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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are resident in the United Kingdom, or if not, from an appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Ordinary Shares prior to the date on which the Ordinary Shares were marked 'ex-entitlement' you should deliver this document together with the enclosed Form of Proxy and, if relevant, the Application Form, as soon as possible 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, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold or otherwise transferred only part of your certificated holding of Ordinary Shares prior to the 'ex-entitlement' date, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications which will be set out in the Application Form. If you have sold or otherwise transferred only part of your uncertificated holding of Ordinary Shares prior to the 'ex-entitlement' date, a claim transaction will automatically be generated by CREST which, on settlement, will transfer the appropriate number of Open Offer Entitlements and Excess CREST Open Offer Entitlements to the purchaser or transferee.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been approved by the Financial Conduct Authority (in its capacity as the UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the New Ordinary Shares at 8.00 a.m. on 17 July 2019.

AIM is a market designed primarily for emerging and smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this document.



**HELIOS UNDERWRITING PLC**

(Incorporated and registered in England and Wales with registered number 05892671)

**Placing and Open Offer to raise up to £3.05 million,  
Proposed Acquisition of the entire issued share capital of Nameco (No. 1113) Limited,  
Waiver of Rule 9 of the City Code on Takeovers and Mergers  
and  
Notice of General Meeting**

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company set out in this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below and to the section headed "Risk Factors" in Part III of Section A of this document.

Notice of General Meeting of the Company to be held at the offices of HFW at Friary Court, 65 Crutched Friars, London EC3N 2AE at 12.00 noon on 16 July 2019 is set out at the end of this document. A Form of Proxy for use at the meeting is enclosed with this document and should be returned as soon as possible and in any event so as to be received by the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD by not later than 12 noon on 12 July 2019. Completion and posting of the Form of Proxy will not prevent a shareholder from attending and voting in person at the General Meeting.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 15 July 2019. The procedure for application and payment for Qualifying Shareholders is set out in Part II of Section A of this document, and, where relevant, will be set out in the Application Form to be sent to Qualifying Non-CREST Shareholders.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this document comes should inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company that would permit possession or distribution of this document in any jurisdiction where action for that purpose is required. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares have not been, nor will they be, registered under the US Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of USA, Australia, Canada, Japan, the Republic of Ireland and the Republic of South Africa. Shareholders outside the UK and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Shore Capital and Corporate Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as nominated adviser, and Shore Capital Stockbrokers Limited is acting exclusively as broker, for the Company and for no one else in relation to the matters described in this document and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital, or for providing advice in relation to the contents of this document or any matter referred to in it. The responsibilities of Shore Capital as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person, in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this document, or otherwise.

No liability is accepted by Shore Capital nor does it make any representation or warranty, express or implied, in relation to the contents of this document, including its accuracy or completeness or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company and the matters described in this document and accordingly Shore Capital disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document or any such statement, to the maximum extent permitted by law and the regulations to which it is subject.

This document contains (or may contain) certain forward looking statements with respect to the Company, its group and certain of its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward looking statements. These forward looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of 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 continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals and expectations set forth in the Company's forward looking statements. Any forward looking statements made in this document by or on behalf of the Company speak only as at the date they are made. Except as required by the FCA, the London Stock Exchange, the Panel or applicable law, the Company, Shore Capital and Corporate Limited and their respective directors, officers, employees, agents, managers, members and partners expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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## DIRECTORS AND ADVISERS

<b>Directors</b>	<b>Michael Cunningham</b> <b>Nigel Hanbury</b> <b>Arthur Manners</b> <b>Andrew Christie</b> <b>Jeremy Evans</b> <b>Edward Fitzalan-Howard, Duke of Norfolk</b>	(Non-Executive Chairman) (Chief Executive) (Finance Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director)
<b>Company Secretary</b>	<b>Martha Bruce</b>	(Company Secretary)
<b>Registered Office</b>	5th Floor 40 Gracechurch Street London EC3V 0BT	
<b>Nominated Adviser</b>	<b>Shore Capital and Corporate Limited</b> Bond Street House, 14 Clifford Street London W1S 4JU	
<b>Broker</b>	<b>Shore Capital Stockbrokers Limited</b> Bond Street House, 14 Clifford Street London W1S 4JU	
<b>Solicitors to the Company</b>	<b>Holman Fenwick Willan LLP</b> Friary Court 65 Crutched Friars London EC3N 2AE	
<b>Registrars and Receiving Agent</b>	<b>Neville Registrars Limited</b> Neville House Steelpark Road Halesowen B62 8HD	
<b>Public Relations</b>	<b>Buchanan Communications Limited</b> 107 Cheapside London EC2V 6DN	

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

**2019**

Record Date for entitlement to participate in the Open Offer	6.00 p.m. on 12 June
Announcement of the Fundraising	13 June
Ex-entitlement date for the Open Offer	13 June
Despatch of the Circular, the Form of Proxy and, to certain Qualifying Non-CREST Shareholders, the Application Form	19 June
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	as soon as possible after 8.00 a.m. on 20 June
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 9 July
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 10 July
Latest time and date for splitting Application Forms	3.00 p.m. on 11 July
Latest time and date for receipt of Forms of Proxy for the General Meeting	12 noon on 12 July
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)</b>	11.00 a.m. on 15 July
General Meeting	12 noon on 16 July
Result of the General Meeting and Open Offer announced	16 July
<b>Admission of the New Ordinary Shares to trading on AIM</b>	8.00 a.m. on 17 July
New Ordinary Shares in uncertificated form expected to be credited to accounts in CREST (uncertificated holders only)	17 July
Expected despatch of definitive share certificates for the New Ordinary Shares (certificated holders only)	Week commencing 29 July

### Notes:

- (1) The ability to participate in the Open Offer is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or located or resident in countries outside the UK (particularly the Excluded Overseas Shareholders), details of which are set out in paragraph 6 of Part II of Section A of this document. Subject to certain exceptions, Application Forms will not be despatched to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to, the stock accounts in CREST of Shareholders with registered addresses in any of the Restricted Jurisdictions.
- (2) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company, in which event details of the new times and dates will be notified by an announcement through a Regulatory Information Service.
- (3) References to times in this document are to London times unless otherwise stated.
- (4) Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.
- (5) The timetable above assumes that Resolutions 1, 2, 3 and 4 in the Notice of General Meeting are duly passed.
- (6) If you require assistance please contact Neville Registrars Limited on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. 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 a.m. — 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## FUNDRAISING AND ACQUISITION STATISTICS

Issue Price	£1.28
Entitlement of Qualifying Shareholders under the Open Offer	1 Open Offer Share for every 10 Existing Ordinary Shares
Existing Ordinary Shares	14,848,462
Number of Consideration Shares	1,590,769
Number of Placing Shares	895,313
Maximum number of Open Offer Shares to be issued by the Company pursuant to the Open Offer	1,484,846
Aggregate number of New Ordinary Shares to be issued pursuant to the Placing and Open Offer*	2,380,159
Maximum gross proceeds of the Placing and Open Offer*	£3,046,604
Aggregate number of New Ordinary Shares*	3,970,928
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares*	21.10%
Enlarged Share Capital*	18,819,390
ISIN of the Open Offer Entitlement	GB00BKF3D150
ISIN of the Excess CREST Open Offer Entitlement	GB00BKF3D267

\* Assuming the maximum number of Open Offer Shares are issued pursuant to the Open Offer.

## DEFINITIONS

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

<b>Act</b>	the Companies Act 2006;
<b>Acquisition</b>	the proposed acquisition by the Company of the entire issued share capital of Nameco 1113 from Nigel Hanbury, in accordance with the terms and conditions of the Acquisition Agreement;
<b>Acquisition Agreement</b>	the conditional agreement dated 12 June 2019 for the acquisition by the Company of the entire issued share capital of Nameco 1113 from Nigel Hanbury, further details of which are set out in paragraph 7 of the Chairman's letter in this document;
<b>Admission</b>	admission of the New Ordinary Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
<b>AGM</b>	the Company's forthcoming annual general meeting convened for 12 noon on 28 June 2019;
<b>AIM</b>	the AIM market operated by the London Stock Exchange;
<b>AIM Rules</b>	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time;
<b>Application Form</b>	the application form accompanying this document to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer;
<b>Artex</b>	Artex Risk Solutions (Guernsey) Limited of PO Box 230, Heritage Hall, Le Marchant Street, St Peter Port, Guernsey GY1 4JH, the manager of HIPCC;
<b>Board of Directors</b>	the board of directors of the Company;
<b>Business Day</b>	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
<b>Certificated or in certificated form</b>	the description of a share or other security which is not in uncertificated form (that is not in CREST);
<b>Circular or this document</b>	this document dated 19 June 2019;
<b>City Code</b>	the City Code on Takeovers and Mergers;
<b>Closing Price</b>	the closing middle market quotation of an Ordinary Share as published by the London Stock Exchange;
<b>Company or Helios</b>	Helios Underwriting Plc a company incorporated in England and Wales with registered number 05892671 and having its registered office at 5th Floor, 40 Gracechurch Street, London EC3V 0BT;
<b>Completion</b>	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement;
<b>Concert Party</b>	the concert party in respect of the Company for the purpose of the City Code, comprising Nigel Hanbury, Hampden, Nicholas Wentworth-Stanley, Jeremy Evans, Sir Michael Oliver, Peter Nutting, Timothy Oliver, Susan Oliver, Charles Camroux-Oliver, James Camroux-Oliver and Alexa Pearmund (each care of the registered office address of the Company at 5th Floor, 40 Gracechurch Street, London EC3V 0BT) and any affiliated person(s) (as defined in the City Code) of any of them and "members of the Concert Party" shall be construed accordingly;
<b>Consideration Shares</b>	the 1,590,769 new Ordinary Shares to be allotted and issued to Nigel Hanbury at the Issue Price pursuant to the Acquisition Agreement;
<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 compendium of documents entitled "CREST Manual" issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules (including CREST Rule 8), the CCSS Operations Manual and the CREST Glossary of Terms;
<b>CREST member</b>	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
<b>CREST participant</b>	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);

DEFINITIONS *CONTINUED*

<b>CREST Proxy Instruction</b>	the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear's specifications;
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001, as amended;
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member;
<b>Dividends</b>	the final dividend of 1.5p per share, and the special dividend of 1.5p per share, being proposed at the AGM and which, if approved without amendment, would be paid to holders of Ordinary Shares registered on the record date at the close of business on 19 July 2019;
<b>Enlarged Share Capital</b>	the issued share capital of the Company on Admission following completion of the Fundraising and the Acquisition (excluding any Ordinary Shares held in treasury and which do not carry voting rights and assuming the maximum number of Open Offer Shares are issued pursuant to the Open Offer);
<b>Euroclear</b>	Euroclear UK & Ireland Limited;
<b>Excess Application Facility</b>	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in addition to their Open Offer Entitlement provided they have agreed to take up their Open Offer Entitlement in full as set out in this document and, in the case of Qualifying Non-CREST Shareholders, the Application Form;
<b>Excess CREST Open Offer Entitlements</b>	in respect of each Qualifying CREST Shareholder, the entitlement set out in this document (in addition to its Open Offer Entitlement) to apply for Excess Shares, credited to its stock account in CREST pursuant to the Excess Application Facility, which is conditional on such Qualifying CREST Shareholder agreeing to take up its Open Offer Entitlement in full;
<b>Excess Shares</b>	the Open Offer Shares which Qualifying Shareholders may apply for under the Excess Application Facility as set out in this document;
<b>Excluded Overseas Shareholders</b>	other than as agreed by the Company and Shore Capital or as permitted by applicable law, Shareholders who are located, resident or have registered addresses in a Restricted Jurisdiction;
<b>Existing Ordinary Shares</b>	the 14,848,462 Ordinary Shares in issue as at the Latest Practicable Date (excluding the 255,778 Ordinary Shares held in treasury and which do not carry voting rights);
<b>FCA</b>	the Financial Conduct Authority;
<b>Form of Proxy</b>	the form of proxy accompanying this document relating to the General Meeting;
<b>FSMA</b>	the UK Financial Services and Markets Act 2000, as amended;
<b>Fundraising</b>	the Placing and the Open Offer;
<b>General Meeting</b>	the General Meeting of the Company, notice of which is set out at the end of this document, and including any adjournment(s) thereof;
<b>Group</b>	the Company and its subsidiaries, from time to time;
<b>Hampden</b>	Hampden Capital plc, a public limited company, incorporated in England and Wales with registered number 04174389 and with its registered office address at 5th Floor, 40 Gracechurch Street, London, EC3V 0BT;
<b>HIPCC</b>	H I PCC Limited, a company incorporated in Guernsey with registered number 42407 and with its registered office address at PO Box 230 Heritage Hall Le Marchant Street St Peter Port Guernsey GY1 4JH;
<b>HIPCC Framework Agreement</b>	the agreement between, amongst others, Upperton, HIPCC, Hampden, Artex and the Company to effect the HIPCC Reorganisation dated 12 June 2019;
<b>HIPCC Reorganisation</b>	the amendments to certain of the Group's arrangements with HIPCC commencing from the 2020 underwriting year, which have the effect of removing the economic benefit that Nigel Hanbury (through Upperton) would otherwise receive in respect of such policies as a 51% indirect shareholder of HIPCC;



<b>Independent Directors</b>	the Directors, other than Nigel Hanbury and Jeremy Evans;
<b>Independent Shareholders</b>	the Shareholders, other than the members of the Concert Party;
<b>Issue Price</b>	£1.28 per New Ordinary Share;
<b>JSOP</b>	the “Helios Underwriting plc Employees’ Share Trust”, being the Company’s joint share ownership plan established in December 2017 for the incentivisation of employees of the Group;
<b>JSOP Trustee</b>	RBC Cees Trustees Limited (a company registered in Jersey with registered number 68138), the trustee of the JSOP;
<b>Latest Practicable Date</b>	12 June 2019, being the latest practicable date prior to publication of this document;
<b>Lloyd’s</b>	the Society and Corporation of Lloyd’s, commonly referred to as Lloyd’s of London;
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Maximum Potential Buyback</b>	the acquisition by the Company of the maximum number of Ordinary Shares, in one or a series of transactions, by way of market purchases pursuant to the Shareholder authority conveyed by Resolution 5 assuming that no Ordinary Shares are acquired by the Company from members of the Concert Party;
<b>Money Laundering Regulations</b>	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Proceeds of Crime Act 2002;
<b>Nameco 1113</b>	Nameco (No. 1113) Limited, a private limited company, incorporated in England and Wales with registered number 08668280 and with its registered office address at 5th Floor, 40 Gracechurch Street, London, EC3V 0BT;
<b>New Ordinary Shares</b>	the Placing Shares, the Open Offer Shares and the Consideration Shares;
<b>Notice of General Meeting</b>	the notice of the general meeting of the Company, set out at the end of this document;
<b>Open Offer</b>	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price, including pursuant to the Excess Application Facility, on the terms and subject to the conditions set out in this document and in the case of the Qualifying Non-Crest Shareholders only, the Application Form;
<b>Open Offer Entitlements</b>	the entitlements for Qualifying Shareholders to subscribe for Open Offer Shares under the Open Offer calculated on the basis of 1 Open Offer Share for every 10 Existing Ordinary Share held by that Qualifying Shareholder as at the Record Date;
<b>Open Offer Shares</b>	the 1,484,846 new Ordinary Shares being made available to Qualifying Shareholders pursuant to the Open Offer;
<b>Ordinary Shares</b>	ordinary shares of 10 pence each in the capital of the Company;
<b>Overseas Shareholders</b>	Shareholders with registered addresses outside the UK or who are citizens of, incorporated in, registered in or otherwise resident in, countries outside the UK;
<b>Panel</b>	the Panel on Takeovers and Mergers;
<b>Participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
<b>Placing</b>	the conditional placing of Placing Shares at the Issue Price by Shore Capital, as agent for the Company, and in accordance with the Placing and Open Offer Agreement;
<b>Placing and Open Offer Agreement</b>	the placing and open offer agreement dated 12 June 2019 between the Company and Shore Capital;
<b>Placing Shares</b>	the 895,313 new Ordinary Shares to be issued by the Company under the Placing;
<b>Qualifying CREST Shareholders</b>	Qualifying Shareholders holding Existing Ordinary Shares in a CREST account;
<b>Qualifying Non-CREST Shareholders</b>	Qualifying Shareholders holding Existing Ordinary Shares in certificated form;

**DEFINITIONS** *CONTINUED*

<b>Qualifying Shareholders</b>	Holders of Existing Ordinary Shares on the register of the Company at the Record Date with the exception (subject to certain exceptions) of Excluded Overseas Shareholders;
<b>Record Date</b>	6.00 p.m. on 12 June 2019 being the latest time by which transfers of Existing Ordinary Shares must be received for registration by the Company in order to allow transferees to be recognised as Qualifying Shareholders;
<b>Registrars or Receiving Agent</b>	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD;
<b>Regulatory Information Service</b>	has the meaning given in the AIM Rules;
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting, which are set out in full in the Notice of General Meeting;
<b>Restricted Jurisdictions</b>	each of Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and the United States and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulation or require the Company to take any action to make the Open Offer available to Shareholders in such jurisdiction;
<b>Rule 9</b>	Rule 9 of the City Code;
<b>Shareholders</b>	holders of Ordinary Shares;
<b>Shore Capital</b>	Shore Capital and Corporate Limited (the Company's nominated adviser) and/or Shore Capital Stockbrokers Limited (the Company's broker), as the context requires;
<b>SIPP</b>	a self-invested personal pension;
<b>UK</b>	the United Kingdom of England, Scotland, Wales and Northern Ireland;
<b>Uncertificated</b>	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>Upperton</b>	Upperton Holdings Limited, a company incorporated in England and Wales with registered number 03838601 (being a company wholly owned by Nigel Hanbury);
<b>Waiver</b>	the waiver granted by the Panel, conditional upon the passing of the Whitewash Resolution, of the obligation under Rule 9 to make a mandatory cash offer for the Ordinary Shares not already owned by it that would otherwise arise on any member of the Concert Party as a result of the Whitewash Proposals;
<b>Whitewash Proposals</b>	the participation by Jeremy Evans (a member of the Concert Party) in the Placing; the allotment and issue of the Consideration Shares to Nigel Hanbury pursuant to the Acquisition and the Maximum Potential Buyback;
<b>Whitewash Resolution</b>	Resolution 1, as set out in the Notice of General Meeting, which is to be taken on a poll of Independent Shareholders in accordance with the requirements of the City Code; and
<b>£</b>	pounds sterling, the legal currency of the United Kingdom.



