. on 5 January 2018. Qualifying non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

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

- (i) Application Forms received after 11.00a.m. on 5 January 2018; or
- (ii) applications in respect of which remittances are received before 11.00a.m. on 5 January 2018 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two working days of such application (or such longer period as the Directors may in their absolute discretion accept).

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

**(d) Payments**

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services Limited re: Chapel Down Group plc 2018 Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Link Asset Services 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. 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 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, Link Asset Services 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 Link Asset Services, finnCap 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.

(e) **Incorrect Sums**

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

- (i) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying non-CREST Shareholder in question; 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, save that any sums of less than £2 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, save that any sums of less than £2 will be retained for the benefit of the Company.

All monies received by Link Asset Services in respect of Open Offer Shares will be held in a separate non-interest bearing account.

(f) **Change in Exchange Rate**

If there is a change in exchange rate between the date of this document and the date of Admission that would result in the gross proceeds of the Open Offer being EUR 5,000,000 or more, the Company will scale back the Excess Application Facility then, if necessary, the number of Open Offer Shares to be issued pursuant to Open Offer Entitlements (on a pro rata basis).

In such circumstances the Company through Link Asset Services reserves the right:

- (i) to allocate the Open Offer Shares in such manner as the Directors may determine in their absolute discretion;
- (ii) to treat any application for Open Offer Shares accordingly; and
- (iii) in the case that an excess sum is paid, refund any unutilised sums to the Qualifying non-CREST Shareholder in question.

(g) **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 Box E of the Application Form. For the avoidance of doubt, Qualifying Shareholders with no Open Offer Entitlement (by virtue of their owning fewer than 35 Existing Ordinary Shares) may still apply for Excess Shares under the Excess Application Facility.

All applications under the Excess Application Facility will be allocated in such manner as the Company may determine in its 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 on the Application Form.

Should applications for Open Offer Shares exceed the total number of shares available under the Open Offer, 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 thereafter, without payment of interest and at the applicant's sole risk.

**(h) Effect of application**

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company and finnCap that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and finnCap 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;
- (iii) confirms to the Company and finnCap that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this 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 such 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 in relation to the Company contained in this document (including information incorporated by reference);
- (iv) represents and warrants to the Company and finnCap that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represents and warrants to the Company and finnCap that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a bona fide market claim;
- (vi) 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 memorandum of association and articles of association of the Company from time to time;

- (vii) represents and warrants to the Company and finnCap that he is not in, nor is he applying on behalf of any person who is in, the United States, or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America, or any other Restricted Jurisdiction 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 or to, or for the benefit of any person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any other Restricted Jurisdiction 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 it may accept the application 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 person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (viii) represents and warrants to the Company and finnCap that he is not, and he is not applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application he is not relying and has not relied on the Company or finnCap or any person affiliated with the Company or finnCap in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

If you have any questions relating to this document and the completion of and return of the Application Form, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(i) **Action to take**

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

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

4.2. If you have an Open Offer Entitlement and an Excess CREST Open Offer Entitlement

credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) **General**

Subject to paragraph 7 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer plus the number of Excess Shares for which he is entitled to apply under the Excess CREST Open Offer Entitlement. 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 participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3:00pm on 15 December 2017, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non- CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and apply for their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(b) **Market claims**

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. 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 CREST Claims

Processing Unit as “cum” the Open Offer Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

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

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

- (i) the crediting of a stock account of Link Asset Services under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or 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 Link Asset Services 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 paragraph 4.2(c)(i) above.

(d) **Content of USE instruction in respect of Open Offer Entitlements**

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Link Asset Services);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00BF2QSR37;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Link Asset Services in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link Asset Services in its capacity as a CREST receiving agent. This is 29484CHA;
- (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 new Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00a.m. on 5 January 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by

viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00a.m. on 5 January 2018. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 5 January 2018 in order to be valid is 11.00a.m. on that day.

