

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

If you have sold or transferred all of your Existing Shares prior to the date the shares were marked “ex” the entitlement to the Open Offer, please send this document 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 delivery to the purchaser or transferee. However, these documents should not be forwarded into the United States, Canada, Australia, the Republic of South Africa or Japan (each, a “**Restricted Jurisdiction**”). If you have sold only part of your holding of Existing Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications which will be in the Application Form (if relevant).

The Directors (whose names and functions appear on page 5 of this document) and the Company (whose registered office appears on page 5 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything which would make misleading any statement in the document, whether of facts or of opinion.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA pursuant to sections 85 and 87 of the FSMA, the London Stock Exchange or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Existing Shares are admitted to trading on AIM. On completion of the Open Offer, application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Open Offer Shares will commence on 14 May 2018. The Open Offer Shares will, on Admission, rank *pari passu* in all respects with the Existing Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Qualifying Shareholders should read this document in its entirety.

BREEDON GROUP PLC

(Incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered no. 98465)

OPEN OFFER OF UP TO 5,542,967 NEW ORDINARY SHARES AT AN ISSUE PRICE OF 76.5 PENCE PER SHARE

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and to the section headed “Risk Factors” in Part II of this document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 9 May 2018. The procedure for acceptance and payment is set out in Part III of this document and, where relevant, in the Application Form.

Cenkos, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and joint broker to the Company for the purposes of the AIM Rules in connection with the Open Offer. Cenkos is acting exclusively for the Company and for no one else in relation to the Open Offer and persons receiving this document should note that Cenkos will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos or for advising any other person on the arrangements described in this document. Cenkos has not authorised the contents of this document and/or the Application Form and no liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this document and/or the Application Form or for the omission of any information. The responsibilities of Cenkos as the Company’s nominated adviser and joint broker under the AIM Rules and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange solely 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.

Numis Securities, which is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker to the Company. Numis Securities is acting exclusively for the Company and for no one else in relation to the Placing and persons receiving this document should note that Numis Securities will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis Securities or for advising any other person on the arrangements described in this document. Numis Securities has not authorised the contents of this document and/or the Application Form and no liability whatsoever is accepted by Numis Securities for the accuracy of any information or opinions contained in this document and/or the Application Form or for the omission of any information.

Qualifying Non-CREST Shareholders will find an Application Form accompanying this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 18 April 2018. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Shares prior to the date on which the Existing Shares were marked “ex” the entitlement by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 18 April 2018, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Basic Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this document.

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

Copies of this document will be available free of charge to the public at the Company’s website www.breedongroup.com

IMPORTANT INFORMATION

Forward-looking Statements

This document includes “forward-looking statements” which include all statements other than statements of historical fact, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

Notice to overseas persons

The distribution of this document and/or any accompanying documents in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Open Offer Shares and the Open Offer Entitlements have not been, nor will they be, registered under the United States Securities Act of 1933 (as amended) (the “**US Securities Act**”) or under the securities laws of any state of the United States or any of the relevant securities laws of another Restricted Jurisdiction. Subject to certain exemptions, this document and the Application Form do not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States and there will be no public offer in the United States. Any representation to the contrary is a criminal offence in the US.

Outside of the United States, the Open Offer Shares and the Open Offer Entitlements are being offered in reliance on Regulation S under the US Securities Act. The Open Offer Shares and the Open Offer Entitlements will not qualify for distribution under the relevant securities laws of the Restricted Jurisdictions other than the US, nor has any prospectus in relation to them been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance.

Accordingly, subject to certain exemptions, the Open Offer Shares and the Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in, into or from any Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction. In addition, Application Forms are not being posted to and no Open Offer Entitlements will be credited to a stock account of any person in a Restricted Jurisdiction. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled “Overseas Shareholders” at paragraph 5 of Part III of this document.

The Company makes no representation or warranty to any offeree or purchaser of the Open Offer Shares regarding the legality of any investment in the securities by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his, her or its own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Open Offer Shares.

Jersey company law

A copy of this document has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the registrar has given, and has not withdrawn, consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company. It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

Presentation of information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom and references to “Euros” and “€” are to the lawful currency of the European Union.