**HELIOS UNDERWRITING PLC**

(Incorporated and registered in England and Wales with registered number 05892671)

19 June 2019

To Shareholders

**Placing and Open Offer to raise up to £3.05 million,  
Proposed Acquisition of the entire issued share capital of Nameco (No. 1113) Limited,  
Waiver of Rule 9 of the City Code on Takeovers and Mergers  
and  
Notice of General Meeting**

**1. Introduction**

The Company has grown successfully by implementing its strategy of consolidating Lloyd's nameco's to build a fund of Lloyd's underwriting capacity. In order to continue that growth strategy, the Company intends to carry out the Fundraising, the Acquisition and the HIPCC Reorganisation, further details of which are set out below.

**Fundraising**

The Company announced on 13 June 2019 that it had conditionally raised gross proceeds of approximately £1.15 million at the Issue Price pursuant to the Placing and would be carrying out an Open Offer to raise gross proceeds of up to an additional approximately £1.9 million. The Open Offer provides Qualifying Shareholders with an opportunity to participate in the Fundraising at the Issue Price.

The Issue Price of £1.28 per New Ordinary Share represents an approximate 7 per cent. discount to the Closing Price of £1.375 per Ordinary Share on the Latest Practicable Date of 12 June 2019.

Shareholder approval is being sought in respect of the authorities required to implement the Fundraising at the General Meeting, details of which are set out in paragraph 14 below. The Fundraising is conditional, amongst other things, on the passing of Resolution 1, 2, 3 and 4 by the Shareholders at the General Meeting.

New Ordinary Shares issued pursuant to the Placing and the Open Offer will rank for the Dividends, subject to such shares being admitted to trading on AIM prior to the record date of the close of business on 19 July 2019, and subject to shareholders approval of the Dividends at the AGM.

Further information in connection with the Fundraising is set out in Section A of this document. In particular, your attention is drawn to paragraph 16 of this letter, and paragraph 4 of Part II of Section A of this Circular, which sets out the action to be taken by Qualifying Shareholders seeking to participate in the Open Offer.

**Proposed Acquisition**

The Company also announced on 13 June 2019 that it had entered into a conditional agreement to acquire the entire issued share capital of Nameco 1113 which is ultimately beneficially owned by Nigel Hanbury, in consideration for £2,036,184, to be satisfied by the allotment and issue of the Consideration Shares to Nigel Hanbury at Completion.

As a result of Nigel Hanbury's indirect beneficial ownership of Nameco 1113, the Acquisition constitutes a substantial property transaction for the purpose of section 190 of the Act and, accordingly, is subject (amongst other things) to Shareholder approval at the General Meeting. The Acquisition also constitutes a related party transaction for the purpose of the AIM Rules.

**HIPCC Reorganisation**

Nigel Hanbury is currently the indirect 51% shareholder of HIPCC, with the remaining 49% being indirectly held by Hampden. HIPCC provides a number of reinsurance services to the Group, including certain quota share reinsurance products, which have been developed for the Group. The Company and Nigel Hanbury recognise that these related party arrangements can be viewed as a potential conflict of interest and, accordingly, have taken steps to remove that perceived conflict through the HIPCC Reorganisation. Further information on the HIPCC Reorganisation is set out in paragraph 5 below.

**Rule 9 Waiver**

Each of the Whitewash Proposals give rise to certain considerations under the City Code. In aggregate, the members of the Concert Party are interested in shares which carry 30.13 per cent. of the Company's voting rights. As the members of the Concert Party are interested in shares which, in the aggregate, carry not less than 30 per cent. of the voting rights of the Company, but do not hold shares carrying more than 50 per cent. of the voting rights of the Company, the acquisition by any member of the Concert Party of an interest in any other shares which increases the percentage of shares carrying voting rights in which such member is interested as a result of the Whitewash Proposals would ordinarily result in the members of the Concert Party having to make a mandatory offer under Rule 9 of the City Code.

Pursuant to the City Code, the Panel may waive the requirement for a general offer to be made in accordance with Rule 9 if, amongst other things, the Independent Shareholders pass an ordinary resolution on a poll approving such a waiver. Accordingly, the Directors are also proposing the Whitewash Resolution to seek the necessary Shareholder approval. Paragraphs 12 and 13 of this letter, provide further details in respect of the City Code and the Waiver. In addition, further information in connection with the Whitewash Proposals is set out in Section B of this document.

Paragraphs 2 and 19 of this letter set out the background to, and the reasons for, the Acquisition and the Fundraising and explain why the Independent Directors consider the Whitewash Proposals to be in the best interests of the Company and its Shareholders as a whole.

LETTER FROM THE CHAIRMAN *CONTINUED***2. Background to and reasons for the Acquisition and Fundraising and use of proceeds**

Helios' strategy is to build a fund of Lloyd's underwriting capacity through the acquisition and consolidation of acquired limited liability vehicles. Quota share reinsurance is utilised to reduce the exposure of the portfolio and assist in the financing of acquisitions.

This strategy has increased the portfolio from £12.9 million at the start of the 2013 underwriting year to £53.7 million currently. During that period, the Company has acquired 36 companies for a total consideration of £38.9 million.

There are approximately 1,700 limited liability vehicles which are Lloyd's members, with an estimated £2.0 billion of capacity and the Board believes there has been a change in sentiment amongst owners of smaller such limited liability vehicles as rising costs, regulatory pressures and requirements to fund recent losses on the Lloyd's market have all been causing concerns for an aged investor base. Accordingly, the Board expects a good flow of such companies to come onto the market for sale. As at 29 May 2019, there were approximately 17 such vehicles currently for sale, with an aggregate value of £7.8 million.

Helios will look to continue to exploit the available acquisition opportunities to grow its portfolio at attractive prices and to continue its participation in the better managed syndicates by building strategic stakes, which are difficult and expensive to replicate.

The Acquisition is in line with the Company's strategy to increase its underwriting capacity, but also enables Nigel Hanbury to continue to invest in the Company's share capital, within the context of the Fundraising.

The Company has conditionally raised gross proceeds of approximately £1.15 million through the Placing, and is seeking to raise up to a further approximately £1.9 million pursuant to the Open Offer, in order to provide additional funding to continue to expand its portfolio of capacity that participates on syndicates at Lloyd's.

The Company's expenses in respect of the Fundraising and Acquisition are estimated to be approximately £340,000.

The net proceeds of the Fundraising will strengthen the balance sheet and provide readily available funds to expand the capacity portfolio by acquiring further limited liability vehicles.

**3. Information on Nameco 1113**

Nameco 1113 is a limited liability member of Lloyd's and the Acquisition represents an opportunity for Helios to continue to build its participations on the better syndicates at Lloyd's. The 2019 underwriting capacity of Nameco 1113 is £1,994,276. The capacity acquired together with the capacity retained by Helios is as follows:

	Year of Account			
	2016 £m	2017 £m	2018 £m	2019 £m
Retained	1.0	1.8	2.00	2.0
Reinsured	1.8	—	—	—
<b>Total Capacity</b>	<b>2.8</b>	<b>1.8</b>	<b>2.0</b>	<b>2.0</b>

Nameco 1113 participates in a spread of Lloyd's syndicates that broadly matches the existing portfolio of Helios. However, Nameco 1113 has a significant participation of £499,275 in Lloyds' Syndicate 1176, which following Completion, would increase on Helios' participation in that syndicate to £1,448,810 for the 2019 year of account. Syndicate 1176 insures against nuclear risk and liability, including physical damage loss and business interruption to civil nuclear power stations, as well as risk and liability in the wider nuclear fuel cycle. The syndicate participation represents 2.6% of the enlarged capacity portfolio.

Nameco 1113 entered into quota share reinsurance arrangements in respect of 64% of its portfolio for the 2016 underwriting year. Helios intends to reinsure 70% of the 2019 underwriting year in line with its stated strategy of reducing "on-risk" exposures. In the year ended 31 December 2017, Nameco 1113 made a loss before tax of £335,669 on gross premiums written of £1.7 million. Nameco 1113 has cash and near-cash of approximately £1.2 million, of which approximately £700,000 is expected to be released as free cash following the re-financing using quota share reinsurance. The Humphrey valuation of Nameco 1113, adjusted for deferred tax provisions is approximately £2.3 million and consideration being paid is £2,036,184, a 13% discount to the adjusted valuation.

The Consideration Shares issued pursuant to the Acquisition will rank for the Dividends, subject to such shares being admitted to trading on AIM prior to the record date of the close of business on 19 July 2019, and subject to the requisite shareholder approval of the Dividends at the AGM.

Forecasts in respect of Nameco 1113's 2017 and 2018 open years of account are set out below:

Year of account	Nameco 1113 syndicate capacity (£'000)	Forecast of syndicate profit (as at 28 May 2019)
		Result/ Mid-point (£'000)
2017	1,796	4.42%
2018	2,035	2.27%

Source: Syndicate data and Helios analysis (before quota share and early release)

The Acquisition constitutes a related party transaction for the purpose of the AIM Rules.

#### **4. General Meeting**

A General Meeting of the Company will be held in the Boardroom at the offices of HFW at Friary Court, 65 Crutched Friars, London EC3N 2AE on 16 July 2019 at 12 noon. The Resolutions proposed for consideration at the General Meeting are set out in full in the Notice of General Meeting at the end of this document. Resolution 1 is the Whitewash Resolution, Resolution 2 seeks approval for the Acquisition and Resolutions 3 and 4 relate to the authorities required in respect of the New Ordinary Shares to be issued pursuant to the Acquisition and the Fundraising.

Explanatory notes in respect of each of the Resolutions, and details of the action you should take in order to appoint a proxy to attend and vote on your behalf at the General Meeting, are set out in paragraphs 14 and 15 of this letter.

#### **5. HIPCC Reorganisation**

Nigel Hanbury is currently the indirect 51% shareholder of HIPCC, with the remaining 49% being indirectly held by Hampden. HIPCC provides a number of reinsurance services to the Group, including certain quota share reinsurance products, which have been developed for the Group. The Company and Nigel Hanbury recognise that these related party arrangements can be viewed as a potential conflict of interest and, accordingly, have taken steps to remove that perceived conflict through the HIPCC Reorganisation.

Pursuant to the HIPCC Framework Agreement, Upperton, the Company and other relevant parties have agreed to amend certain of the Group's arrangements with HIPCC commencing from the 2020 underwriting year. The HIPCC Reorganisation will have the effect of removing the economic benefit that Nigel Hanbury (through Upperton) would otherwise receive in respect of the Group's arrangements with HIPCC, in return for a one-off cash payment of £100,000.

Pursuant to the HIPCC Framework Agreement, an amount equal to the profits derived by HIPCC from the Group's arrangements with it, in any relevant underwriting year, is to be paid to Helios. An amount equal to 49% of those profits (together with an amount equal to certain tax liabilities that would be payable by Hampden solely as a result of this arrangement) are then paid to Hampden, in order to ensure that it is not disadvantaged by the HIPCC Reorganisation.

The HIPCC Framework Agreement is to be effective from the 2020 Lloyd's years of account, until the earlier of the end of the year of account in which Nigel Hanbury ceases to be a director of the Company or Nigel Hanbury ceases to have any direct or indirect, legal or beneficial, interest in the share capital and voting rights of HIPCC. The HIPCC Framework Agreement is conditioned upon admission of the Placing Shares to trading on AIM, occurring by no later than 18 July 2019.

The HIPCC Reorganisation also constitutes a related party transaction for the purpose of the AIM Rules.

#### **6. Trading Update**

Helios provides a limited liability direct investment into the Lloyd's insurance market and is quoted on AIM (ticker: HUW). Helios trades within the Lloyd's insurance market and has a portfolio of syndicate capacity of £54 million for the 2019 year of account. The portfolio provides a good spread of classes of business being concentrated in property insurance and reinsurance.

On 31 May 2019, the Company announced its final results for the financial year ended 31 December 2018 which included the following: a 32% increase in the capacity portfolio from the six acquisitions of 2018 and a further acquisition in 2019; operating profit before goodwill, impairment and tax of £608,000 (2017: loss of £406,000); earnings per share of 3.14p (2017: loss of 4.75p); adjusted net asset value increased to £1.90 per share (2017: £1.60 per share); Helios retained capacity for 2019 open underwriting year of £15.8m (2018 year of account: £12.3m); and the catastrophe losses in 2018 of £5.2m were reduced by reinsurance to £1.3m.

The announcement also included the following outlook statement:

Our strategy to build a fund of capacity on quality syndicates at Lloyd's continues to develop with the growth of the capacity portfolio by 32% in the year 2018.

The 2018 underwriting year was affected by the second year of catastrophe claims above the Lloyd's market long-term average. The losses in the year affected both the 2017 and 2018 underwriting years and have been fully recognised in these accounts so any improvement in the next two years will contribute to earnings. In addition, firmer market conditions should be reflected in the underwriting returns in the future.

The strategy of building a capacity portfolio of the better available syndicates at Lloyd's should allow Helios to maintain its outperformance of returns on capacity against the Lloyd's market. The recent soft underwriting conditions will distinguish the better managed syndicates which will deliver top quartile performance within the Lloyd's market which will reinforce the demand for these syndicates and assist in the recovery of the auction values. We anticipate more opportunities to acquire LLVs at attractive prices.

## LETTER FROM THE CHAIRMAN *CONTINUED*

### 7. Details of the Acquisition Agreement

Pursuant to the Acquisition Agreement, the Company has conditionally agreed to acquire the entire issued share capital of Nameco 1113 in consideration for £2,036,184, to be satisfied by the allotment and issue of the Consideration Shares to Nigel Hanbury at Completion.

The Acquisition Agreement is conditional, amongst other things, upon:

- (a) the passing, without amendment, of Resolutions 1, 2 and 3 at the General Meeting;
- (b) Lloyd's approval of the change of control of Nameco 1113 as a result of the Acquisition; and
- (c) Admission having occurred by no later than 8.00 a.m. on 17 July 2019 (or such later time and date as may be agreed between Share Capital and the Company pursuant to the Placing and Open Offer Agreement).

If the conditions set out above are not satisfied or waived by no later than 18 July 2019, the Acquisition Agreement will automatically terminate and cease to have any further force and effect, save in respect of any antecedent breaches. Subject to the satisfaction of the conditions, Completion is expected to occur and the Consideration Shares are expected to be issued at Admission.

The Acquisition Agreement contains customary warranties given by Nigel Hanbury to the Company in respect of, inter alia, Nameco 1113 and its operations. Nigel Hanbury has also undertaken to indemnify the Company in respect of any liabilities for tax of Nameco 1113 arising in respect of, amongst other things, the 2016 and prior other closed years of account and any costs, liabilities or losses arising from the enforcement of the existing security granted by Nameco 1113 to Lloyd's in relation to Nomina No. 084 LLP (which is ultimately controlled by Nigel Hanbury), pending the release of such security. The liability of Nigel Hanbury pursuant to the warranties is subject to certain customary limitations, both as to the time in respect of which a claim may be made and the amount that may be recovered. The Acquisition Agreement is subject to English law.

### 8. Details of the Fundraising Details of the Placing

The Company has conditionally raised approximately £1.15 million (before expenses) through a placing of 895,313 New Ordinary Shares at £1.28 per share.

The Placing has not been underwritten and is conditional, inter alia, upon:

- (a) the passing, without amendment, of Resolutions 1, 2, 3 and 4 at the General Meeting;
- (b) the Placing and Open Offer Agreement becoming unconditional in all respects (save in respect of the condition in respect of Admission having occurred) and not having been terminated in accordance with its terms; and
- (c) Admission occurring by not later than 8.00 a.m. on 17 July 2019 (or such later time and/or date as the Company and Share Capital may agree, not being later than 18 July 2019).

Accordingly, if any of such conditions are not satisfied or, if applicable, waived, the Placing will not proceed.

#### Details of the Open Offer

The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by subscribing for their respective Open Offer Entitlements. Pursuant to the Open Offer, Qualifying Shareholders will be given the opportunity to subscribe for 1 Open Offer Share for every 10 Existing Ordinary Shares held on the Record Date.

Qualifying Shareholders applying for their Open Offer Entitlements in full may also apply, under the Excess Application Facility, for Excess Shares in addition to their Open Offer Entitlements as described below.

Assuming that the maximum number of Open Offer Shares are allotted and issued pursuant to the Open Offer, the Open Offer would raise gross proceeds of approximately £1.9 million. The Open Offer is not being underwritten.

The Issue Price represents a discount of approximately 7 per cent. to the Closing Price of £1.375 per Ordinary Share on the Latest Practicable Date.

#### Open Offer Entitlements

Qualifying Shareholders are invited, on and subject to the terms and conditions of the Open Offer, to apply for any number of Open Offer Shares up to their Open Offer Entitlement at the Issue Price. Qualifying Shareholders have an Open Offer Entitlement of:

#### **1 Open Offer Share for every 10 Existing Ordinary Shares**

registered in the name of the relevant Qualifying Shareholder on the Record Date.

Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer will not exceed 1,484,846 Open Offer Shares.

Qualifying Shareholders who apply for any or all of their Open Offer Entitlement will be allocated with the number of Open Offer Shares validly applied for, subject to the Open Offer becoming unconditional.

To the extent that valid applications are not received in respect of Open Offer Shares under the Open Offer, such Open Offer Shares may be allocated to Qualifying Shareholders to meet any valid applications under the Excess Application Facility.



## **8. Details of the Fundraising** *continued*

### **Excess Application Facility**

Qualifying Shareholders who have taken up their Open Offer Entitlement in full may apply to subscribe for Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply to subscribe for Excess Shares, may do so by completing the relevant sections on the Application Form. Qualifying CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlements will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2 of Part II of Section A of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

The Excess Application Facility will comprise Open Offer Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full. Qualifying Shareholders can apply for any number of Excess Shares under the Excess Application Facility, although if applications exceed the maximum number available, the applications will be scaled back on a pro rata basis or otherwise at the discretion of the Directors. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

### **Application procedure under the Open Offer**

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit of their Open Offer Entitlement. Qualifying Shareholders who have taken up their Open Offer Entitlement in full may also apply to subscribe for Excess Shares using the Excess Application Facility. The Open Offer Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown in Box 4 on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Open Offer Entitlements. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement as soon as practicable after 8.00 a.m. on 20 June 2019.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST, which will be enabled for settlement in CREST as soon as practicable after 8.00 a.m. on 20 June 2019. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear's Claims Processing Unit.

Qualifying Non-CREST Shareholders should note that their Application Form is not a negotiable document and cannot be traded.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part II of Section A of this document and, where relevant, on the Application Form.