(e) **Content of USE Instruction 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 being delivered to Link Asset services);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BF2QSS44;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Link Asset Services in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link Asset Services in its capacity as a CREST receiving agent. This is 29484CHA;
- (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 11.00a.m. on 5 January 2018; 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 and must settle on or

before 11.00a.m. on 5 January 2018.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 5 January 2018 in order to be valid is 11.00a.m. on that day.

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

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

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00a.m. on 5 January 2018. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Open Offer Entitlement and Excess CREST Open Offer Entitlement, which will be managed by Link Asset Services.

In particular, having regard to normal processing times in CREST and on the part of Link Asset Services, 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 3.00p.m. on 29 December 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 4.30p.m. on 28 December 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, as the case may be,

prior to 11.00a.m. on 5 January 2018.

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 Link Asset Services by the relevant CREST member(s) that it/they is/ are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and Link Asset Services from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any other Restricted Jurisdiction or any other jurisdiction in which the application for new Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a bona fide market claim.

(g) **Validity of application**

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00a.m. on 5 January 2018 will constitute a valid application under the Open Offer.

(h) **CREST procedures and timings**

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00a.m. on 5 January 2018. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action.

(i) **Incorrect or incomplete applications**

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through Link Asset Services, 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), save that any sums of less than £2 will be retained for the benefit of the Company; 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), save that any sums of less than £2 will be retained for the benefit of the Company.

(j) **Change in Exchange Rate**

If there is a change in exchange rate between the date of this document and the date of Admission that would result in the gross proceeds of the Open Offer being EUR 5,000,000 or more, the Company will scale back the Excess Application Facility then, if necessary, the number of Open Offer Shares to be issued pursuant to Open Offer Entitlements (on a pro rata basis).

In such circumstances the Company through Link Asset Services reserves the right:

- (i) to allocate the Open Offer Shares in such manner as the Directors may determine in their absolute discretion;
- (ii) to treat any application for Open Offer Shares accordingly; and

in the case that an excess sum is paid, refund any unutilised sums to the CREST member in question.

(k) **The Excess Application Facility**

The Excess Application Facility enables Qualifying CREST Shareholders, 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. For the avoidance of doubt, Qualifying Shareholders with no Open Offer Entitlement (by virtue of their owning fewer than 35 Existing Ordinary Shares) may still apply for Excess Shares under the Excess Application Facility.

All applications under the Excess Application Facility will be allocated in such manner as the Company may determine in its 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 7 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders 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 CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the

Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more bona fide market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed the total number of Open Offer Shares available pursuant to the Open Offer resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST 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 CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk by way of cheque or CREST payment, as appropriate.

Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

Should you have any enquiries in connection with the procedure for applications under the Excess Application Facility and your Excess CREST Open Offer Entitlement, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

**(I) Effect of valid application**

A CREST member who makes or is treated as making a valid application for some or all of his pro rata entitlement to the Open Offer Shares in accordance with the above procedures thereby:

- (i) represents and warrants to the Company and finnCap that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Link Asset Services' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount



payable on application);

- (iii) agrees with the Company and finnCap 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;
- (iv) confirms to the Company and finnCap that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this 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 such 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 the information in relation to the Company contained in this document (including information incorporated by reference);
- (v) represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (vi) represents and warrants to the Company and finnCap that if he has received some or all of his Open Offer Entitlement from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a bona fide market claim;
- (vii) requests that the new Ordinary Shares to which he will become entitled, be issued to him on the terms set out in this document, subject to the memorandum of association and articles of association of the Company from time to time;
- (viii) represents and warrants to the Company and finnCap that he is not in, nor is he applying on behalf of any person who is in, the United States, or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any 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 or to, or for the benefit of, a person who is a citizen or resident of, or which is a corporation, partnership or other entity created or organised in or under any laws of any other Restricted Jurisdiction 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 it may accept the application 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;
- (ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts

and clearance services) of the Finance Act 1986; and

- (x) confirms that in making the application he is not relying and has not relied on the Company or finnCap or any person affiliated with the Company or finnCap in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