Presentation of market, economic and industry data

Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No incorporation of website information

The contents of the Company’s website or any hyperlinks accessible from the Company’s website do not form part of this document and Shareholders should not rely on them.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

TABLE OF CONTENTS

Directors, Advisers and Company Information.....	5
Open Offer statistics	6
Expected timetable of principal events	7
Definitions.....	8
PART I Letter from the Chairman of Breedon Group Plc	12
PART II Risk Factors.....	18
PART III Details of the Open Offer.....	23

DIRECTORS, ADVISERS AND COMPANY INFORMATION

Directors	Peter Tom CBE Pat Ward Rob Wood Amit Bhatia Susie Farnon David Warr David Williams	<i>(Executive Chairman)</i> <i>(Group Chief Executive)</i> <i>(Group Finance Director)</i> <i>(Non-executive Director)</i> <i>(Non-executive Director)</i> <i>(Non-executive Director)</i> <i>(Non-executive Director)</i>
Company Secretary	JTC (Jersey) Limited 28 Esplanade St Helier Jersey JE2 3QA	
Registered Office	28 Esplanade St Helier Jersey JE2 3QA	
Nominated Adviser and Joint Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
Joint Broker	Numis Securities Limited 10 Paternoster Square London EC4M 7LT	
Solicitors to the Company	Travers Smith LLP 10 Snow Hill London EC1A 2AL	
Legal advisers to the Company (Jersey)	Mourant Ozannes 22 Grenville Street St Helier Jersey JE4 8PX	
Solicitors to Cenkos	Osborne Clarke LLP One London Wall London EC2Y 5EB	
Registrars	Link Market Services (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT	
Receiving Agent	Link Asset Services Corporate Actions, The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	

OPEN OFFER STATISTICS

Issue Price	76.5p
Number of Existing Shares ¹	1,446,714,437
Number of Ordinary Shares in issue following Placing Admission	1,668,936,659
Open Offer Basic Entitlement	1 Open Offer Share for every 261 Existing Shares
Number of Open Offer Shares	5,542,967
Number of Ordinary Shares in issue following Admission ²	1,674,479,626
Open Offer Shares as a percentage of the issued share capital following Admission ²	0.3 per cent.
Maximum gross proceeds of the Open Offer	£4,240,370
Estimated expenses of the Open Offer	£100,000
Estimated maximum net proceeds of the Open Offer ²	£4,140,370
Ordinary Share ISIN	JE00B2419D89
Basic Entitlements ISIN	JE00BFMNH667
Excess Entitlements ISIN	JE00BFMNH774

Notes

1. As at the Last Practicable Date.
2. Assuming take-up in full of the Open Offer by Qualifying Shareholders.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS¹

2018

Record Date and time for entitlement under the Open Offer	5.30 p.m. on 13 April
Announcement of the Transaction and the Open Offer	17 April
Publication of this document and, to Qualifying Non-Crest Shareholders, the Application Form	17 April
“Ex” entitlement date of the Open Offer	17 April
Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	by 18 April
Latest recommended time and date for requested withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 2 May
Latest time and date for depositing Open Offer Entitlements in CREST	3.00 p.m. on 3 May
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)	3.00 p.m. on 4 May
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 9 May
Results of the Open Offer announced	11 May
Admission and dealings in the Open Offer Shares expected to commence on AIM	8.00 a.m. on 14 May
Expected date for CREST accounts to be credited in respect of Open Offer Shares in uncertificated form (where applicable)	14 May
Expected date for despatch of share certificates for Open Offer Shares in certificated form (where applicable)	within 14 days of Admission

Notes

1. Each of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service. References to time in this document are to London time, unless otherwise stated.

DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

Acquisition	the acquisition by the Company of the entire issued share capital of the Target pursuant to the terms of the SPA
Admission	the admission to trading on AIM of the Open Offer Shares becoming effective in accordance with Rule 6 of the AIM Rules
AIM	the AIM market operated by the London Stock Exchange
AIM Rules	the rules for AIM companies as published by the London Stock Exchange from time to time
Announcement	the announcement released by the Company on 17 April 2018 relating to the Transaction and the publication of this document
Applicant	a Qualifying Non-CREST Shareholder or a person entitled by virtue of a <i>bona fide</i> market claim who lodges an Application Form under the Open Offer
Application Form	the application form relating to the Open Offer provided with this document to Qualifying Non-CREST Shareholders
Articles	the articles of association of the Company
Basic Entitlement	the basic entitlement to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer
Board or Directors	the directors of the Company whose names are set out on page 5 of this document, or any duly authorised committee thereof
business day	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London and Jersey
Brexit	the determination by the United Kingdom to serve notice on 29 March 2017 to exit the European Union pursuant to Article 50 of the Treaty of Lisbon
Cenkos	Cenkos Securities plc (company number: 05210733) whose registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS
certificated or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST)
Clawback Placing	the right of recall in respect of the Clawback Placing Shares to satisfy allocations under the bookbuilding launched following the release of the Announcement
Clawback Placing Shares	65,488,454 Placing Shares
Company or Breedon	Breedon Group Plc, a company registered in Jersey with a registered number 98465
Completion	completion of the Acquisition pursuant to the terms of the SPA
CREST	the computer system (as defined in the CREST Regulations) in respect of which Euroclear is the recognised operator (as defined in those regulations)
CREST Regulations	The Companies (Uncertificated Securities) (Jersey) (Order) 1999