### **Conditionality**

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

- (a) the passing, without amendment, of Resolutions 3 and 4 at the General Meeting;
- (b) the Placing and Open Offer Agreement becoming unconditional in all respects (save in respect of the condition in respect of Admission having occurred) and not having been terminated in accordance with its terms; and
- (c) Admission occurring by not later than 8.00 a.m. on 17 July 2019 (or such later time and/or date as the Company and Shore Capital may agree, not being later than 18 July 2019).

If the conditions set out above are not satisfied or waived (where capable of waiver), the Open Offer will lapse; and any Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will, after that time and date, be disabled and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest, as soon as practicable thereafter.

### **Placing and Open Offer Agreement**

The Company entered into a placing and open offer agreement with Shore Capital dated 12 June 2019, pursuant to which, Shore Capital agreed to use its reasonable endeavours to procure subscribers for new Ordinary Shares as agent for the Company at the Issue Price per share. The Company conditionally raised gross proceeds of approximately £1.15 million pursuant to the Placing.

### **Application for Admission**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Admission of the New Ordinary Shares is expected to take place, and dealings on AIM are expected to commence, at 8.00 a.m. on 17 July 2019 (or such later times and/or dates as may be agreed between the Company and Shore Capital). No temporary documents of title will be issued.

The New Ordinary Shares will, with effect from Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission. Accordingly, on the assumption that Admission takes place on 17 July 2019 as currently envisaged, the New Ordinary Shares would carry the right to receive the Dividends, of 3p per Ordinary Share in aggregate, proposed to be paid on 31 July 2019 to holders of Ordinary Shares registered at close of business on 19 July 2019 (as proposed by resolutions 2 and 3 at the AGM).

LETTER FROM THE CHAIRMAN *CONTINUED***8. Details of the Fundraising** *continued***Important notice**

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Open Offer Entitlements will not be sold in the market on behalf of, or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer. To the extent that valid acceptances are not received in respect of all of the Open Offer Shares under the Open Offer, unallocated Open Offer Shares will be made available to other Qualifying Shareholders, provided they have taken up their Open Offer Entitlements in full, pursuant to the Excess Application Facility.

Qualifying Shareholders are being invited to participate in the Open Offer and Qualifying Non-CREST Shareholders will have received an Application Form with this document.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to the date on which the Ordinary Shares were marked 'ex-entitlement' is advised to consult his 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 by the purchasers under the rules of the London Stock Exchange.

**9. Effect of the Fundraising and Acquisition**

Immediately following Admission, the New Ordinary Shares would together represent approximately 21.10 per cent. of the Enlarged Share Capital (assuming the Open Offer is subscribed in full).

**10. Directors' and major Shareholder's interests and intentions in relation to the Fundraising**

Each of the Directors (other than Nigel Hanbury) have, directly or indirectly, subscribed for Placing Shares pursuant to the Placing, for an aggregate subscription of approximately £90,000 at the Issue Price and, Will Roseff, a substantial shareholder of the Company, has participated in the Placing subscribing an amount of £800,000 at the Issue Price. In addition, pursuant to the Acquisition, Nigel Hanbury is to be allotted and issued the Consideration Shares at Completion. The Directors have undertaken not to participate in the Open Offer.

The interests (all of which are beneficial unless stated otherwise) of the Directors, Will Roseff and their respective immediate families and of persons connected with them (within the meaning of section 252 of the Act) in the Existing Ordinary Shares as at the Latest Practicable Date and as they are expected to be following Admission (assuming that the Placing Shares are issued, the maximum number of Open Offer Shares are issued and Completion occurs) are as follows:

Name	At the Latest Practicable Date		Immediately following Admission <sup>1</sup>	
	Number of Ordinary Shares	Percentage Of Existing Ordinary Shares	Number of Ordinary Shares	Percentage of Enlarged Share Capital
Michael Cunningham	37,167	0.25	56,698	0.30
Nigel Hanbury	2,736,871	18.43	4,327,640	23.00
Arthur Manners	333,334	2.24	348,959	1.85
Andrew Christie	12,166	0.08	19,979	0.11
Jeremy Evans	58,670	0.40	66,483	0.35
Edward Fitzalan-Howard	333,333	2.24	352,864	1.88
Will Roseff	3,711,542	25.00	4,336,542	23.04

1. On the basis that none of the Directors participate in the Open Offer.

**11. Related Party Transactions**

As Nigel Hanbury is a director of, and substantial shareholder in, the Company, both the Acquisition and the HIPCC Reorganisation constitute related party transactions for the purpose of the AIM Rules.

The Independent Directors consider, having consulted with Shore Capital, the Company's nominated adviser, that the terms of the Acquisition and, the HIPCC Reorganisation are fair and reasonable in so far as Shareholders are concerned.



## 12. City Code

As mentioned in paragraph 1 above, given the current combined shareholding of the Concert Party, the Whitewash Proposals gives rise to certain considerations under the City Code. Brief details of the City Code and the protection it affords are set out below.

The City Code is issued and administered by the Panel. The Company is a company to which the City Code applies and, as such, its Shareholders are entitled to the protections afforded by the City Code. The City Code and the Panel operate principally to ensure that the shareholders of a company are treated fairly and are not denied an opportunity to decide on the merits of a takeover. The City Code also provides an orderly framework in which takeovers are conducted.

Under Rule 9, where any person acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the City Code) in shares which (taken together with shares in which it is already interested and in which persons acting in concert with it are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person, and any person acting in concert with it, is normally required by the Panel to make a general offer in cash to all of the remaining shareholders to acquire the remaining shares in that company not held by it and/or its concert parties.

Rule 9 further provides that, where any person, together with any persons acting in concert with it, is interested in shares which, in aggregate, carry not less than 30 per cent. but does not hold shares carrying more than 50 per cent. of a company's voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person, or any person acting in concert with it.

An offer under Rule 9 must be in cash and at the highest price paid by the person required to make the offer, or any persons acting in concert with it, for any interest in shares in the company during the 12 months preceding the date of the announcement of such offer.

Rule 9 of the City Code further provides, amongst other things, that where any person who, together with persons acting in concert with it, holds over 50 per cent. of the voting rights of a company and acquires an interest in shares which carry additional voting rights, then they will not normally be required to make a general offer to the other shareholders to acquire their shares. However, the Panel may deem an obligation to make an offer to have arisen on the acquisition by a single member of a concert party of an interest in shares sufficient to increase its individual holding to 30 per cent. or more of a company's voting rights or, if it already holds more than 30 per cent. but less than 50 per cent., an acquisition which increases its shareholdings in that company.

Under the City Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control, or to frustrate the successful outcome of an offer for a company, subject to the City Code. Control means an interest, or interests, in shares carrying, in aggregate, 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

## 13. Waiver of Rule 9 of the City Code

Pursuant to the City Code, the Panel may waive the requirement for a general offer to be made in accordance with Rule 9 if, amongst other things, the shareholders of a company who are independent of the person who would otherwise be required to make an offer, and any person acting in concert with it, pass an ordinary resolution on a poll approving such a waiver.

Each of Nigel Hanbury, Hampden, Nicholas Wentworth-Stanley, Jeremy Evans, Sir Michael Oliver, Peter Nutting, Timothy Oliver, Susan Oliver, Charles Camroux-Oliver, James Camroux-Oliver and Alexa Pearmund are considered by the Panel to be acting in concert in respect of the Company and together are interested in shares which carry 30.13 per cent. of the Company's voting rights. As the members of the Concert Party are interested in shares which, in the aggregate, carry not less than 30 per cent. of the voting rights of the Company, but do not hold shares carrying more than 50 per cent. of the voting rights of the Company, the acquisition by any member of the Concert Party of an interest in any other shares which increases the percentage of shares carrying voting rights in which such member is interested as a result of the Whitewash Proposals (including through an increase of the proportionate voting interests of any member as a result of a buyback of Ordinary Shares) would ordinarily result in the members of the Concert Party having to make a mandatory offer under Rule 9 of the City Code.

The Panel has agreed, subject to the passing of the Whitewash Resolution by the Independent Shareholders on a poll at the General Meeting, to waive the obligation of the members of the Concert Party to make a mandatory offer for the Ordinary Shares not already owned by them which would otherwise arise following completion of the Whitewash Proposals. Accordingly, the Company is proposing the Whitewash Resolution to seek the approval of Independent Shareholders to the Waiver.

In order to be validly passed, the Whitewash Resolution will require a simple majority of the votes cast on a poll vote. As the Waiver must be approved by the Independent Shareholders, members of the Concert Party are not able to vote on the Whitewash Resolution. The Waiver will be invalidated if any purchases of Ordinary Shares are made by any member of the Concert Party in the period between the date of this document and the General Meeting.

The members of the Concert Party were identified as acting in concert in the Company's admission document dated 13 August 2007 issued in connection with its application for admission to trading on AIM and its fundraising by way of an offer for subscription. At that time, each of Nigel Hanbury, Nicholas Wentworth-Stanley, Jeremy Evans, Sir Michael Oliver, Peter Nutting and Timothy Oliver were directors of Hampden. Certain members of the Concert Party subscribed for Ordinary Shares in that fundraising, which was itself the subject of a prior waiver of Rule 9 of the City Code. By virtue of their indirect interest in Hampden Capital plc, Timothy Oliver's wife, Susan Oliver, his two sons, Charles Camroux-Oliver and James Camroux-Oliver, and his daughter, Alexa Pearmund, are also considered members of the Concert Party.

LETTER FROM THE CHAIRMAN *CONTINUED***13. Waiver of Rule 9 of the City Code** *continued*

As at the Latest Practicable Date, the interests of the members of the Concert Party in the Ordinary Shares are as follows:

Name	Number of Ordinary Shares	Percentage of the Existing Ordinary Shares
Nigel Hanbury	2,736,871	18.43%
Hampden Capital plc*	1,214,560	8.18%
Nicholas Wentworth-Stanley	429,839	2.89%
Jeremy Evans	58,670	0.40%
Sir Michael Oliver	29,000	0.20%
Peter Nutting	5,008	0.03%
<b>Total</b>	<b>4,473,948</b>	<b>30.13%</b>

\* The majority shareholder of Hampden Capital plc is Hampden Holdings Limited which owns 78.66% of its issued share capital (76.73% directly and a further 1.93% indirectly). Hampden Group Management Limited Directors Pension Scheme (the "Hampden Pension Scheme"), is the largest shareholder of Hampden Holdings Limited, with an interest of 27.30%, and each of Timothy Oliver, Susan Oliver, Charles Camroux-Oliver, James Camroux-Oliver and Alexa Pearmund are beneficially interested in the pension scheme. Timothy Oliver, Susan Oliver, Charles Camroux-Oliver, James Camroux-Oliver and Alexa Pearmund each have a direct interest in Hampden Holdings Limited of 20.37%, 5.78%, 5.32%, 5.32% and 5.32% respectively. Assuming one of either Timothy Oliver, Susan Oliver, Charles Camroux-Oliver, James Camroux-Oliver and Alexa Pearmund becomes solely entitled to all of the shares held by the Hampden Pension Scheme in Hampden Holdings Limited (and no further interests in shares in Hampden Holdings Limited are acquired by the Hampden Pension Scheme or any of them), his/her individual beneficial interest in Hampden Holdings Limited would increase to 47.67%, 33.08% 32.62%, 32.62% or 32.62% respectively.

In the event that the Whitewash Resolution is approved and the Whitewash Proposals (including the Maximum Potential Buyback) take place, and on the assumption that the maximum number of New Ordinary Shares are issued with all of the Open Offer Shares being taken up by the Concert Party (and no-one else) and that no further Ordinary Shares are issued by the Company or interests in the voting rights of the Company acquired or disposed of by any member of the Concert Party, the aggregate interest of the Concert Party in shares which carry voting rights in the Company would increase from 30.13 per cent. to 43.6 per cent.

Immediately following Admission and Completion, and the allotment and issue of New Ordinary Shares to members of the Concert Party pursuant to the Placing and the Acquisition (and assuming that all of the Open Offer Shares are taken up by the Concert Party (and no-one else) and the Company does not buyback any of its Ordinary Shares or issue any further Ordinary Shares in the interim), the aggregate interest of the Concert Party in shares which carry voting rights in the Company would increase from 30.13 per cent. to 40.16 per cent.

Shareholders should note that, even if the Whitewash Resolution is approved and the Whitewash Proposals take place, any further increase in the Concert Party's aggregate voting interest in the Company (other than as a result of the Whitewash Proposals) will be subject to the provisions of Rule 9. In addition, members of the Concert Party will not be restricted from making a subsequent offer in the future for the Company in the event that the Waiver is approved by Independent Shareholders and the Whitewash Proposals take place.

Further information in respect of the Concert Party is set out in Section B of this document.

**14. General Meeting**

The General Meeting, notice of which is set out at the end of this document, is to be held at 12 noon on 16 July 2019 at the offices of HFW at Friary Court, 65 Crutched Friars, London EC3N 2AE. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions set out in full in the Notice of General Meeting, as summarised below:

- Resolution 1 is the Whitewash Resolution which, as required by the City Code, will be taken on a poll vote of Independent Shareholders, who will be entitled to one vote for each Ordinary Share in the capital of the Company held by them at 6.00 p.m. on 12 July 2019. Members of the Concert Party will not vote on the resolution. Resolution 1 is an ordinary resolution to approve the Waiver.
- Resolution 2 is an ordinary resolution to approve the acquisition by the Company of Nameco 1113 (being a company connected with Nigel Hanbury, a director of the Company) as a substantial property transaction in accordance with the Act. Given that the purchase price in respect of the Acquisition is to be satisfied by the allotment and issue of the Consideration Shares, Resolution 2 is conditional on the passing of Resolutions 1 and 3.
- Resolution 3 is an ordinary resolution to grant the Directors authority to allot the New Ordinary Shares for the purposes of the Acquisition and the Fundraising. This authority would be in addition to any equivalent authority that may be given to the Directors at the AGM. Resolution 3 is conditional on the passing of Resolutions 1 and 2.
- Resolution 4 is conditional on the passing of Resolution 3. Resolution 4 is a special resolution which disapplies the statutory pre-emption rights in respect of the allotment of the New Ordinary Shares to be allotted pursuant to Resolution 9 in connection with the Fundraising. This authority will be in addition to any equivalent authority that may be given to the Directors at the AGM. Resolution 3 is conditional on the passing of Resolutions 1 and 2.

#### **14. General Meeting** *continued*

- As Shareholders will be aware, it is normal practice for the board of a public company to seek the authority of shareholders at its annual general meeting to be able to repurchase part of the company's issued share capital. However, as the Whitewash Proposals and the Whitewash Resolution are relevant to the use of any such authority, it is being sought at the General Meeting on this occasion. The Directors believe that this is an appropriate authority to seek as such repurchases could enable the enhancement of net asset value per share for all remaining Shareholders and potentially enhance the rating of the Company's Ordinary Shares in the stock market. During the period between July 2018 and January 2019, the Company bought back 255,778 Ordinary Shares, in aggregate. At the General Meeting and, in common with annual general meetings of the Company in prior years, the Directors are seeking authority to purchase certain of its Ordinary Shares. However, the Directors have no present intention of exercising the authority under Resolution 5.

Resolution 5 is a special resolution to authorise the Company to purchase its own Ordinary Shares in any number of transactions up to a limit of 1,484,846 Ordinary Shares (being equivalent to approximately 10% of the Existing Ordinary Shares) at a minimum price (excluding expenses) of the nominal value of an Ordinary Share and a maximum price (excluding expenses) of the higher of: (i) 105% of the average market value of an Ordinary Share in the Company for the five business days prior to the day the purchase is made; and (ii) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for the last independent trade or the highest current independent bid price. This authority will expire at the conclusion of the Company's 2020 annual general meeting (or, if earlier, 30 June 2020).

Resolution 5 complies with the Share Capital Management Guidelines issued by the Investment Association. The authority would only be exercised if the Directors believe the purchase would enhance net asset value per share and be in the best interests of Shareholders generally. The Company currently intends to hold in treasury any of its own shares that it purchases in accordance with the authority conferred by this resolution. This would give the Company the ability to reissue treasury shares quickly and cost effectively and would provide the Company with greater flexibility in the management of its capital base.

#### **15. Action to be taken in relation to the General Meeting**

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible and in any case so as to be received by the Company's registrars, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD no later than 12 noon on 12 July 2019. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrars (Crest Participant ID: 7RA11) so that it is received by no later than 12 noon on 12 July 2019. The return of the Form of Proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting in person if you wish.

#### **16. Action to be taken in respect of the Open Offer**

##### **Qualifying Non-CREST Shareholders (i.e. holders of Existing Ordinary Shares in certificated form)**

If you are a Qualifying Non-CREST Shareholder you will receive an Application Form which gives details of your Open Offer Entitlements (as set out in Box 4 of the Application Form). Under the Excess Application Facility, provided you are a Qualifying non-CREST Shareholder and have agreed to take up your Open Offer Entitlement in full, you may apply for more than the amount of your Open Offer Entitlement should you wish to do so. If you wish to apply for Open Offer Shares under the Open Offer and, if applicable Excess Shares under the Excess Application Facility, you should complete the Application Form in accordance with the procedure for application set out in paragraph 4.1 of Part II of Section A of this document and on the Application Form itself.

Completed Application Forms, accompanied by full payment in accordance with the instructions in paragraph 4.1 of Part II of Section A of this document, should be posted using the accompanying reply-paid envelope (if posted from the UK only) or returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, in either case, as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 15 July 2019. 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.

##### **Qualifying CREST Shareholders (i.e. holders of Existing Ordinary Shares in uncertificated form)**

If you are a Qualifying CREST Shareholder you will not be sent an Application Form. You will receive a credit to your appropriate stock account in CREST in respect of your Open Offer Entitlement and Excess CREST Open Offer Entitlement.

You should refer to the procedure for application set out in paragraph 4.2 of Part II of Section A of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 4.2 of Part II of Section A of this document by no later than 11.00 a.m. on 15 July 2019.

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.

If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from an appropriately qualified independent professional adviser.

## LETTER FROM THE CHAIRMAN *CONTINUED*

### **17. 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 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, the Form of Proxy or (if applicable) an Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part II (Terms and Conditions of the Open Offer) of Section A 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 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 to the Open Offer.

No offer of New Ordinary Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

### **18. Taxation**

Your attention is drawn to the taxation section contained in Part IV of Section A of this document.

This information is intended only as a general guide to the current UK tax position. Shareholders who are in any doubt as to their tax position, or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser immediately.