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

The Company may in its sole discretion:

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

## 5. **MONEY LAUNDERING REGULATIONS**

### 5.1. **Holders of Application Forms**

To ensure compliance with the Money Laundering Regulations, Link Asset Services may require, at its absolute discretion, verification of the identity of the person 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 the Application Form is submitted 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 Link Asset Services. In such

case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the "acceptor"), including any person who appears to Link Asset Services to be acting on behalf of some other person or for whom the acceptor is acting, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5 the "relevant Open Offer Shares") and shall thereby be deemed to agree to provide Link Asset Services with such information and other evidence as they may require to satisfy the verification of identity requirements.

If Link Asset Services determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Link Asset Services is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Link Asset Services 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 in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Link Asset Services 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 monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Link Asset Services, and finnCap from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,000 as at 12 December 2017, the latest practicable date before the publication of this document).

In other cases the verification of identity requirements may apply. 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 in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Link Market Services Limited re: Chapel Down Group plc 2018 Open Offer A/C in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form; or
- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance 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 Link Asset Services. If the agent is not such an organisation, it should contact Link Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

If you have any questions relating to this document and the completion of and return of the Application Form, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,000 as at 12 December 2017, the latest practicable date before the publication of this document) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and separate evidence of his address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00a.m. on 5 January 2018, Link Asset Services has not received evidence satisfactory to it as aforesaid, Link Asset Services may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## 5.2. Open Offer Entitlements in CREST

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

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

## 6. ADMISSION, SETTLEMENT AND DEALINGS

The result of the Open Offer is expected to be announced on 9 January 2018. Applications will be made to the NEX Exchange for the Open Offer Shares to be admitted to trading on the NEX Exchange Growth Market. It is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 12 January 2018.

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

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00a.m. on 5 January 2018 (the latest date for applications under the Open Offer). Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

It is intended that on 12 January 2018, Link Asset Services will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by Link Asset Services in connection with CREST.

No temporary documents of title will be issued and transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be

at the risk of the applicant. For more information as to the procedure for application, Qualifying non-CREST Shareholders are referred to paragraph 4.2 above and their respective Application Form.

## **7. OVERSEAS SHAREHOLDERS**

The comments set out in this paragraph 7 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.

### **7.1. 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 organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. 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, finnCap, 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. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an 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 any 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 Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of 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, nor should he in any event use any such Application Form and/or credit of 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 and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used and/or made (as the case may be), and any transaction resulting from such use and/or credit could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or Open 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, finnCap, 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 Open Offer Entitlements 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 Open Offer Entitlements or Excess 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 Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and finnCap 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 Open Offer Entitlements 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 and specifically the contents of this paragraph 7.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any 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 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 the United States or any other Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the Application Form, the Company and finnCap 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 CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the other Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily

resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any other Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

## 7.2. **United States**

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

Accordingly, the Company is not making or 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 pursuant to the Open Offer 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 and finnCap 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.

### 7.3. **Other Restricted Jurisdictions**

Due to restrictions under the securities laws of the other 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 other Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements 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 Open 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.

### 7.4. **Other overseas territories which are not Restricted Jurisdictions**

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 CREST Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, overseas territories which are not or are not considered to be a Restricted Jurisdiction. Qualifying Shareholders in jurisdictions other than the United States or another Restricted Jurisdiction may, subject to the laws of their relevant jurisdiction, apply for 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.

### 7.5. **Representations and warranties relating to Overseas Shareholders**

#### (a) **Qualifying non-CREST Shareholders**

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, and finnCap and Link Asset Services that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:

- (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any other Restricted Jurisdiction;
- (ii) such person is not in any territory in which it is unlawful to make or accept

an Open 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 offering, selling, reselling, transferring, delivering or distributing, directly or indirectly, any such Open Offer Shares into any of the above territories.

The Company and/ or Link Asset Services may treat as invalid any application for or an acceptance or purported acceptance of the allocation of Open Offer Shares comprised in an Application Form if it:

- (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or another 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) specifies an address in the United States or another 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

purports to exclude the warranty required by this sub-paragraph (a).

**(b) Qualifying CREST Shareholders**

A CREST member or CREST sponsored member who makes a valid application, acceptance or acquisition in accordance with the procedures set out in this Part III represents and warrants to the Company and finnCap that, except where proof has been provided to the Company's satisfaction that such person's application, acceptance or acquisition will not result in the contravention of any applicable legal requirement in any jurisdiction:

- (i) he is not within the United States or any other Restricted Jurisdiction;
- (ii) he is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares;
- (iii) he is not applying for, accepting or acquiring Open Offer Shares on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to apply, accept or acquire was given; and
- (iv) he is not acquiring any Open Offer Shares with a view to offering, selling, re-selling, transferring, delivering or distributing, directly or indirectly, any such Open Offer Shares into any of the above territories.

## 7.6. **Waiver**

The provisions of this paragraph 7 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 and finnCap in their absolute discretion. Subject to this, the provisions of this paragraph 7 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 7 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 7 shall apply to them jointly and to each of them.

## 8. **TIMES AND DATES**

The Company shall, in agreement within finnCap 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 application or acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the NEX Exchange and make an announcement on a Regulatory Information Service but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer working days prior to the latest time and date for application, acceptance and payment in full under the Open Offer specified in this document, the latest date for application and acceptance under the Open Offer shall be extended to the date that is at least three working days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## 9. **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.

## 10. **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.

## 11. **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 applying for Open Offer Shares, 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.

## 12. MISCELLANEOUS

In this Part III, throughout this document and in the Application Form, unless the context requires otherwise:

- (i) use of the singular includes the plural and vice versa;
- (ii) use of any gender includes the other genders; and

any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts.

## PART IV

### QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV are intended to be in general terms only and, as such, you should read Part III 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, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the 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 7 of Part III of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III 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 contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offers nor give any financial, legal or tax advice.

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. The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 2,940,000 new Ordinary Shares at a price of 50 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 the United States or another Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer. Qualifying Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full.

The Open Offer is being made on the basis of 1 Open Offer Share for every 35 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 50

pence per Open Offer Share represents a discount of 37.11 per cent. to the closing middle-market price quotation as derived from the NEX Exchange of 79.5 pence per Ordinary Share on 12 December 2017 (being the latest practicable date prior to the date of the announcement of the Open Offer).

If there is a change in exchange rate between the date of this document and the date of Admission that would result in the gross proceeds of the Open Offer being EUR 5,000,000 or more, the Company will scale back the Excess Application Facility then, if necessary, the number of Open Offer Shares to be issued pursuant to Open Offer Entitlements (on a pro rata basis).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their respective Open Offer Entitlements. For the avoidance of doubt, Qualifying Shareholders with no Open Offer Entitlement (by virtue of their owning fewer than 35 Existing Ordinary Shares) may still apply for Excess Shares under the Excess Application Facility.

Applications made under the Excess Application Facility may be allocated in such manner as the Company may determine in its absolute discretion if applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor Open Offer Entitlements can themselves be traded.

**2. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW 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 the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you did not sell all of your Existing Ordinary Shares before 15 December 2017 (the time when the Existing Ordinary Shares were marked “ex- entitlement” by the NEX 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 the United States or any other 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 entitlements to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any of the other Restricted Jurisdictions, 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 drawn in the appropriate form, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal office hours only) so as to be received by Link Asset Services by no later

than 11.00a.m. on 5 January 2018, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four working days for delivery.