### **19. Recommendation**

The Independent Directors, who have been so advised by Shore Capital and Corporate Limited, consider the Whitewash Proposals to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. Accordingly, the Independent Directors unanimously recommend that the Independent Shareholders vote in favour of the Whitewash Resolution. In providing advice to the Independent Directors, Shore Capital has taken into account the Independent Directors' commercial assessments.

In addition, the Directors consider that all of the other Resolutions are in the best interests of the Company and its Shareholders as a whole and recommend that the Shareholders vote in favour of such Resolutions.

Yours faithfully,

**Michael Cunningham**

Non-Executive Chairman

Helios Underwriting plc

## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING

### PART I – QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part I are intended to be in general terms only and, as such, you should read Part II (Terms and Conditions of the Open Offer) of Section A to this document for full details of what action to take.

**If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are resident in the United Kingdom, or if not, from an appropriately authorised independent financial adviser.**

This Part I 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 Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part II to 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 or apply for Excess Shares pursuant to the Excess Application Facility.

If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should refer to Part II of Section A 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 Neville Registrars Limited on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. 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 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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

#### **1. What is an Open Offer?**

An open offer is a way for companies to raise money. Companies do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings.

The Open Offer is an invitation by Helios to Qualifying Shareholders to apply to subscribe, for 1,484,846 Open Offer Shares in aggregate at a price of £1.28 per Open Offer Share. If you hold 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 in, or are located or resident in, a Restricted Jurisdiction) you will be entitled to subscribe for Open Offer Shares under the Open Offer. If you hold Shares in certificated form, your entitlement will be set out in your Application Form.

The Open Offer is being made on the basis of 1 Open Offer Share for every 10 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 subscribe for any fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

Open Offer Shares are being offered to Qualifying Shareholders in the Open Offer at a discount of 7 per cent. to the Closing Price of £1.375 per Ordinary Share on 12 June 2019 (being the Latest Practicable Date).

An Open Offer is not a rights issue and, therefore, if you are a Qualifying Shareholder and you do not wish to subscribe for Open Offer Shares to which you are entitled you will not be able to sell or transfer your entitlement to those Open Offer Shares.

Subject to their terms and conditions of the Open Offer, valid applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement.

Qualifying Shareholders are also being given the opportunity, provided they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

If applications under the Excess Application Facility are received for more than the maximum number of Shares available, then such applications will be scaled back on a pro rata basis or otherwise at the discretion of the Directors.

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

A placing is where certain existing and new institutional and other investors conditionally agree to subscribe for a number of shares. The placing is a firm placing and so the number of shares are fixed and are not subject to clawback or re-allocation on the basis of the results of the open offer. Subject to the satisfaction of any relevant conditions, a placing therefore provides the issuer with certainty of new funds and an opportunity to introduce new investors to its share register. Unless you are a place, you will not be entitled to participate in the Placing.

#### **3. 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 in, or located or resident in, any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 13 June 2019 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

**SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*****PART I – QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER *continued*****4. I hold my existing Ordinary Shares in certificated form. How do I know how many new Ordinary 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 in, and are not located or resident in, any Restricted Jurisdiction, you will be sent an Application Form that shows:

- 4.1 how many Existing Ordinary Shares you held on the Record Date;
- 4.2 how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- 4.3 how much you need to pay if you want to take up in full your entitlement to Open Offer Shares.

If you are an Overseas Shareholder, subject to certain exceptions, you will not have received and will not receive an Application Form.

**5. 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?****5.1 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 cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you do not take up your Open Offer Entitlement, then following the issue of the New Ordinary Shares (on the assumption that the maximum number of New Ordinary Shares are issued), your interest in the Company will be diluted by approximately 26.74 per cent.

**5.2 If you want to take up some, but not all, of your Open Offer Entitlement**

If you want to take up some, but not all, of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 6 and Box 8 of your Application Form. For example, if you are entitled to take up 100 shares but you only want to take up 50 shares, then you should write “50” in Box 6 and Box 8. 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 to subscribe for (in this example, “50”) by £1.28, which is the price of each Open Offer Share (giving you an amount of £64.00 in this example). You should write this amount in Box 9 and this should be the amount that your cheque or banker’s draft made payable to “Neville Registrars Limited Re: Clients Account” and crossed “A/C payee only” is made out for. You should then sign the Application Form (ensuring that all joint holders sign (if applicable)) and return the completed Application Form, together with a cheque or banker’s draft for the relevant amount, in the accompanying pre-paid envelope (if posted from the UK only) or returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, in either case, as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 15 July 2019, after which time Application Forms will not be valid. Please allow at least four working days for delivery if sent by first class post from within the UK.

**5.3 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 insert the number of Open Offer Shares set out in Box 4 in Boxes 6 and 8 and insert the amount set out in Box 5 in Box 9. Then sign the Application Form (ensuring that all joint holders sign (if applicable)) and send the Application Form, together with your cheque or banker’s draft for the amount (as indicated in Box 5 of your Application Form) made payable to “Neville Registrars Limited Re: Clients Account” and crossed “A/C payee only”, in the accompanying pre-paid envelope (if posted from the UK only) or returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, in either case, as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 15 July 2019, after which time Application Forms will not be valid. Please allow at least four working days for delivery if sent by first class post from within the UK.

**5.4 If you want to apply for more than your Open Offer Entitlement**

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares using the Excess Application Facility. You should write the number of Open Offer Shares that you wish to take up, including those for which you are applying under the Excess Application Facility in Box 8.

Please note that applications for Excess Shares will only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the maximum number of Shares available, then such applications will be scaled back on a pro rata basis or otherwise at the discretion of the Directors.

**5.5 How do I pay?**

All payments must be in pounds sterling and made by cheque or banker’s draft made payable to “Neville Registrars Limited Re: Clients Account” and crossed “A/C payee only”.

Cheque or banker’s drafts must be drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker’s drafts to be cleared through facilities provided by any of those companies. Cheques and banker’s drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker’s drafts will be honoured on first presentation. Further details regarding the payment procedure and treatment of funds may be found at paragraph 4.1(iii) of Section A of Part II of Section A of this document.

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 during the week commencing 29 July 2019.



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

CREST members should follow the instructions set out in paragraph 4.2 of Part II of Section A 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 take up and their Excess CREST Open Offer Entitlement respectively, and should contact them if they do not receive this information.

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

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

- 7.1 Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form at 6.00 p.m. on 12 June 2019 and who have converted them to certificated form;
- 7.2 Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 8.00 a.m. on 13 June 2019 but were not registered as the holders of those shares at 6.00 p.m. on 12 June 2019; and
- 7.3 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 Neville Registrars Limited. Details of the telephone helpline are set out in the answer to question 21 below.

## **8. I am a Qualifying Shareholder, do I have to apply for all the new Ordinary Shares I am entitled to apply for?**

You can take up any number of the Open Offer Shares allocated to you under your Open Offer Entitlement. If you are a Qualifying Non-CREST Shareholder, your maximum Open Offer Entitlement is shown on your Application Form.

Any applications by a Qualifying Shareholder for a number of Open Offer Shares which is equal to or less than that person's Open Offer Entitlement will be satisfied, subject to the Open Offer becoming unconditional. If you decide not to take up all of the Open Offer Shares comprised in your Open Offer Entitlement, then your proportion of the ownership and voting interest in Helios will be reduced. Please refer to the answer to questions 5.1 and 13 for further information.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded.**

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

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

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

## **11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend less than the amount set out in box 5 of the Application Form?**

If you want to spend less than the amount set out in Box 5, you should divide the amount you want to spend by £1.28, (being the price of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £100 you should divide £100 by £1.28. You should round that down to the nearest whole number to give you the number of shares you want to take up and write that number in Box 6 and Box 8. To then get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for by £1.28 and then fill in that amount in Box 9 and on your cheque or banker's draft accordingly.

Under the Excess Application Facility, provided that you are a Qualifying Non-CREST Shareholder and you have agreed to take up your Open Offer Entitlement in full, you may apply for more than the amount of your Open Offer Entitlement should you wish to do so.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take up of Open Offer Entitlements by Qualifying Shareholders. Please note that applications for Excess Shares will only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the maximum number of Shares available, then such applications will be scaled back on a pro rata basis or otherwise at the discretion of the Directors. If every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying Non-CREST Shareholders whose applications under the Excess Application Facility are scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for, but not allocated to them, under the Excess Application Facility 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.

## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*

### PART I – QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER *continued*

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

If you hold shares in the Company directly, and you have sold or sell some or all of your Existing Ordinary Shares before 8.00 a.m. on 13 June 2019, you should contact the buyer or the person/company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 8.00 a.m. on 13 June 2019, you may still take up and apply for the Open Offer Shares as set out in your Application Form.

#### **13. Will the Existing Ordinary Shares that I hold now be affected by the Acquisition and Fundraising?**

Your proportionate ownership and voting interest in the Company will be reduced as a result of the issue of the Consideration Shares pursuant to the Acquisition. If you decide not to apply for any of the New Ordinary Shares to which you are otherwise entitled under the Open Offer, or you only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced to a greater extent as a result of the Fundraising.

#### **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?**

Neville Registrars Limited must receive the Application Form by no later than 11.00 a.m. on 15 July 2019, 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. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?**

It is expected that the Registrar will post all new share certificates during the week commencing 29 July 2019.

#### **16. 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 ("CCSS") in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

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

If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Existing Ordinary Shares. If you are in any doubt, please consult your stockbroker, bank manager or other appropriate financial adviser.

#### **18. Will the Open Offer affect dividends on the Existing Ordinary Shares?**

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including with regard to 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.

#### **19. Will I be taxed if I take up my entitlements?**

Information on taxation with regard to the Open Offer is set out in Part IV of this document. This information relates to the tax position of holders of Open Offer Shares who are resident and domiciled in the United Kingdom for tax purposes. It is intended as a general guide only and Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

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

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

#### **21. Further assistance**

Should you require further assistance, please contact Neville Registrars Limited on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. 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 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.



## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*

### PART II – TERMS AND CONDITIONS OF THE OPEN OFFER

#### **1. Introduction**

As explained in the letter from the Chairman, the Company proposes to issue up to 2,380,159 New Ordinary Shares at the Issue Price in order to raise approximately £3.05 million (before expenses) by way of the Placing and the Open Offer (assuming that maximum number of Open Offer Shares are allotted and issued pursuant to the Open Offer).

The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer.

The Open Offer Shares to be issued pursuant to the Open Offer will, with effect from Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 13 June 2019, when the Ordinary Shares were marked “ex” the entitlement to the Open Offer, is advised to consult his 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 by the purchaser(s) under the rules of the London Stock Exchange.

The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Act, the Open Offer is being made on the basis that the Open Offer Shares subscribed for will be allotted in any event. Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares will be issued to Qualifying Shareholders who have validly applied (subject to the terms and conditions set out in this document and the Application Form).

A summary of the arrangements relating to the Open Offer is set out below. This document and, for Qualifying Non-CREST Shareholders, the Application Form, contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part II which gives details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part II.

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

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders only, in the Application Form), Qualifying Shareholders are being given the opportunity to apply for any whole number of Open Offer Shares, subject to the limit of their Open Offer Entitlement, at the Issue Price (payable in full on application and free of all expenses) and will have an entitlement of:

##### **1 Open Offer Share for every 10 Existing Ordinary Shares**

registered in the name of each Qualifying Shareholder on the Record Date. Subject to these terms and conditions, valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements. Qualifying Shareholders with fewer than 10 Existing Ordinary Shares will not be able to apply for Open Offer Shares. Qualifying Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish.

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility. Please note that applications for Excess Shares will only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the maximum number of Shares available, then such applications will be scaled back on a *pro rata* basis or otherwise at the discretion of the Directors. The Directors will scale back any such applications to the extent they believe necessary to ensure that no Qualifying Shareholder is obliged to make a mandatory offer in respect of the Company pursuant to Rule 9 of the City Code, as a result of the Open Offer.

In addition, applications under the Open Offer made by members of the Concert Party will be ignored or scaled back, in the event that the Whitewash Resolution is not approved, to the extent required to ensure that no member of the Concert Party, and the Concert Party as a whole, is obliged to make a mandatory offer in respect of the Company pursuant to Rule 9 of the City Code.

Subject to these terms and conditions, valid applications by Qualifying Shareholders will be satisfied in full up to the maximum amount of their individual Open Offer Entitlement (excluding any Excess Shares applied for through the Excess Application Facility).

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

Qualifying 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 II and also to the CREST Manual for further information on the relevant CREST procedures.

Qualifying Shareholders may apply for any whole number of Open Offer Shares (subject to the limit of their Open Offer Entitlements). In addition, Qualifying Shareholders who have taken up their Open Offer Entitlement in full may apply for any number of Excess Shares pursuant to the Excess Application Facility.

The Open Offer Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 4 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

**SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*****PART II – TERMS AND CONDITIONS OF THE OPEN OFFER *continued*****2. The Open Offer *continued***

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of 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 raised by Euroclear's Claims Processing Unit.

Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Open Offer Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 13 June 2019 is advised to consult his 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 by the purchaser(s) under the rules of the London Stock Exchange.

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

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST and such entitlements are expected to be admitted to CREST with effect from 20 June 2019.

The Open Offer Shares will be issued credited as fully paid and will, with effect from Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares on or after Admission. The New Ordinary Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

**3. Conditions and further terms of the Open Offer**

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

- (a) the passing, without amendment, of Resolutions 3 and 4 at the General Meeting;
- (b) the Placing and Open Offer Agreement becoming unconditional in all respects (save in respect of the condition in respect of Admission having occurred) and not having been terminated in accordance with its terms; and
- (c) Admission occurring by no later than 8.00 a.m. on 17 July 2019 (or such later times and/or dates as may be agreed between the Company and Shore Capital, being no later than 8.00 a.m. on 18 July 2019).

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by the relevant time and date specified, the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter but within 14 days.

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 during the week commencing 29 July 2019. 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 17 July 2019.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur at 8.00 a.m. on 17 July 2019, when dealings in the Open Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a non-interest bearing client account.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will 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 Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his Open Offer Entitlement or a Qualifying Shareholder has Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to his CREST stock account in respect of such entitlement. Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form (that is, not in CREST) will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form (that is, in CREST) will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into and Excess CREST Open Offer Entitlements, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(ix) of this Part II.

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

##### **4.1 If you have an Application Form in respect of your entitlement under the Open Offer**

###### **(i) General**

Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. Qualifying Non-CREST Shareholders may hold such an Application Form by virtue of a bona fide market claim (see paragraph 4.1(ii) of this Part II).

The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the number of Open Offer Shares which represents their Open Offer Entitlement, as shown in Box 4. Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders wishing to take up their Open Offer Entitlement in full should complete Boxes 6, 8 and 9.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so and should specify the number of Excess Shares they wish to apply for in Box 7.

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Non-CREST Shareholders' Open Offer Entitlements. Any Qualifying Non-CREST Shareholders with fewer than 10 Existing Ordinary Shares will not receive an Open Offer Entitlement. Qualifying Non-CREST Shareholders may apply for less than their Open Offer Entitlement should they wish to do so. Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares representing less than their Open Offer Entitlement may do so by completing Boxes 6, 8 and 9 of the Application Form. The instructions and other terms set out in the Application Form form part of the terms of the Open Offer to Qualifying Non-CREST Shareholders.

###### **(ii) 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 Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy bona fide market claims up to 3.00 p.m. on 11 July 2019. 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 Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to either the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the Receiving Agent in accordance with the instructions set out in the accompanying Application Form. Subject to certain exceptions, the Application Form should not, however, be forwarded to or transmitted in or into a 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 procedures set out in paragraph 4.2(ii) of this Part II.

**SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING CONTINUED****PART II – TERMS AND CONDITIONS OF THE OPEN OFFER *continued*****4. Procedure for application and payment *continued*****4.1 If you have an Application Form in respect of your entitlement under the Open Offer *continued*****(iii) Application procedures**

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled (or any Excess Shares under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply-paid envelope or returned by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD (who will act as Receiving Agent in relation to the Open Offer), so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 July 2019, after which time Application Forms will not be valid (subject to certain exceptions described below). Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

Qualifying Non-CREST Shareholders may only apply for Excess Shares under the Excess Application Facility if they have agreed to take up their Open Offer Entitlement in full. The total number of Open Offer Shares is fixed and will not be increased. Applications for Excess Shares will only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the maximum number of Shares available, then such applications will be scaled back on a pro rata basis or otherwise at the discretion of the Directors. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the Applicant (at the Applicant's risk) without interest as soon as practicable thereafter by way of cheque.

Application Forms delivered by hand will not be checked upon delivery and no receipt will be provided.

Completed Application Forms should be returned with a cheque or banker's draft drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application. Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to "Neville Registrars Limited Re: Clients Account" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee only". 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 by completing the account name on the back of the cheque or draft and adding the branch stamp) may not be accepted. Payments via CHAPS, BACS or electronic transfer and eurocheques will not be accepted.

Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker's drafts will be honoured on first presentation. The Company reserves the right to instruct Neville Registrars Limited, as receiving agent, to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. The Company may elect to treat as valid or invalid any applications made by Qualifying Non-CREST Shareholders in respect of which cheques are not so honoured. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a non-interest bearing client account until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable but within 14 days following the lapse of the Open Offer.

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) with the prior consent of Shore Capital to accept either:

- (A) Application Forms received after 11.00 a.m. on 15 July 2019; or
- (B) applications in respect of which remittances are received before 11.00 a.m. on 15 July 2019 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

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

If Open Offer Shares have already been allotted and issued to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent 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 the Receiving Agent, Shore Capital or the Company, nor any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

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

##### **4.1 If you have an Application Form in respect of your entitlement under the Open Offer** *continued*

###### **(iv) Excess Application Facility**

Provided Qualifying Non-CREST Shareholders take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares.

The total number of Open Offer Shares is fixed and will not be increased. Applications for Excess Shares will only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the maximum number of Excess Shares available, then such applications will be scaled back on a pro rata basis or otherwise at the discretion of the Directors. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the Applicant (at the Applicant's risk) without interest as soon as practicable thereafter by way of cheque.

Qualifying Non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete Boxes 6, 8 and 9 of the Application Form and otherwise complete the Application Form in accordance with the instructions set out on the Application Form.

Qualifying Non-CREST Shareholders who make applications for Excess Shares under the Excess Application Facility which are not met in full and from whom payment in full has been made will receive a pounds sterling amount equal to the number of Open Offer 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.

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

###### **(v) Effect of application**

By completing and delivering an Application Form, the applicant:

- (A) represents and warrants to the Company and Shore Capital that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (B) agrees with the Company and Shore Capital that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the laws of England and Wales;
- (C) confirms to the Company and Shore Capital that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document and any information previously published by the Company by notification to a Regulatory Information Service or available on the Company's website, and the applicant 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 Group contained in this document;
- (D) confirms to the Company and Shore Capital that in making the application he is not relying and has not relied on Shore Capital or any other person affiliated with Shore Capital in connection with any investigation of the accuracy of any information contained in this document for his investment decision;
- (E) confirms to the Company and Shore Capital that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Shore Capital;
- (F) represents and warrants to the Company and Shore Capital that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements and is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a bona fide market claim;
- (G) 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 Articles of Association of the Company;
- (H) represents and warrants to the Company and Shore Capital that he is not, nor is he applying on behalf 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 any Restricted Jurisdiction or any 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 to, or for the benefit of, a 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 any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented or restricted by applicable law or regulation (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;



## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*

### PART II – TERMS AND CONDITIONS OF THE OPEN OFFER *continued*

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

##### 4.1 If you have an Application Form in respect of your entitlement under the Open Offer *continued*

###### (v) Effect of application *continued*

- (I) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Shore Capital or any of their affiliates, by means of any: (a) “directed selling efforts” as defined in Regulation S under the US Securities Act; or (b) “general solicitation” or “general advertising” as defined in Regulation D under the US Securities Act; and
- (J) represents and warrants to the Company and Shore Capital that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

For all enquiries in connection with the procedure for application and completion of the Application Form, please contact Neville Registrars Limited on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. 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 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

**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. Qualifying Non-CREST Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this document.**

##### 4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST

###### (i) General

Save as provided in paragraph 6 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST in respect of his Open Offer Entitlement and Excess CREST Open Offer Entitlement. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders’ Open Offer Entitlements. Any Qualifying CREST Shareholders with fewer than 10 Existing Ordinary Shares will not receive an Open Offer Entitlement.

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 the Open Offer Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by close of business on 20 June 2019, or such later time and/or date as the Company and Shore Capital may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements 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 such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and, if applicable, Excess Shares 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 Neville Registrars Limited on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. 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 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

###### (ii) Bona fide market claims

Each of the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purpose of CREST and will have a separate ISIN. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements 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 will generate an appropriate market claim transaction and the relevant Open Offer Entitlement and Excess CREST Open Offer Entitlement will thereafter be transferred accordingly.

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

##### **4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST** *continued*

###### **(iii) Excess Application Facility**

Provided Qualifying CREST Shareholders choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlement.

There is no limit on the amount of Excess Shares that can be applied for under the Excess Application Facility, save that the maximum amount of Excess Shares to be allotted under the Excess Application Facility will be limited by the maximum size of the Open Offer less the aggregate of the Open Offer Shares issued under the Open Offer pursuant to Qualifying Shareholders' Open Offer Entitlements. Accordingly, applications for Excess Shares will only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. If applications under the Excess Application Facility are received for more than the maximum number of Excess Shares available, then such applications will be scaled back on a pro rata basis or otherwise at the discretion of the Directors. Excess monies in respect of applications which are not met in full will be returned to the Applicant (at the Applicant's risk) without interest as soon as practicable thereafter by way of cheque.

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

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlement(s) 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 or her Existing 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.

A Qualifying CREST Shareholder who has made a valid application for Excess Shares under the Excess Application Facility which is not met in full, and from whom payment in full for 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 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.

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

###### **(iv) USE instructions in respect of Open Offer Entitlements**

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 in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (A) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (B) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(iv)(A) above.

###### **(v) 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:

- (A) 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 the Receiving Agent);
- (B) the ISIN of the Open Offer Entitlement. This is GB00BKF3D150;
- (C) the CREST participant ID of the accepting CREST member;
- (D) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (E) the participant ID of Neville Registrars Limited in its capacity as Receiving Agent. This is 7RA11;
- (F) the member account ID of Neville Registrars Limited in its capacity as Receiving Agent. This is HELIOS;

**SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED***  
**PART II – TERMS AND CONDITIONS OF THE OPEN OFFER *continued***

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

**4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST *continued***

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

- (G) 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 paragraph 4.2(iv)(A) above;
- (H) the intended settlement date. This must be on or before 11.00 a.m. on 15 July 2019; and
- (I) 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 11.00 a.m. on 15 July 2019.

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:

- (J) a contact name and telephone number (in the free format shared note field); and
- (K) 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 15 July 2019 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 July 2019 or such later time and date as the Company and Shore Capital may agree (being no later than 8.00 a.m. on 18 July 2019), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

**(vi) USE instructions in respect of Excess CREST Open Offer Entitlements**

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

- (A) the crediting of a stock account of the Registrar under the participant ID and member account ID specified below, with a number of Excess CREST Open Offer Entitlements corresponding to the number of Excess Shares applied for; and
- (B) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Registrar in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Excess Shares referred to in paragraph 4.2(vi)(A) above.

**(vii) 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:

- (A) the number of Excess Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (B) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BKF3D267;
- (C) the CREST participant ID of the accepting CREST member;
- (D) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlement are to be debited;
- (E) the participant ID of Neville Registrars Limited in its capacity as Receiving Agent. This is 7RA11;
- (F) the member account ID of Neville Registrars Limited in its capacity as Receiving Agent. This is HELIOSXS;
- (G) 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 paragraph 4.2(vi)(A) above;
- (H) the intended settlement date. This must be on or before 11.00 a.m. on 15 July 2019; and
- (I) 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 11.00 a.m. on 15 July 2019.

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:



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

##### **4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST** *continued*

###### **(vii) Content of USE instruction in respect of Excess CREST Open Offer Entitlements** *continued*

- (A) a contact name and telephone number (in the free format shared note field); and
- (B) 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 15 July 2019 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 July 2019 or such later time and date as the Company and Shore Capital may agree (being no later than 8.00 a.m. on 18 July 2019), the Open Offer will lapse, the Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

###### **(viii) Deposit of Open Offer Entitlements and Excess CREST 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, including the entitlement to apply under the Excess Application Facility, may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a bona fide market claim). Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the relevant entitlement can be applied for through 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 Excess CREST Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 15 July 2019. In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 10 July 2019 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 9 July 2019, in either case so as to enable the person acquiring or (as appropriate) holding the entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of such entitlements prior to 11.00 a.m. on 15 July 2019.

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 the Receiving Agent by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing the Open Offer Entitlements into CREST" on page 4 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it is/they are not citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented or restricted by applicable law or jurisdiction 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.

###### **(ix) Validity of application**

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 15 July 2019 will constitute a valid application under the Open Offer.

###### **(x) CREST procedures and timings**

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 15 July 2019. 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.

**SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED***  
**PART II – TERMS AND CONDITIONS OF THE OPEN OFFER *continued***

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

**4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST *continued***

**(xi) Incorrect or incomplete applications**

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

- (A) to reject the application in full and refund the payment to the CREST member in question, without payment of interest;
- (B) 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 payment of interest; and
- (C) 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 payment of interest.

**(xii) Effect of valid application**

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

- (A) represents and warrants to the Company and Shore Capital that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (B) agrees with the Company 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 the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (C) agrees with the Company and Shore Capital that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of England and Wales;
- (D) confirms to the Company and Shore Capital that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document and any information previously published by the Company by notification to a Regulatory Information Service or available on the Company's website, and the applicant 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 Group contained in this document;
- (E) confirms to the Company and Shore Capital that in making the application he is not relying and has not relied on Shore Capital or any other person affiliated with Shore Capital in connection with any investigation of the accuracy of any information contained in this document for his investment decision;
- (F) confirms to the Company and Shore Capital that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Shore Capital;
- (G) represents and warrants to the Company and Shore Capital that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements and Excess CREST Open Offer Entitlements or that he has received, and is entitled to apply under the Open Offer in relation to, such entitlements by virtue of a bona fide market claim;
- (H) 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 subject to the Articles of Association of the Company;
- (I) represents and warrants to the Company and Shore Capital that he is not, nor is he applying on behalf 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 any Restricted Jurisdiction or any 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 to, or for the benefit of, a 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 any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented or restricted by applicable law or regulation (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

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

##### 4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST *continued*

###### (xii) Effect of valid application *continued*

- (J) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Shore Capital or any of their affiliates, by means of any:
  - (I) “directed selling efforts” as defined in Regulations under the US Securities Act; or
  - (II) “general solicitation” or “general advertising” as defined in Regulation D under the US Securities Act; and
- (K) represents and warrants to the Company and Shore Capital that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

###### (xiii) Company’s discretion as to the rejection and validity of applications

The Company may in its sole discretion but with the prior consent of Shore Capital:

- (A) 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 II;
- (B) 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;
- (C) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent 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
- (D) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

#### 5. Money Laundering Regulations

##### 5.1 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, the Receiving Agent 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 the Receiving Agent. 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 the Receiving Agent to be acting on behalf of some other person, 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 the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent 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. The Receiving Agent 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 the Receiving Agent 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 and address 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, the Receiving Agent 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.

## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*

### PART II – TERMS AND CONDITIONS OF THE OPEN OFFER *continued*

#### 5. Money Laundering Regulations *continued*

##### 5.1 Holders of Application Forms *continued*

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Receiving Agent, the Company and Shore Capital 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:

- (A) if the applicant is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or
- (B) if the applicant is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (C) 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
- (D) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,360 as at the Latest Practicable Date).

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 UK 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 "Neville Registrars Limited Re: Clients Account" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only" in each case. Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers' 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 paragraph 5.1(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 non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), 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 the Receiving Agent. If the agent is not such an organisation, it should contact Neville Registrars Limited on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. 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 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

To confirm the acceptability of any written assurance referred to in paragraph 5.1(ii) above, or in any other case, the acceptor please contact Neville Registrars Limited on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. 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 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,360 as at the Latest Practicable Date) 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 11.00 a.m. on 15 July 2019, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent 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 applicant (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. Money Laundering Regulations *continued*

### 5.2 Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements 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, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

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

## 6. Overseas Shareholders

The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### 6.1 General

**The distribution of this document and the Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their own 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 or Shore Capital or any other person to permit a public offering or distribution of this document (or any other offering or publicity materials or application forms relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the UK.

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Due to restrictions under the securities laws of the Restricted Jurisdictions and certain commercial considerations, Application Forms will not be sent to, and no Open Offer Entitlements or Excess CREST Open Offer Entitlements will be credited to stock accounts in CREST of, Excluded Overseas Shareholders or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the UK 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 and/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 and/or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements.

In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares under the Open Offer to satisfy himself as to the full observance of the applicable laws and regulations 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.



## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*

### PART II – TERMS AND CONDITIONS OF THE OPEN OFFER *continued*

#### 6. Overseas Shareholders *continued*

##### 6.1 General *continued*

None of the Company or Shore Capital (nor any of their respective representatives) is making any representation to any offeree or purchaser of Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or 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 and/or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Open Offer Shares unless the Company and Shore Capital determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers 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 II and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 and 6.3 below, any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched by an Excluded Overseas Shareholder or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 and 6.3 below.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder who is an Excluded Overseas Shareholder to apply for Open Offer Shares 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 bankers' drafts or where such an Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exceptions, Excluded Overseas Shareholders 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 New Ordinary 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, transferred, 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 public offer of New Ordinary Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed. No offer of New Ordinary Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

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. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK 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.

## **6. Overseas Shareholders** *continued*

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

#### **(i) 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, Shore Capital and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:

- (A) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction;
- (B) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it;
- (C) 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 (B) above at the time the instruction to accept was given; and
- (D) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the Restricted Jurisdictions.

The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it:

- (E) appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or
- (F) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or
- (G) purports to exclude the representation and warranty required by this sub-paragraph 6.2(i).

#### **(ii) Qualifying CREST Shareholders**

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

- (A) neither it nor its client is within any Restricted Jurisdiction;
- (B) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares;
- (C) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (B) above at the time the instruction to accept was given; and
- (D) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction.

### **6.3 Waiver**

The provisions of this paragraph 6 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, in its absolute discretion with the prior consent of Shore Capital. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 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 6 shall apply to them jointly and to each of them.

## **7. No withdrawal rights**

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

## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*

### PART II – TERMS AND CONDITIONS OF THE OPEN OFFER *continued*

#### 8. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 16 July 2019. Application will be made to AIM for admission to trading of the Open Offer Shares. It is expected that, subject to the Open Offer becoming unconditional in all respects (save for Admission), Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 17 July 2019.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares. All such Open Offer 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 11.00 a.m. on 15 July 2019 (being the latest time and date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 17 July 2019, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be at 8.00 a.m. on 17 July 2019). 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/or 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 the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post during the week commencing 29 July 2019. No temporary documents of title will be issued and, pending the issue of definitive certificates transfers will be certified against the register of members of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 of this Part II, and the Application Form.

The result of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as reasonably practicable after the results are known.

#### 9. Times and dates

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement on a Regulatory Information Service.

#### 10. Taxation

Certain statements regarding United Kingdom taxation in respect of the Open Offer Shares and the Open Offer are set out in Part IV of this document. 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.

#### 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, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form. By taking up and/or applying for Open Offer Shares under the Open Offer 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 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. Further Information

Your attention is drawn to the further information set out in this document and also, in respect of Qualifying Non-CREST Shareholders only, to the terms, conditions and other information printed on the Application Form.



## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*

### PART III – RISK FACTORS

The nature of the insurance underwriting business, the regulatory regime applicable to insurance and to corporate members of Lloyd's and the consequence of past years' underwriting losses at Lloyd's will give rise to a number of specific risk factors. The following list is not exhaustive but is intended to draw investors' attention to certain aspects of the risks involved. Potential investors and Shareholders should carefully consider the risks described below before making a decision to invest in the Company.

It should be noted that, as stated above, this list is not exhaustive and that other risk factors will apply to an investment in the Company. If any of the following risks actually occur, the Company's business, financial condition and/or results or future operations could be materially adversely affected. In such circumstances, the trading price of the New Ordinary Shares could decline and an investor may lose all or part of their investment. There can be no certainty that the Company will be able to implement successfully the strategy set out in this document or documents referred to in this document. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial, may also have an adverse effect on the Company.

This document contains forward looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward looking statements as a result of many factors, including the risks faced by the Company which are described below and elsewhere in this document. Prospective investors should carefully consider the other information in this document. The risks listed below do not necessarily comprise all the risks associated with an investment in the Company.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under FSMA, if you are resident in the United Kingdom, or if not, from an appropriately authorised independent financial adviser, who in each case specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

#### **Underwriting of insurance risks**

The underwriting of insurance risks is, by its nature, a high-risk business, and returns can never be guaranteed. The Group's insurance business involves assuming the risk of loss from persons or organisations that are directly exposed to an underlying loss. Insurance risk arises from this risk transfer due to inherent uncertainties about the occurrence, amount and timing of insurance liabilities. Underwriting risk comprises four elements:

- (a) Event risk – the risk that individual risk losses or catastrophes lead to claims that are higher than anticipated in plans and pricing;
- (b) Cycle risk – the risk that business is written without full knowledge as to the (in)adequacy of rates, terms and conditions;
- (c) Pricing risk – the risk that the level of expected loss is understated in the pricing process; and
- (d) Expense risk – the risk that the allowance for expenses and inflation in pricing is inadequate.

It is inherent in the nature of underwriting businesses that it is difficult to forecast even short-term trends or returns in any single year. Not only do the results from underwriting insurance change but investment income and capital appreciation, which form an important part of underwriting returns, are affected by interest rates, exchange rates, taxation changes and investment performance.

The past results of Lloyd's and of individual syndicates are a matter of historic record and may not be relied upon as a guide to future prospects. Previously profitable business may subsequently be loss-making, the nature of business written may change, reserves created against future claims may prove to be inadequate, a syndicate's reinsurance programme may be ineffective and/or its reinsurers may fail.

Claims asserted under certain insurance contracts may typically not be settled for more than one year from the date the contract becomes effective. Such underwriting may involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, in some circumstances, the ultimate financial performance of a syndicate's year of account may not be determined for an extended period of time, which may inhibit the release of any underwriting profits.

As part of its overall risk mitigation and capital management strategy, the Group purchases quota share reinsurance to seek to mitigate its insurance risk. The Group's stop loss programme complements the Group's quota share reinsurance seeking to protect the Group's capital from adverse results from the portfolio of syndicate participations. However, the Group's reinsurance may not mitigate all these underwriting risks.

#### **Unpredictable and multiple losses**

The portfolio of the Group's syndicate participations expose it to losses arising out of unpredictable natural and other catastrophic events, such as hurricanes, windstorms, tsunamis, severe winter weather, earthquakes, floods, fires and explosions, as well as "man-made" disasters, such as acts of war, terrorism, piracy and political instability, the emergence of latent risks, changes in law and the interpretation of law or precedent (including in relation to the measurement of damages), as well as social and political changes, and fluctuations in the global investment markets and the capacity of the global insurance market. The incidence and severity of catastrophes are inherently unpredictable and the Group's losses from such catastrophes could be substantial. Although the Group attempts to manage its exposure to such events through the selection of the syndicates in which it participates, a single catastrophic event could affect multiple geographic zones and/or the frequency and/or severity of catastrophic events could exceed its estimates.

## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*

### PART III – RISK FACTORS *continued*

#### **Unpredictable and multiple losses** *continued*

Each syndicate in which the Group participates will have its own risk profile and the Group participates in a range of syndicates in an attempt to balance such risks. Nameco 1113 has a significant participation of £499,275 in Lloyds' Syndicate 1176, which following Completion, would increase on Helios' participation in that syndicate to £1,448,810 for the 2019 year of account. The syndicate participation represents 2.6% of the enlarged capacity portfolio. Syndicate 1176 insures against nuclear risk and liability, including physical damage loss and business interruption to civil nuclear power stations, as well as risk and liability in the wider nuclear fuel cycle. The largest values that the syndicate insures are normally nuclear power stations, although the syndicate also covers manufacturers of nuclear fuel and radioisotopes, their transport and ultimately their safe storage. Whilst underwriting nuclear risk can be highly profitable it also carries a great deal of risk. Accordingly, it should be noted that the Group will have an increased exposure to nuclear-related losses through its increased participation in Syndicate 1176 for the 2019 year of account and, should it wish to maintain such level of exposure, in subsequent years of account.

#### **Cyclical nature of insurance business**

The insurance and reinsurance business historically has been a cyclical industry with significant fluctuations in operating results due to competition, catastrophic events, general economic and social conditions and other factors. This cyclical nature has produced periods characterised by intense price competition due to excessive underwriting capacity (soft market conditions) as well as periods when shortages of capacity resulted in much more favourable premium levels (hard market conditions). In addition, increases in the frequency and severity of losses suffered can significantly affect these cycles. Accordingly, the performance of the Group's underwriting business is likely to be affected by this cyclical nature to a certain extent, and there can be no guarantee that companies in the Group which are members of Lloyd's ("corporate members") will realise any profit from their underwriting business. Underwriting returns would be impaired if the insurance pricing environment remained poor for a sustained period of time.