**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.

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 11.00a.m. on 5 January 2018, these shares may be allocated to other Qualifying Shareholders who apply for Excess Shares under the Excess Application Facility.

**(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 Boxes D and F 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 Boxes D and 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, '25') by £0.50, which is the price in pounds of each Open Offer Share (giving you an amount of £12.50 in this example). You should write this amount in Box G, 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, together with a cheque or banker's draft for that amount, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00a.m. on 5 January 2018, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services Limited re: Chapel Down Group plc 2018 Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraphs 4 and 5 of Part III of this document).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Link Asset Services to seek special clearance of cheques and banker's drafts

to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made. 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.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 26 January 2018.

(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 Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the total amount due (as indicated in G of your Application Form), by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00a.m. on 5 January 2018, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services Limited re: Chapel Down Group plc 2018 Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) 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, at your own risk, by no later than 26 January 2018.

(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. For the avoidance of doubt, Qualifying Shareholders with no Open Offer Entitlement (by virtue of their owning fewer than 35 Existing Ordinary Shares) may still apply for Excess 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 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. For example, if you have an Open Offer Entitlement for 50 Open Offer Shares but you want to apply for 80 Open Offer Shares in total, then you should write '50' in Box D, '30' in Box E and '80' 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, '80') by £0.50, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £40 in this example). You should write this amount in Box G. You should then return your Application Form by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00a.m. on 5 January 2018, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four working days for delivery.

All applications under the Excess Application Facility will be allocated in such manner as the Company may determine in its 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.

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, at your own risk, by no later than 26 January 2018.

**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 of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of:

- the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement; and
- 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 Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 12 December 2017 and who have converted them to certificated form;
- Qualifying non-CREST Shareholders who bought Existing Ordinary Shares before 15 December 2017 but were not registered as the holders of those shares at the close of business on 12 December 2017; 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 Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offers nor give any financial, legal or tax advice.

**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 CREST Shareholders 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 Application Form and payment to Link Asset Services, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

**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. However, fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

**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 sold some or all of your Existing Ordinary Shares before 15 December 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 sold any of your Existing Ordinary Shares on or after 15 December 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 in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services Limited re: Chapel Down Group plc 2018 Open Offer A/C"

and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) 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.

**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 Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal office hours only). If you post your Application Form by first class post, you should allow at least four working days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

**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?**

Link Asset Services must receive the Application Form by no later than 11.00a.m. on 5 January 2018, 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 working 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 complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to the CREST Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

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

It is expected that Link Asset Services will post all new share certificates by no later than 26 January 2018.

**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 will not be entitled to apply under the Open Offer.

**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 the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 7 of Part III of this document.

**20. FURTHER ASSISTANCE**

Should you require further assistance on the completion of the Application Form please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offers nor give any financial, legal or tax advice.

## PART V

### ADDITIONAL INFORMATION

#### 1. THE COMPANY

The Company was incorporated under the Companies Act 2006 and registered in England and Wales on 28 January 2002 with registered number 04362181 as a public limited company with the name English Wines Group plc. The liability of the members of the Company is limited.

On 21 September 2011 the Company changed its name to Chapel Down Group plc.

The registered office of the Company is at Chapel Down, Smallhythe Road, Tenterden, Kent TN30 7NG.

The principal legislation under which the Company operates is the Act and the regulations made thereunder.

The Company is domiciled in England.

The Company's accounting reference date is 31 December. The ISIN number of the Ordinary Shares is GB0032706284.

#### 2. SHARE CAPITAL

The issued and fully paid up share capital of the Company as at 12 December 2017 (being the latest practicable date before publication of this document) was 101,020,948 Ordinary Shares.

Following Admission there will be up to a further 40,000,000 Ordinary Shares in issue and therefore immediately following Admission the Company will have an issued share capital of 141,020,948 Ordinary Shares.