#### **Funds at Lloyd's**

The Group's corporate members are required to contribute funds of an approved form that are lodged and held in trust at Lloyd's as security for a member's underwriting activities, known as "funds at Lloyd's" ("FAL"). A member's funds at Lloyd's may contain only those assets that Lloyd's prescribes as acceptable assets, which include debt securities, bonds and other money and capital market instruments, shares, cash and cash equivalents, letters of credit and guarantees.

On a bi-annual basis, in June and November of each year, there is a "coming into line" procedure whereby each member of Lloyd's is required to demonstrate that they have sufficient eligible assets to meet their current underwriting liabilities and to support future underwriting before they may underwrite for the next following year of account.

In addition, the Group's corporate members are also required to contribute funds to the Lloyd's central fund. To the extent that Lloyd's suffers a material exposure in its asset base when compared with its liabilities, any members may at any such time as required by Lloyd's be called upon to invest further capital into Lloyd's portfolio of funds, including both as FAL and by way of a contribution to the central fund. As a result, this may cause the Group to incur a material increase in its operating expenses and, as a result, a material adverse impact on its financial results and financial condition.

Changes implemented to the list of acceptable assets for purposes of FAL may also adversely impact the Group, as, the relevant Group companies would be required to post different assets, which may be more expensive to obtain and maintain or which may place an undue restriction on the Group's capital resources. Lloyd's also has the power to reduce any corporate members' underwriting capacity or to prohibit a corporate member from underwriting. Any such event is likely to have a material adverse effect on the Group's reputation, financial condition and results of operations.

#### **Withdrawal of FAL**

Any of the Group's corporate members may find that assets of a greater value than the amount of that corporate member's underwriting commitment are at risk. If the value of the FAL provided by the corporate member exceeds the amount required to be held as FAL by Lloyd's (including as a result of appreciation) and the losses of the corporate member in any year of account exceed the amount of such FAL, Lloyd's may take the whole of the FAL provided by that corporate member to meet the call. Profits and capacity disposal proceeds that have not been released by Lloyd's may become intermingled with FAL, and be liable to be drawn down as FAL by Lloyd's.

Until the effective date of a corporate member's resignation from membership at Lloyd's, a corporate member will continue to be liable for its debts and obligations and, therefore, for the underwriting losses in respect of the years of account for which it made an underwriting commitment. Where the balance of the FAL may fluctuate in value, a decrease in the FAL may reduce the level of a corporate member's capacity.

Although a corporate member is able to reduce the level of business written by it in any year of account or to cease underwriting, it will not be able to withdraw FAL, or funds forming part of its premiums trust funds, until permitted to do so by Lloyd's. Lloyd's imposes restrictions on the withdrawal of FAL in order to ensure that no funds are withdrawn without adequate provision being made for potential liabilities.

In underwriting insurance risks, the assets of each corporate member in the Group, including potential profits and all of the FAL of each corporate member, will be exposed to the risk of underwriting losses. In the worst case, all of a corporate member's assets (including all of its FAL, any pipeline profits, investment income and value attributed to its underwriting capacity) would be used to meet underwriting losses.

#### **Performance of Syndicates**

Investors should be aware that the categories of business written and the structure of a syndicate's reinsurance programme, and accordingly the risks and rewards arising from that syndicate, vary from syndicate to syndicate. Even if Lloyd's makes an overall underwriting profit, individual syndicates or lines of business may show losses (for example due to the mix of business written by that syndicate), and other factors such as over-capacity can affect profit.

As the Group's corporate members are under common control, the Group's corporate members may be exposed to each other's losses. Lloyd's can require any Group corporate member which participates on a syndicate which makes a profit to pay out of its profits an amount equal to the undischarged obligations of a Group corporate member which has incurred an underwriting loss by virtue of participating on a syndicate which has made an underwriting loss.

Should a syndicate as constituted for a given year of account make a loss upon closure, or if a syndicate as constituted for a given year of account has funding difficulties, its managing agent may make a cash call on its members for the year of account concerned which, if not met promptly from other funds, can be satisfied by drawing down on the members' FAL. Cash calls for "working capital" can also be made early in the year of account by the managing agent of a syndicate, for example to meet liquidity pressures. There is no guarantee that the Company would have the funds needed to enable the relevant Group company to meet such liabilities in which case it may be necessary for the Company to raise additional capital via equity or debt. Alternatively, it may be necessary to source FAL elsewhere, including from third party providers such as reinsurers, which may limit the relevant corporate member's ability to maintain the level of capacity in the relevant syndicate in the current or a subsequent year of account. The cost of obtaining such FAL can impact the Group's profitability. If a corporate member is unable to obtain replacement FAL, the reduced level of FAL will affect the underwriting portfolio, which will likely impact returns adversely.

### **Failure of loss limitation methods**

Managing agents will seek to limit the exposure of their managed syndicates to insurance and reinsurance losses through a number of loss limitation methods, including internal risk management and security procedures, as well as through the purchase of outwards reinsurance protection.

Notwithstanding the risk mitigation and underwriting controls employed by syndicates, one or more catastrophic or other loss events or a greater frequency of losses than expected could result in claims that substantially exceed the expectations of the Group, and which could have a material adverse effect on the financial condition or results of operations of the Group or any member of the Group, possibly to the extent of eliminating the funds at Lloyd's supporting the underwriting of the Group's corporate members and any statutory surplus.

### **Reinsurance protection**

As part of its overall risk mitigation and capital management strategy, the Group purchases stop loss and quota share reinsurance in respect of its corporate members, to seek to protect the Group's capital from losses from its syndicate portfolio. Market conditions beyond the Group's control determine the availability and cost of appropriate reinsurance and the receipt of future reinsurance recoveries. Additionally, a change in regulation could affect the availability or price of reinsurance.

Any significant changes in reinsurance pricing may result in the Group being forced to incur additional expenses for reinsurance, reducing its capacity on syndicates, having to obtain reinsurance on less favourable terms or not being able to or choosing not to obtain reinsurance thereby exposing the Group to increased retained risk. Any of these could have a material adverse effect on the Group's financial condition and results of operations, as could the failure of a reinsurer (for example due to insolvency) from whom the Group has purchased reinsurance.

### **Capital requirements**

Rules implementing the Solvency II Directive came into effect on 1 January 2016. Solvency II, and the rules which implement it, introduce a harmonised EU-wide insurance regulatory regime. In particular, they impose a risk-based capital regime, set out requirements for the governance, risk management and regulatory supervision of insurers and introduce certain disclosure and transparency requirements. Each syndicate's Solvency Capital Requirement ("SCR") under Solvency II is determined in accordance with the SCR standard formula and/or the syndicate's approved internal model. It is a regulatory requirement that any such model captures all material risks that have been identified. However, it is subject to the limitations of all complex models and is subject to the accuracy, completeness and integrity of the data input into the model. In addition, a standard formula is, by its very nature and design, a standardised calculation method, and is therefore not tailored to the individual risk profile of a specific undertaking. For this reason, in some cases, the standard formula might not reflect the risk profile of a specific undertaking and consequently the level of own funds it needs. It is also necessary for estimates, assumptions and judgements to be made by the syndicate's management where data are incomplete or ambiguous. Accordingly, the SCR, as modelled by the syndicate's internal model or calculated pursuant to the standard formula, may not provide an accurate projection of the capital that the syndicate will, in fact, need in the future.

### **The Lloyd's market**

The Group relies on the efficient functioning of the Lloyd's market. If, for whatever reason, the Group's corporate members were to be restricted or otherwise unable to write insurance through the Lloyd's market, it could have a material adverse effect on the Group's business and results of operations. In particular, any damage to the brand or reputation of Lloyd's, whether such damage is caused by financial mismanagement, fraudulent activity or otherwise, or any loss of any international licences in relation to insurance or reinsurance business may have a material adverse effect on the ability of the Group's corporate members to participate in new business and/or the Group's reputation. In addition, any increase in tax levies imposed on Lloyd's participants in the relevant jurisdictions around the world in which they offer insurance or reinsurance or any challenge to the amount of tax paid by such Lloyd's participants may result in the Group's corporate members incurring a higher tax charge.

The PRA is the prudential regulator for Lloyd's and has responsibility for promoting the financial security and soundness of Lloyd's and its members. Lloyd's is required by the PRA to establish and maintain appropriate controls over the risks affecting the funds of members which it holds centrally and to assess the capital needs of each member operating on its market, in order to satisfy an annual solvency test for the PRA. Were the PRA to impose more stringent requirements on Lloyd's this may result in higher capital requirements or a restriction on trading activities for its members, including entities within the Group. If Lloyd's fails to satisfy its solvency test in any year, the PRA may require Lloyd's to cease trading and/or its members to cease or reduce their underwriting exposure, which may result in a material adverse effect to the reputation, financial condition and results of operations of the Group or any of its corporate members.

**SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING CONTINUED****PART III – RISK FACTORS** *continued***The Lloyd's market** *continued*

The past years have seen considerable changes at Lloyd's, particularly in the composition and character of its capital base. It is likely that continuing change will remain a feature of the Lloyd's capital base for the foreseeable future.

Lloyd's has recently undertaken a performance review, and prevented certain syndicates writing further business. If Lloyd's continues this process, any of the syndicates on which the Group's corporate members participate could be prevented from writing future business, which could impact the returns of the relevant corporate members.

Future changes at Lloyd's might involve alterations to the present annual venture basis of participating in syndicates, which could have fundamental implications for both Lloyd's and participation at Lloyd's through the Group's corporate members.

**Regulatory powers and changes in regulation**

Certain rights or actions of Lloyd's corporate members are subject to the prior written consent of Lloyd's. Lloyd's has wide discretionary powers in regulating Lloyd's corporate members and their underwriting at Lloyd's. Exercise of certain of these powers could affect the results of the underwriting business of the Group's corporate members.

The regulation of insurance in the UK is frequently subjected to substantial reviews and consultations on changes. It is possible that significant changes in regulation both within and outside the Lloyd's market will occur. Any current or future regulatory changes may have an adverse impact on the Group's corporate members, and subsequently affect the Group's profitability.

**Value of capacity**

The Board attributes a value to the Group's portfolio of syndicate capacity in determining the adjusted net asset value per Ordinary Share. This value of the capacity is based on the weighted average price of the capacity traded in the Lloyd's capacity auctions which is dependent on the demand for capacity in these auctions. If the weighted average prices for syndicate capacity reduce significantly, it is likely that adjusted net asset value per Ordinary Share will reduce and that the Board will have to impair the value of the capacity held on the Group's balance sheet. This may have a material adverse effect on the financial results of the Group.

## SECTION A – INFORMATION IN RESPECT OF THE FUNDRAISING *CONTINUED*

### PART IV – TAXATION

The following information is given in summary form and as a general guide only and is based on tax legislation and, where relevant, current HM Revenue & Customs practice, in force at the date of this document. Such legislation and practice is liable to change (in some cases with retrospective effect). The information relates to the tax position of holders of Open Offer Shares who are resident and domiciled in the United Kingdom for tax purposes.

The statements below do not constitute advice to any Shareholder or potential investor on his or her personal tax position, and may not apply to certain classes of investor (such as persons carrying on a trade in the United Kingdom or holding the shares as trustees, or United Kingdom insurance companies). This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of Open Offer Shares. Any Shareholder or potential investor should obtain advice from his or her own investment or taxation adviser before subscribing for Open Offer Shares.

#### **Inheritance tax relief**

The Company's shares are treated as unquoted shares for UK inheritance tax (IHT) purposes. Individuals and trustees subject to IHT may be entitled to business property relief of up to 100 per cent. after a holding period of two years, providing all the relevant conditions for the relief are satisfied at the appropriate time.

#### **Taxation of dividends**

##### **Income tax — UK Resident Individuals**

Under current United Kingdom taxation legislation, no withholding tax is deductible from dividends paid by the Company.

Dividends do not carry a tax credit. There is no income tax payable in respect of the first £2,000 of dividend income received in the tax year (although such income still counts towards the basic, higher and additional rate thresholds) regardless of the level of non-dividend income received. Dividend income received in excess of £2,000 in a tax year is taxable at 7.5 per cent., 32.5 per cent. and 38.1 per cent. for basic rate, higher rate and additional rate taxpayers, respectively. Shareholders should therefore seek appropriate tax advice on how these changes may impact their tax affairs.

##### **Corporation tax**

With certain exceptions (e.g. for traders in securities), a holder of Open Offer Shares that is a company resident (for taxation purposes) in the United Kingdom and which receives a dividend paid by the Company, should generally not be subject to tax in respect of the dividend.

#### **Taxation of chargeable gains**

Under current HM Revenue & Customs practice, the subscription by an existing Shareholder for shares under the Open Offer is expected to be treated as a reorganisation of share capital for the purposes of the UK taxation of chargeable gains. To the extent that it is so treated, the Open Offer Shares issued should be treated as acquired at the same time as the Existing Ordinary Shares held by that Shareholder in respect of which the Open Offer Shares were offered, and the cost of acquisition of the Open Offer Shares should be pooled with the expenditure allowable on the relevant Existing Ordinary Shares for the purposes of determining the amount of any chargeable gain arising on a subsequent disposal. As a matter of UK tax law, the acquisition of Open Offer Shares may not, strictly speaking, constitute a reorganisation of share capital, and there is no guarantee that the HM Revenue & Customs practice mentioned above will be followed, particularly where an open offer is not made to all shareholders (e.g. as a result of restrictions under applicable securities laws and regulations).

A UK resident individual shareholder who disposes of, or who is deemed to dispose of, their shares in the Company may be liable to capital gains tax in relation thereto at a flat rate of 18 per cent., of any chargeable gain thereby realised (after taking into account any applicable reliefs and exemptions) to the extent that such gain does not exceed the amount of the individual's unused basic rate income tax band for the relevant tax year. To the extent that any chargeable gains or part thereof exceed the individual's unused basic rate income tax band, capital gains tax will be charged at 28 per cent. In computing the gain, the Shareholder should be entitled to deduct from the disposal proceeds the cost to him of acquiring the shares (together with incidental costs of acquisition and disposal).

A UK resident corporate shareholder disposing of its shares in the Company may (after taking into account any applicable reliefs and exemptions) be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (currently 19 per cent.). In computing the chargeable gain liable to corporation tax, the Shareholder should be entitled to deduct from the disposal proceeds, the cost to it of acquiring the shares, together with incidental costs of acquisition, as increased by indexation allowance, and disposal costs.

#### **Stamp Duty and Stamp Duty Reserve Tax**

No United Kingdom stamp duty should be payable on the issue by the Company of Open Offer Shares. No stamp duty or stamp duty reserve tax should be payable on transactions in eligible shares traded on AIM where the shares are not also listed on a recognised stock exchange.

**Shareholders and/or potential investors 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 UK, should immediately consult a suitable professional adviser.**

## SECTION B – INFORMATION IN RESPECT OF THE WHITEWASH PROPOSALS

### 1. Responsibility

- 1.1** The Directors, whose names are set out on page 4 of this document, accept responsibility for the information contained in this document (including any expression of opinion) other than the information relating to the members of the Concert Party, and save that Nigel Hanbury and Jeremy Evans (who, not being Independent Directors have not taken part in their deliberations) do not accept responsibility for the views of the Independent Directors as to the merits of the Whitewash Resolution. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2** The directors of Hampden and each other member of the Concert Party accept responsibility for the information contained in this document (including any expression of opinion) relating to the members of the Concert Party (and their respective affiliated persons). To the best of the knowledge and belief of the directors of Hampden and each other member of the Concert Party, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. Information on the members of the Concert Party

#### 2.1 Nigel Hanbury

Nigel Hanbury is the Chief Executive Officer of the Company. Nigel joined Lloyd's in 1979 as an external member and became a Lloyd's broker in 1982. He later moved to the members' agency side, latterly becoming chief executive and then chairman of Hampden Agencies Limited. He serves on the board of the Association of Lloyd's Members and was elected to the Council of Lloyd's for the "Working Names" constituency twice, serving on that body between 1999 and 2001 and then 2005 to 2008, as well as participating on the Market Board and other Lloyd's committees. In December 2009 he ceased being chairman of Hampden Agencies Limited but in 2011 acquired a majority stake in HIPCC, a Guernsey insurance and protected cell company (formerly wholly owned by Hampden) which has entered into a strategic collateralised quota share reinsurance arrangement with the Group.

#### 2.2 Hampden Capital plc

Hampden Capital plc is a public limited company, incorporated in England and Wales with registered number 04174389 and with its registered office address at 5th Floor, 40 Gracechurch Street, London, EC3V 0BT. Hampden is a leading provider of specialist insurance, investment and financial support services. Its key areas of operation are in Lloyd's members' agency services, underwriting, insurance company administration, bespoke run-off insurance management, audit, tax and consultancy services.

Hampden owns 100% of Hampden Agencies Limited and 100% of Nomina plc, each of which provide services to the Group. Hampden Agencies Limited is the Group's members' agent and Nomina plc provides certain management and administration, financial, tax and accounting services to the Group. Hampden is also a substantial shareholder in HIPCC (along with Nigel Hanbury) which has entered into a strategic collateralised quota share reinsurance arrangement with the Group. The majority shareholder of Hampden is Hampden Holdings Limited which owns 18.66% of the issued share capital of Hampden and, as a result, has an indirect interest in 6.43% of the Ordinary Shares.

The directors of Hampden are: Charles Camroux-Oliver, John Cavanagh, Neil Crawford-Smith, Jeremy Evans, John Francis, Hugh Garmoyle, Ewen Gilmour, Timothy Oliver, George Turner, Nicholas Wentworth-Stanley and Alistair Wood.

For the five months ended 31 May 2018\*, Hampden earned a profit on ordinary activities after taxation of approximately £5.8 million (year ended 31 December 2017: £5.2 million) and reported net assets of approximately £8.4 million (year ended 31 December 2017: £2.5 million). Total funds under the influence of Hampden and its group companies as disclosed in Hampden's audited accounts for the year ended 2017 amounted to approximately £6 billion. The combined ratio for members advised by Hampden for 2017 was 107.7 per cent., which measures claims and expenses against premiums.

The unaudited consolidated interim accounts of Hampden for the six months ended 30 June 2018 and the audited consolidated accounts of Hampden for the years ended 31 December 2017 and 31 December 2016 are available on the Company's website, details of which are set out in paragraph 10 of this Section B.