By ordinary and special resolutions passed at the Company's last annual general meeting on 5 June 2017:

1. the Directors were generally and unconditionally authorised pursuant to section 551 of the Act, to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £3,750,000, such authority to expire 15 months after the date of the passing of the resolution or at the conclusion of the Company's next annual general meeting, whichever occurs first, provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred thereby had not expired; and
2. the Directors were empowered pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) which are the subject of the authority referred to in paragraph 1 above for cash, as if section 561 of the Act did not apply to any such allotment, such power to expire 15 months after the passing of the resolution or at the conclusion of the next annual general meeting of the Company following passing of the resolution, whichever occurs first, but may be previously revoked or varied from time to time by Special Resolution but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or

been revoked or varied.

The Company has issued 27,000 Ordinary Shares since 5 June 2017.

Subject to paragraph 3 below, the Company therefore does not require any further shareholder authority under the Act in order to be able to make and issue Ordinary Shares under the Open Offer.

### 3. DIRECTORS' INTERESTS

The interests of the Directors (including the interests of their spouses and infant children and the interests of any person connected with him (within the meaning of sections 252 to 254 of the Act)) are as follows:

	As at the Record Date		Following Admission**		Following Admission***	
	Number of Ordinary Shares	Percentage of Share Capital	Number of Ordinary Shares	Percentage of Share Capital	Number of Ordinary Shares	Percentage of Share Capital
P Brett	13,352,097	13.22%	13,352,097	9.67%	13,352,097	9.47%
J Dunsmore	5,029,410	4.98%	5,429,410	3.93%	5,429,410	3.85%
M Harvey	5,971	0.01%	15,971	0.01%	15,971	0.01%
F Thompson	2,202,867	2.18%	2,222,867	1.61%	2,222,867	1.58%
R Woodhouse	909,951	0.90%	929,951	0.67%	929,951	0.66%
N Wray	21,797,168	21.58%	22,797,168	16.51%	22,797,168	16.17%

\* Of the above total 20,439,269 Ordinary Shares are held by family trusts in which Nigel Wray has a non-beneficial interest. The balance of Ordinary Shares represents Nigel Wray's beneficial holding.

\*\*These numbers and percentages are calculated on the basis that the Open Offer Shares are fully taken-up by Shareholders.

\*\*\* These numbers and percentages are calculated assuming none of the Open Offer Shares are taken-up by Shareholders.

Those Directors and members of the management team who have participated in the Subscription, have confirmed to the Company that they will not take up their Open Offer Entitlements pursuant to the Open Offer.

### 4. GENERAL

The Company is not and has not been involved in any governmental, legal or arbitration proceedings and, so far as the Directors are aware, there are no governmental, legal or arbitration proceedings, pending or threatened against them or being brought by the Company, during the previous 12 months, which may have, or had in the recent past, a significant effect on the financial position or profitability of the Company.

finnCap has given and not withdrawn its written consent to the issue of this document with the inclusion in it of references to its name in the form and context in which they appear.

The gross proceeds of the Open Offer will be £1,470,000, assuming the Open Offer Shares are fully taken up.

The Ordinary Shares are in registered form and are capable of being held in uncertificated form.

Settlement of the Open Offer Shares will, at the option of Qualifying CREST Shareholders, be within CREST and new Ordinary Shares will be delivered into the CREST account of Qualifying CREST Shareholders who take up Open Offer Shares on 12 January 2018. No temporary documents of title will be issued. Definitive share certificates for Qualifying non-CREST Shareholders are expected to be despatched by no later than 26 January 2018. Prior to the despatch of such certificates, transfers will be certified against the register of members of the Company.

#### **5. AVAILABILITY OF DOCUMENT**

Copies of this document are available free of charge at the Company's registered office, during normal business hours on any weekday (Saturdays and public holidays excepted), and shall remain available for at least one month after Admission. In addition, this document will be available free of charge for a period of 12 months from the date of this document on the Company's website [www.chapeldown.com](http://www.chapeldown.com).