#### 2.3 Nicholas Wentworth-Stanley

Nicholas Wentworth-Stanley has over 35 years' experience in the Lloyd's insurance market, having previously been a director of Robert Fleming Non Marine Limited, RW Sturge Limited, Donna Underwriting Agencies Limited, Falcon Agencies Limited and Hampden Agencies Limited. He has served as CEO of the Hampden Group and is currently a non-executive director of Hampden.

#### 2.4 Jeremy Evans

Jeremy Evans is a Non-Executive Director of the Company, as well as CEO of Nomina plc and a director of Hampden. Jeremy joined Minorities Underwriting Agencies in 1993, which was subsequently transferred to Aberdeen Underwriting Advisers Limited, with specific responsibility for its corporate capital plans, including the development of a conversion scheme for existing members.

\* Interims at Companies House only relate to a 5 month period.



## **2. Information on the members of the Concert Party** *continued*

### **2.5 Sir Michael Oliver**

Sir Michael Oliver was formerly the Non-Executive Chairman of the Company until stepping down as a director in June 2017. Sir Michael has been chairman and director of a number of investment funds. He was previously a director of investment funds at Hill Samuel Asset Management and of Scottish Widows Investment Partnership Limited. Prior to that he was a partner in stockbrokers Kitcat & Aitken for 20 years and subsequently managing director of Carr, Kitcat & Aitken. Sir Michael Oliver is the brother of Timothy Oliver.

### **2.6 Peter Nutting**

Peter Nutting is currently a director of North Breache Underwriting Limited. He previously served as the Chairman of IGI Insurance Company Limited, Compass Underwriting Limited and Hampden Agencies Limited and was also on the board of Hampden Capital plc, until he resigned in 2007. Mr. Nutting served as the Non-Executive Chairman of Telecom Plus Plc until July 2010. He was a Member of the Council of Lloyd's between 1991 and 1998 and Deputy-Chairman of the Lloyds Regulatory Board from 1992 to 1994.

### **2.7 Timothy Oliver**

Timothy (Tim) Oliver is the founder of the Hampden group and is the Chairman of its parent company, Hampden Holdings Limited. He began his career as a Lloyd's broker with AB Dick-Cleland & Others in 1962. He subsequently became assistant general manager at Incorporated General Assurances (Pty) Ltd of South Africa until 1971. In 1972 he returned to England and formed Marlow Underwriting Agency Limited and, in 1979, he formed the Hampden group of companies. He is also a director of The Oliver Family LLP, OK Farms Limited, Nomina Plc, B.V.F. (Underwriting Management) Limited and Kingaby Simmons Limited. Timothy Oliver is the brother of Sir Michael Oliver.

### **2.8 Susan Oliver**

Susan Oliver is the wife of Timothy Oliver, and has an indirect beneficial controlling interest in Hampden Holdings Limited.

### **2.9 Charles Camroux-Oliver**

Charles Camroux-Oliver is the son of Timothy and Susan Oliver, and has an indirect beneficial controlling interest in Hampden Holdings Limited. He serves on the board of Hampden Capital Plc Hampden & Co Plc, Nomina plc and various other Hampden group companies. Mr. Camroux-Oliver practised as a solicitor with Barlow Lyde Gilbert and Charles Russell between 1993 and 2003, specialising in company, commercial and (re)insurance law.

### **2.10 James Camroux-Oliver**

James Camroux-Oliver is the son of Timothy and Susan Oliver, and has an indirect beneficial controlling interest in Hampden Holdings Limited. He serves on the board of the Oliver Family LLP and OK Farms Limited.

### **2.11 Alexa Pearmund**

Alexa Pearmund is the daughter of Timothy and Susan Oliver, and has an indirect beneficial controlling interest in Hampden Holdings Limited. She serves on the board of the Oliver Family LLP and OK Farms Limited.

## **3. Intentions of the Concert Party**

**3.1** The members of the Concert Party are supportive of the Whitewash Proposals.

**3.2** The members of the Concert Party have confirmed to the Company that they have no intention to make, or seek to make, any changes in respect of the Company's: (i) business or any research and development functions; (ii) continued employment of the employees and management or any conditions of employment or in the balance of the skills and functions of the employees and management; (iii) strategic plans and their likely repercussions on employment and on the locations of the Company's places of business or on the location of the Company's headquarters and headquarters functions; (iv) employer's contributions to pension schemes, the accrual of benefits for existing members and the admission of new members; (v) deployment of fixed assets; or (vi) maintenance of existing trading facilities for the Ordinary Shares, of the Company or any of its subsidiaries (as applicable) following any increase in their voting interests as a result of the Whitewash Proposals.

## **4. Interests and dealings**

### **4.1 Definitions and interpretation**

For the purposes of this paragraph 4:

- (i) "acting in concert" with a party means any such person acting or deemed to be acting in concert with that party for the purposes of the City Code;
- (ii) "arrangement" includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the relevant securities of the Company which may be an inducement to deal or refrain from dealing;
- (iii) "associate" of any company has the meaning ascribed to it in the City Code and includes (without limitation):
  - (A) its parent companies, subsidiaries, fellow subsidiaries and associated companies and companies of which any such companies are associated companies ("related companies");
  - (B) its connected advisers and persons controlling, controlled by or under the same control of any such connected advisers;
  - (C) its directors and the directors of any related company referred to in (A) above (together in each case with their close relatives and related trusts);



SECTION B – INFORMATION IN RESPECT OF THE WHITEWASH PROPOSALS *CONTINUED***4. Interests and dealings** *continued***4.1 Definitions and interpretation** *continued*

- (D) its pension schemes or the pension schemes of any related company;
  - (E) an employee benefit trust of the Company or any related company; and
  - (F) a company having a material trading arrangement with the Company;
- (iv) a “connected adviser” means, in relation to any person, the organisation which is advising that person in relation to the proposals set out in this document and, if that person is the Company or a member of the Concert Party, the corporate broker to that person (other than any corporate broker which is unable to act in connection with the offer because of a conflict of interest);
- (v) “control” means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives de facto control and ownership or control of 20 per cent. or more of the equity share capital is regarded as the test of associated company status;
- (vi) “dealing” or “dealt” includes the following:
- (A) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
  - (B) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
  - (C) subscribing or agreeing to subscribe for securities;
  - (D) the exercise or conversion, whether in respect of new or existing relevant securities, of any securities carrying conversion or subscription rights;
  - (E) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
  - (F) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
  - (G) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (vii) “derivative” includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- (viii) “Disclosure Period” means the period commencing on 12 June 2018 and ending on the Latest Practicable Date;
- (ix) a person is treated as “interested” in securities if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as “interested” in securities if:
- (A) he owns them;
  - (B) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
  - (C) by virtue of any agreement to purchase, option or derivative, he has the right or option to acquire them or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
  - (D) he is a party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
- (x) “relevant securities of the Company” means the Ordinary Shares and securities convertible into, or rights to subscribe for, Ordinary Shares, options (including traded options) in respect thereof and derivatives referenced thereto;
- (xi) “relevant securities of Hampden” means shares in Hampden and securities convertible into, or rights to subscribe for, shares in Hampden shares, options (including traded options) in respect thereof and derivatives referenced thereto; and
- (xii) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative.

#### 4. Interests and dealings *continued*

##### 4.2 Interests in the Ordinary Shares

- (i) As at the Latest Practicable Date, and following the completion of the Whitewash Proposals (on the assumption that the Placing Shares and Consolidation Shares are issued, but no Open Offer Shares are issued) the interests of the Directors, all of which are beneficial unless otherwise stated, in the Ordinary Share capital of the Company (including persons connected with the Directors within the meaning of section 252 of the Act) were, and are expected to be, as follows:

Name	As at the Latest Practicable Date		Following the Whitewash Proposals <sup>1</sup>	
	Number of Ordinary Shares	Percentage of the Existing Ordinary Shares	Number of Ordinary Shares	Percentage of the voting share capital
Michael Cunningham	37,167 <sup>2</sup>	0.25%	56,698 <sup>2</sup>	0.36%
Nigel Hanbury	2,736,871 <sup>3</sup>	18.43%	4,327,640 <sup>3</sup>	27.3%
Arthur Manners	333,334 <sup>4</sup>	2.24%	348,959 <sup>4</sup>	2.20%
Andrew Christie	58,670 <sup>5</sup>	0.08%	19,979 <sup>5</sup>	0.13%
Jeremy Evans	12,166 <sup>6</sup>	0.40%	66,483 <sup>6</sup>	0.42%
Edward Fitzalan-Howard	333,333	2.24%	352,864	2.23%
<b>Total</b>	<b>3,511,541</b>	<b>23.65%</b>	<b>5,172,623</b>	<b>32.64%</b>

1 On the assumption that no further Ordinary Shares are issued by the Company or interests in the voting rights of the Company acquired or disposed of by any Director and that none of the Directors participate in the Open Offer.

2 Held by Rathbone Nominees.

3 Includes 300,000 Ordinary Shares which are jointly owned by Nigel Hanbury and the JSOP Trustee in accordance with the JSOP and Ordinary Shares held by Upperton Holdings Limited (1,440,495 Ordinary Shares); NJ Hanbury Limited (6,291 Ordinary Shares); Alliance Trust Savings Nominees Limited (990,085 Ordinary Shares; of which 32,855 are held on behalf of Nigel Hanbury's SIPP).

4 133,334 Ordinary Shares are held by Roy Nominees Limited. 200,000 Ordinary Shares are jointly owned by Arthur Manners and the JSOP Trustee in accordance with the JSOP

5 Held by Vestra Nominees Limited (29,335 Ordinary Shares) and Smith & Williamson Nominees Limited (29,335 Barclays Direct Investing Nominees Limited (5,829 Ordinary Shares) and Vestra Nominees Limited (6,337 Ordinary Shares).

6 Held by Barclays Direct Investing Nominees Limited (5,829 Ordinary Shares) and Vestra Nominees Limited (6,337 Vestra Nominees Limited (29,335 Ordinary Shares) and Smith & Williamson Nominees Limited (29,335 Ordinary Shares).

- (ii) As at the Latest Practicable Date, and following the completion of the Whitewash Proposals (on the assumption that the maximum number of New Ordinary Shares are issued) the maximum interests of each member of the Concert Party, and the maximum interest of the Concert Party as a whole, all of which are beneficial unless otherwise stated, in the Ordinary Share capital of the Company were, and are expected to be, as follows:

Name	As at the Latest Practicable Date		Following the Whitewash Proposals <sup>1</sup>	
	Number of Ordinary Shares	Percentage of the Existing Ordinary Shares	Number of Ordinary Shares	Percentage of the voting share capital
Nigel Hanbury	2,736,871 <sup>2</sup>	18.43%	4,327,640 <sup>1</sup>	27.3%
Hampden Capital plc	1,214,560	8.18%	2,699,406	15.6%
Nicholas Wentworth-Stanley	429,839	2.89%	1,914,685	11.0%
Jeremy Evans	58,670 <sup>3</sup>	0.40%	66,483 <sup>3</sup>	0.42%
Sir Michael Oliver	29,000 <sup>4</sup>	0.20%	1,513,846 <sup>4</sup>	8.7%
Peter Nutting	5,008 <sup>5</sup>	0.03%	1,484,846 <sup>5</sup>	8.6%
Timothy Oliver and his family	0	0%	1,484,846	8.6%
Concert Party as a whole	4,473,948	30.13%	7,557,376	43.6%

1 On the assumption that no further Ordinary Shares are issued by the Company or interests in the voting rights of the Company acquired or disposed of by any member of the Concert Party and that none of the Directors participate in the Open Offer.

2 Includes 300,000 Ordinary Shares which are jointly owned by Nigel Hanbury and the JSOP Trustee in accordance with the JSOP and Ordinary Shares held by Upperton Holdings Limited (1,440,495 Ordinary Shares); NJ Hanbury Limited (6,291 Ordinary Shares); Alliance Trust Savings Nominees Limited (990,085 Ordinary Shares; of which 32,855 are held on behalf of Nigel Hanbury's SIPP).

3 Held by Vestra Nominees Limited (29,335 Ordinary Shares) and Smith & Williamson Nominees Limited (29,335 Ordinary Shares).

4 Held by Smith & Williamson Nominees Limited.

5 Held by Alliance Trust Savings Nominees Limited on behalf of Peter Nutting's SIPP.

SECTION B – INFORMATION IN RESPECT OF THE WHITEWASH PROPOSALS *CONTINUED***4. Interests and dealings** *continued***4.2 Interests in the Ordinary Shares** *continued*

- (iii) Save as disclosed in sub-paragraphs (i) and (ii) above, as at the Latest Practicable Date and insofar as is known to the Company, the following persons had an interest in the Company's issued Ordinary Share capital which is notifiable under Rule 5 of the Disclosure Guidance and Transparency Rules of the FCA:

Shareholder	Number of Ordinary Shares	Percentage of the Existing Ordinary Shares
Will Roseff	3,711,542	25.00%
Nigel Hanbury	2,736,871 <sup>1</sup>	18.43%
Hampden Capital plc	1,241,560	8.18%

<sup>1</sup> Includes 300,000 Ordinary Shares which are jointly owned by Nigel Hanbury and the JSOP Trustee in accordance with the JSOP and Ordinary Shares held by Upperton Holdings Limited (1,440,495 Ordinary Shares); NJ Hanbury Limited (6,291 Ordinary Shares); Alliance Trust Savings Nominees Limited (990,085 Ordinary Shares; of which 32,855 are held on behalf of Nigel Hanbury's SIPP).

**4.3 Dealings in the Ordinary Shares**

There have been no dealings in relevant securities of the Company during the Disclosure Period by any member of the Concert Party, any director of Hampden or any persons acting or deemed to be acting in concert with any member of the Concert Party.

**4.4 General**

- (i) As at the Latest Practicable Date, save as disclosed in paragraphs 4.2(i) and 4.2(ii), none of:

- (A) the Directors;
- (B) the members of the Concert Party;
- (C) the directors of Hampden;
- (D) any persons acting or deemed to be acting in concert with the members of the Concert Party; nor
- (E) any persons acting or deemed to be acting in concert with the Company,

had an interest or right to subscribe for any relevant securities of the Company (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor had any of the foregoing dealt in any relevant securities of the Company during the Disclosure Period.

- (ii) As at the Latest Practicable Date, neither the Company, nor any member of the Concert Party, nor any persons acting or deemed to be acting in concert has borrowed or lent any relevant securities of the Company.
- (iii) As at the Latest Practicable Date, and save as set out below, neither the Company, nor any of the Directors (including persons connected with the Directors within the meaning of section 252 of the Act) has any interest or right to subscribe for any relevant securities of Hampden (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery:

Name	Number of ordinary shares in the capital of Hampden	Percentage of the issued share capital
Jeremy Evans <sup>1</sup>	73,000	0.73%

<sup>1</sup> Held by Jeremy Evans wife, Georgina Holt Evans.

## 5. Market quotations

The following table shows the closing middle market quotations of the Ordinary Shares for the first business day in each of the six months immediately prior to the date of this document and on the Latest Practicable Date:

Date	Price per Ordinary Share (pence)
2 January 2019	137.5
1 February 2019	142.5
1 March 2019	134.0
1 April 2019	127.5
1 May 2019	135.0
1 June 2019	137.5
12 June 2019	137.5

## 6. Directors' service agreements and letters of appointment

**6.1** Set out below are details of the service agreements or letters of appointment of each of the Directors:

- (a) Pursuant to a letter of appointment dated 13 August 2007, Michael Cunningham was appointed as a Non-Executive Director of the Company. He was subsequently appointed as Non-Executive Chairman on 29 June 2017. Mr. Cunningham is paid an annual fee of £20,000 per annum and is entitled to the reimbursement of expenses reasonably incurred in relation to his duties. His appointment is subject to the requirement to resign by rotation and other provisions set out in the Company's articles of association, and can be terminated by either party giving not less than three months' prior written notice.
- (b) Pursuant to a service agreement dated 1 October 2012, Nigel Hanbury was appointed as Chief Executive Officer of the Company. Mr. Hanbury is paid an annual salary of £75,000 per annum and is entitled to the reimbursement of expenses reasonably incurred in relation to his duties. In addition, he is entitled to participate in the Company's short term incentive scheme pursuant to which, subject to the satisfaction of certain specified performance conditions, he may be entitled to a maximum bonus equal to 200% of his salary (half of which may be satisfied by the issue of Ordinary Shares at the discretion of the nomination and remuneration committee of the Board). The service agreement can be terminated at any time by either party on not less than six months' prior written notice.
- (c) Pursuant to a service agreement dated 10 May 2018, Arthur Manners was appointed as Finance Director of the Company with effect from 13 December 2017 on the basis of two days' work per week. Mr. Manners is paid an annual salary of £60,000 per annum and is entitled to the reimbursement of expenses reasonably incurred in relation to his duties. In addition, he is entitled to participate in the Company's short term incentive scheme pursuant to which, subject to the satisfaction of certain specified performance conditions, he may be entitled to a maximum bonus equal to 200% of his salary (half of which may be satisfied by the issue of Ordinary Shares at the discretion of the Nomination and Remuneration Committee of the Board). The service agreement can be terminated at any time by either party on not less than six months' prior written notice.
- (d) Pursuant to a letter of appointment dated 6 July 2013, Andrew Christie was appointed as a Non-Executive Director of the Company. Mr. Christie is paid an annual fee of £15,000 per annum and is entitled to the reimbursement of expenses reasonably incurred in relation to his duties. His appointment is subject to the requirement to resign by rotation and other provisions set out in the Company's articles of association, and can be terminated by either party giving not less than three months' prior written notice.
- (e) Pursuant to a letter of appointment dated 13 August 2007, Jeremy Evans was appointed as a Non-Executive Director of the Company. Mr. Evans is paid an annual fee of £15,000 per annum and is entitled to the reimbursement of expenses reasonably incurred in relation to his duties. His appointment is subject to the requirement to resign by rotation and other provisions set out in the Company's articles of association, and can be terminated by either party giving not less than three months' prior written notice.
- (f) Pursuant to a letter of appointment dated 30 April 2018, Edward Fitzalan-Howard, Duke of Norfolk was appointed as a Non-Executive Director of the Company and is paid an annual fee of £15,000 per annum and entitled to the reimbursement of expenses reasonably incurred in relation to his duties. His appointment is subject to the requirement to resign by rotation and other provisions set out in the Company's articles of association, and can be terminated by either party giving not less than three months' prior written notice.

**6.2** Except as stated above, no service contracts between the Directors and the Company have been entered into or amended in the six months prior to the date of this document.

**6.3** Save as disclosed above, there are no other contracts of service between Directors of the Company and the Company or any of its subsidiaries.

SECTION B – INFORMATION IN RESPECT OF THE WHITEWASH PROPOSALS *CONTINUED***7. Material contracts**

**7.1** The following are the only material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within the two years immediately preceding the date of this document:

**(a) Placing and Open Offer agreement**

The Company entered into a placing and open offer agreement with Shore Capital dated 12 June 2019, pursuant to which, Shore Capital agreed to use its reasonable endeavours to procure subscribers for new Ordinary Shares as agent for the Company at the Issue Price per share. The placing and open offer agreement contains certain obligations in respect of the Open Offer and customary warranties and an indemnity from the Company to Shore Capital in respect of liabilities arising out of, or in connection with, the Fundraising. In return for its services, Shore Capital is to be paid a corporate finance fee and commission based on a percentage of the gross proceeds raised from the Fundraising and is also entitled to reimbursement of its expenses.

**(b) Acquisition of Nameco (No. 1113) Limited**

Pursuant to a sale and purchase agreement dated 12 June 2019, the Company has conditionally agreed to acquire the entire issued share capital of Nameco 1113 for a consideration of £2,036,180 million, to be satisfied by the allotment and issue of the Consideration Shares on Completion. Further details in respect of Nameco 1113 are set out in paragraph 7 of the letter from the Chairman set out in this document.

**(c) HIPCC Framework Agreement**

Pursuant to the HIPCC Framework Agreement, Upperton, the Company and other relevant parties have agreed to amend certain of the Group's arrangements with HIPCC commencing from the 2020 underwriting year. The HIPCC Reorganisation will have the effect of removing the economic benefit that Nigel Hanbury (through Upperton) would otherwise receive in respect of the Group's arrangements with HIPCC, in return for a one-off cash payment of £100,000. Pursuant to the HIPCC Framework Agreement, an amount equal to the profits derived by HIPCC from the Group's arrangements with it, in any relevant underwriting year, is to be paid to Helios. An amount equal to 49% of those profits (together with an amount equal to any corporation tax that is payable by Hampden in respect of, and would not have been payable except for, such receipt) are then paid to Hampden, in order to ensure that it is not disadvantaged by the HIPCC Reorganisation. The HIPCC Framework Agreement is to be effective from the 2020 Lloyd's year of account until the earlier of the end of the year of account in which Nigel Hanbury: (i) ceases to be a director of the Company; or (ii) ceases to have any direct or indirect, legal or beneficial, interest in the share capital and voting rights of HIPCC. The HIPCC Framework Agreement is conditional upon admission of the Placing Shares to trading on AIM occurring by no later than 18 July 2019 and may be terminated immediately by written notice in the event of a material breach of the agreement, which has not been remedied within a specified cure period. The HIPCC Framework Agreement is subject to English law and the jurisdiction of the English courts.

**(d) 2018 National Westminster Bank plc loan agreement**

The Company entered into a facility agreement with National Westminster Bank plc ("**Natwest**") dated 7 December 2018, pursuant to which Natwest agreed to provide the Company with short term loan facility of £8,162,196 to assist in the financing of the acquisition of certain Lloyd's members (the "**Loan**"). The loan agreement included an arrangement fee of £40,810.98 payable to Natwest and an interest rate of 2.5% p.a. above LIBOR. A £2 million limited guarantee was also provided by the subsidiaries of the Company. It was announced by the Company on 10 January 2019 that the Loan had been repaid from the existing free cash resources of £3.2 million within 54532L and from the provision of funds at Lloyd's by quota share reinsurers in respect of recent acquisitions.

**(e) Acquisition of Lloyd's Member 54532L**

Pursuant to a sale and purchase agreement dated 10 December 2018, the Company acquired the entire issued share capital of Lloyd's Member 54532L ("**54532L**") for a consideration of £9.4 million, payable in cash upon completion of the acquisition. 54532L is a limited liability member of Lloyd's and its 2018 underwriting capacity was £10 million. Pursuant to the agreement, the Company has the benefit of certain customary warranties in respect of 54532L and its operations and an indemnity in respect of tax and certain other matters.

**(f) Acquisition of Advantage DCP Limited**

Pursuant to a sale and purchase agreement dated 16 November 2018, the Company acquired the entire issued share capital of Advantage DCP Limited ("**Advantage**") for a consideration of £1,910,000. The consideration is payable as to £450,000 upon completion of the acquisition, £1,210,000 by 31 July 2019 and £250,000 payable following the closure of the 2017 year of account (subject to adjustments in the event that Advantage has a loss for the 2017 year of account whilst exceeds a specified threshold). Advantage is a limited liability member of Lloyd's and its 2018 underwriting capacity was £2.3 million. The acquisition completed on 6 December 2018, following the approval of the change of control of Advantage by Lloyds being granted. Pursuant to the agreement, the Company has the benefit of certain customary warranties in respect of Advantage and its operations and a tax indemnity.

**(g) Acquisition of Nomina No 505 LLP**

Pursuant to a sale and purchase agreement dated 25 September 2018, the Company acquired the entire share capital of Nomina No 505 LLP ("**505**"), a limited liability member of Lloyd's for a consideration of £318,359, payable in cash. The 2018 underwriting capacity of 505 was £922,937. Pursuant to the agreement, the Company has the benefit of certain customary warranties in respect of 505 and its operations and a tax indemnity.

**(h) Acquisition of Fyshe Underwriting LLP**

Pursuant to a sale and purchase agreement dated 10 August 2018, the Company acquired the entire share capital of Fyshe Underwriting LLP ("**Fyshe**") for a consideration of £68,630, payable in cash upon completion of the acquisition. Fyshe is a limited liability member of Lloyd's and its 2018 underwriting capacity was £500,150. The acquisition completed on 29 August 2018, following the approval of the change of control of Fyshe by Lloyds being granted. Pursuant to the agreement, the Company has the benefit of certain customary warranties in respect of Fyshe and its operations and a tax indemnity.

## 7. Material contracts *continued*

### 7.1 continued

#### (i) Acquisition of Chapman Underwriting Company Limited

Pursuant to a conditional sale and purchase agreement dated 30 October 2017, the Company acquired the entire issued share capital of Chapman Underwriting Company Limited (“**Chapman**”) from the estate of its sole shareholder for a consideration of £540,000, payable in cash upon completion of the acquisition. Chapman is a limited liability member of Lloyd’s and its 2017 underwriting capacity was £670,000. The acquisition completed on 20 November 2017, following the satisfaction of the conditions, including approval of the change of control of Chapman by Lloyd’s being granted. Pursuant to the agreement, the Company has the benefit of certain customary warranties in respect of Chapman and its operations and an indemnity in respect of tax and certain other matters.

#### (j) Acquisition of Inversanda LLP

Pursuant to a conditional sale and purchase agreement dated 25 September 2017, Helios UTG Partner Limited (a subsidiary of the Company) acquired the entire issued share capital of Inversanda LLP (“**Inversanda**”) from its members for a consideration of £235,000, payable in cash upon completion of the acquisition. Inversanda is a limited liability member of Lloyd’s and its 2017 underwriting capacity was £616,211. The acquisition completed on 25 September 2017, following the approval of the change of control of Inversanda by Lloyd’s being granted. Pursuant to the agreement, the Company has the benefit of certain customary warranties in respect of Inversanda and its operations and a tax indemnity.

#### (k) Acquisition of Nottus (No 51) Limited

Pursuant to a conditional sale and purchase agreement dated 8 June 2017, the Company acquired the entire issued share capital of Nottus (No 51) Limited (“**Nottus**”) from its individual shareholders for a consideration of £964,500, payable in cash upon completion of the acquisition. Nottus is a limited liability member of Lloyd’s and its 2017 underwriting capacity was £669,000. The acquisition completed on 8 June 2017, following the approval of the change of control of Nottus by Lloyd’s being granted. Pursuant to the agreement, the Company has the benefit of certain customary warranties in respect of Nottus and its operations and a tax indemnity.

#### (l) Acquisition of Pooks Limited

Pursuant to a conditional sale and purchase agreement dated 21 December 2017, the Company acquired the entire issued share capital of Pooks Limited (“**Pooks**”) from Upperton Holdings Limited (a company which was ultimately beneficially owned by Nigel Hanbury) for a consideration of £870,659, payable in cash upon completion of the acquisition. Pooks is a limited liability member of Lloyd’s and its 2017 underwriting capacity was £784,666. The acquisition completed on 24 January 2017, following the approval of the transaction by Shareholders and the approval of the change of control of Pooks by Lloyd’s being granted. Pursuant to the agreement, the Company has the benefit of certain customary warranties in respect of Pooks and its operations and a tax indemnity.

7.2 There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Hampden or any of its subsidiaries within the two years immediately preceding the date of this document.

## 8. Significant changes

Save as disclosed in this document, there has been no significant change in the financial or trading position of the Company since 31 December 2018 (the date to which the latest published audited accounts of the Company were prepared).

## 9. Miscellaneous

9.1 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between any member of the Concert Party or any persons acting or deemed to be acting in concert with them in respect of the Company and any of the Directors, or recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon or which is conditional on the outcome of the Whitewash Proposals or the Whitewash Resolution.

9.2 There are no agreements, arrangements or understandings between any member of the Concert Party or any persons acting or deemed to be acting in concert with them in respect of the Company whereby any relevant securities of the Company to be acquired pursuant to the Whitewash Proposals will be transferred to any other persons.

9.3 The Whitewash Proposals will not effect the earnings, assets or liabilities of the Company or Hampden, save for:

- (a) an increase in the Company’s cash and shareholder equity as a result of the participation of Jeremy Evans in the Placing;
- (b) an increase in the Company’s shareholder equity as a result of the issue of the Consideration Shares; and
- (c) an increase in the assets and liabilities of the Company, on a consolidated basis, as a result of the Acquisition of Nameco 1113.

9.4 There are no ratings or ratings outlooks provided by ratings agencies in respect of the Company or Hampden.

9.5 Shore Capital has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.

9.6 All share prices are derived from the Daily Official List of the London Stock Exchange.

9.7 Figures and percentages appearing in this document have been rounded to the nearest decimal place. Accordingly, figures and percentages may not sum as a result of such rounding.



**SECTION B – INFORMATION IN RESPECT OF THE WHITEWASH PROPOSALS** *CONTINUED***10. Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Company at 40 Gracechurch Street, London EC3V 9BT and on the Company's website at <https://www.huwplc.com/investors/rule-9-whitewash-documents> from the date of posting of this document up to the date of the General Meeting and at the place of meeting for 15 minutes prior to the meeting and during the meeting:

- (a) the memorandum of association and articles of association of the Company;
- (b) the memorandum of association and articles of association of Hampden;
- (c) the audited consolidated accounts of the Company for the years ended 31 December 2018 and 31 December 2017;
- (d) the unaudited consolidated interim accounts of Hampden for the five months ended 31 May 2018 and the audited consolidated accounts of Hampden for the years ended 31 December 2017 and 31 December 2016;
- (e) the current service agreements and letters of appointment referred to in paragraph 6 above;
- (f) the written consent of Shore Capital referred to in paragraph 9.5 above; and
- (g) this document.

**11. Documents incorporated by reference**

The following information is incorporated by reference into this document pursuant to Rule 24.15 of the City Code and is available free of charge on the Company's website at <https://www.huwplc.com/investors/rule-9-whitewash-documents>.

- (a) the consolidated audited annual report and financial statements of the Company for the year ended 31 December 2018;
- (b) the consolidated audited annual report and financial statements of the Company for the year ended 31 December 2017;
- (c) the consolidated unaudited interim accounts of Hampden for the five months ended 31 May 2018;
- (d) the consolidated audited annual report and financial statements of Hampden for the year ended 31 December 2017; and
- (e) the consolidated audited annual report and financial statements of Hampden for the year ended 31 December 2016.

Any Shareholder, person with information rights or other person to whom this document is sent may request, in writing or verbally, a hard copy of each of the documents above incorporated by reference in this document. Hard copies will only be provided where valid requests are received from such persons. Requests for copies of any such documents should be directed to Neville Registrars Limited on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. 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 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## NOTICE OF GENERAL MEETING – HELIOS UNDERWRITING PLC

(Incorporated and registered in England and Wales with registered number 05892671)

**NOTICE IS HEREBY GIVEN** that a General Meeting of Helios Underwriting plc (the “**Company**”) will be held at the offices of HFW at Friary Court, 65 Crutched Friars, London EC3N 2AE at 12 noon on 16 July 2019 for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolutions 1 to 3 (inclusive) are being proposed as ordinary resolutions and Resolutions 4 and 5 are being proposed as special resolutions:

### Ordinary Resolutions

1. THAT the waiver by the Panel on Takeovers and Mergers of any requirement under Rule 9 of the City Code on Takeovers and Mergers (the “**City Code**”) for Nigel Hanbury, Hampden Capital plc, Nicholas Wentworth-Stanley, Jeremy Evans, Sir Michael Oliver, Peter Nutting, Timothy Oliver, Susan Oliver, Charles Camroux-Oliver, James Camroux-Oliver and Alexa Pearmund and any affiliated person(s) (as defined in the City Code) or any of them individually (the “**Concert Party**”), to make a general offer pursuant to Rule 9 of the City Code as a result of the Whitewash Proposals (as defined in the circular to the Company’s shareholders dated 19 June 2019 of which this notice forms part (the “**Circular**”)) be and is hereby approved.
2. Subject to the passing of resolutions 1 and 3, THAT the acquisition by the Company of the entire issued share capital of Nameco (No. 1113) Limited from Nigel Hanbury (a director of the Company) be approved.
3. THAT, subject to the passing of resolutions 1 and 2, the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**2006 Act**”) to exercise all the powers of the Company to allot ordinary shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal amount of £397,093 in connection with the Acquisition and the Fundraising (each as such terms are defined in the Circular). Such authority shall be in addition to any equivalent authority that may be granted at the Company’s 2019 Annual General Meeting.

### Special Resolutions

4. THAT, subject to the passing of resolution 3 above, the directors of the Company be and they are hereby empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) of the Company for cash pursuant to the authority conferred by resolution 3 above in connection with the Fundraising (each as defined in the Circular) as if section 561 of the 2006 Act did not apply to any such allotment provided that this power shall be limited to an aggregate nominal amount of £238,016. Such power shall be in addition to any equivalent power that may be granted at the Company’s 2019 Annual General Meeting.
5. THAT in substitution for all existing powers the Directors be generally and unconditionally authorised pursuant to Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares of the Company provided that:
  - (i) the maximum aggregate number of Ordinary Shares that may be purchased is 1,484,846, being equivalent to approximately 10% of the Existing Ordinary Shares, as defined in the Circular;
  - (ii) the minimum price (excluding expenses) which may be paid for each Ordinary Share is £0.10 (being the nominal value);
  - (iii) the maximum price (excluding expenses) which may be paid for each Ordinary Share is the higher of:
    - (A) 105% of the average market value of an Ordinary Share in the Company for the five business days prior to the day the purchase is made; and
    - (B) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for the last independent trade of, and the highest current independent bid for, any number of the Company’s Ordinary Shares on the trading venue where the purchase is carried out;
  - (iv) Save, for the avoidance of doubts, to the extent approved pursuant to resolution 1, no purchase of Ordinary Shares shall be made where the Directors are aware that such purchase would result in any person or entity being obliged to make a general offer in respects of the Company pursuant to Rule 9 of the City Code; and
  - (v) the authority conferred by this resolution shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2020 or 30 June 2020 (whichever is sooner) unless a contract to purchase Ordinary Shares is entered into before the end of that period in which case such purchase or purchases may be executed wholly or partly as if the power granted by this resolution had not expired.

Dated: 19 June 2019

By order of the Board

**Martha Bruce**  
Company Secretary

**NOTICE OF GENERAL MEETING – HELIOS UNDERWRITING PLC *CONTINUED***

(Incorporated and registered in England and Wales with registered number 05892671)

**Notes:**

1. As required by the City Code on Takeovers and Mergers, Resolution 1 will be taken on a poll vote of Independent Shareholders, who will be entitled to one vote for each Ordinary Share in the capital of the Company held at the relevant time and date specified in Note 5 below. Members of the Concert Party will not vote on the resolution.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. If a member appoints more than one proxy in relation to the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member.
3. To appoint as a proxy a person other than the Chairman of the meeting, a member must insert the proxy's full name in the box on the Form of Proxy. If a member signs and returns a Form of Proxy with no name inserted in the box, the Chairman of the meeting will be deemed to be the member's proxy. Where a member appoints as a proxy someone other than the Chairman, the member is responsible for ensuring that the proxy attends the meeting and is aware of the member's voting intentions. If a member wishes a proxy to make any comments on the member's behalf, the member will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. A member which is a corporation is entitled to appoint one or more corporate representatives to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member. If a member which is a corporation appoints more than one corporate representative in relation to the meeting, each representative must exercise the rights attached to a different share or shares held by that member. In the case of a member which is a corporation, the Form of Proxy must be executed under the corporation's common seal or signed on its behalf by a duly authorised officer of the corporation or an attorney for the corporation.
5. A Form of Proxy is enclosed. To be valid, the Form of Proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and deposited at the office of the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD not less than 48 hours (excluding non-working days) before the time for holding the meeting (or any adjourned meeting). Completion of a Form of Proxy does not preclude a member from attending and voting in person at the meeting if (s)he so wishes.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered in the Company's register of members at 6.00 p.m. on 12 July 2019 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes in the Company's register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting. If the meeting is adjourned, only those members entered in the Company's register of members as at 6.00 p.m. on the day two days (excluding non-working days) before the date of the adjourned meeting shall be entitled to attend and vote at the adjourned meeting.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's registrars, Neville Registrars Limited (CREST Participant ID: 7RA11), no later than 48 hours (excluding non-working days) before the time appointed for the meeting (or any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
9. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice or in any related documents to communicate with the Company for any purposes other than those expressly stated.
12. Your personal data includes all data provided by you, or on your behalf, which relates to you as a Shareholder, including your name and contact details, the votes you cast and your reference number (as attributed to you by the Company or its registrars). The Company determines the purposes for which, and the manner in which, your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the Shareholder rights you exercise.
13. As at 12 June 2019 (being the last practicable date prior to the publication of this notice), the Company's issued share capital (excluding treasury shares) consisted of 14,848,462 ordinary shares of 10 pence each, carrying one vote per share, and there are 255,778 shares held by the Company in treasury, which do not carry voting rights. Therefore, the total voting rights in the Company as at 12 June 2019 were 14,848,462.