Enlarged Group	means the Group as enlarged by the Acquisition
Euroclear	Euroclear UK & Ireland Limited
EU	the European Union
Excess Application Facility	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Basic Entitlement in accordance with the terms and conditions of the Open Offer
Excess Entitlements	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Basic Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Basic Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
Excess Shares	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility
Existing Shares	the 1,446,714,437 Ordinary Shares in issue at the Record Date
FCA	the Financial Conduct Authority of the United Kingdom
Firm Placed Shares	156,733,768 Placing Shares
FSMA	the Financial Services and Markets Act 2000 (as amended)
Group	the Company and its subsidiary undertakings from time to time
Issue Price	76.5p per Open Offer Share, being the same price as the Placing Price
Jersey	the Bailiwick of Jersey
JerseyCo	Lisbon Funding Limited
Joint Bookrunners	Cenkos and Numis Securities
Lagan or Lagan Group	the Target and its subsidiary undertakings from time to time
Last Practicable Date	16 April 2018, being the last practicable date prior to the publication of this document
London Stock Exchange	London Stock Exchange plc
New Facility Agreement	the revolving credit and term loan facility between, amongst others, the Company and Barclays Bank plc (as facility agent) entered into on the same date as this document
Numis Securities	Numis Securities Limited
Official List	the Official List of the UK Listing Authority
Open Offer	the invitation by the Company to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form
Open Offer Entitlements	the Basic Entitlements and Excess Entitlements
Open Offer Shares	the new Ordinary Shares offered by the Company pursuant to the Open Offer

Ordinary Shares	ordinary shares of no par value in the share capital of the Company
Overseas Shareholders	Shareholders who are resident or have a registered address outside the United Kingdom
Placing	the conditional placing by Cenkos and Numis Securities (as joint bookrunners) of 222,222,222 new Ordinary Shares as described in the Announcement
Placing Admission	means the admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
Placing Agreement	the placing agreement relating to the Placing between the Company, Cenkos and Numis Securities and dated 17 April 2018
Placing Price	76.5p per Placing Share
Placing Shares	the 222,222,222 new Ordinary Shares which are proposed to be allotted and issued by the Company pursuant to the Placing
Prospectus Rules	means the rules and regulations made by the FCA under Part VI of the FSMA 2000 (as amended from time to time)
Qualifying CREST Shareholders	Qualifying Shareholders holding Existing Shares in uncertificated form
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Existing Shares in certificated form
Qualifying Shareholders	holders of Existing Shares on the register of members of the Company at the Record Date but excluding any non-exempt Overseas Shareholder in a Restricted Jurisdiction
Receiving Agent or Link Asset Services	Link Asset Services (a trading name of Link Market Services Limited)
Record Date	13 April 2018
Regulatory Information Service	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA's website
Restricted Jurisdiction	United States, Canada, Australia, the Republic of South Africa or Japan
Rol	Republic of Ireland
Shareholder	a holder of Ordinary Shares
SPA	the sale and purchase agreement relating to the Target between the Company and the Sellers (as defined therein) and dated 17 April 2018
Target	Lagan Group (Holdings) Limited
Transaction	the Placing, the Acquisition and the Open Offer
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form	a share or security recorded in the Company's register of members as being held in uncertificated form, title to which may be transferred by means of CREST

US or United States	the United States of America, its territories and possessions and the District of Columbia and all other areas subject to its jurisdiction
US Securities Act	the United States Securities Act of 1933 (as amended)
USE	an Unmatched Stock Event, as described in paragraph 2 Part III of this document

All times referred to in this document are, unless otherwise stated, references to London time.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

PART I

Letter from the Chairman of Breedon Group Plc

*(Incorporated in Jersey under the Companies (Jersey) Law 1991
(as amended) with registered no. 98465)*

Directors:

Peter Tom CBE (*Executive Chairman*)
Pat Ward (*Group Chief Executive*)
Rob Wood (*Group Finance Director*)
Amit Bhatia (*Non-executive Director*)
Susie Farnon (*Non-executive Director*)
David Warr (*Non-executive Director*)
David Williams (*Non-executive Director*)

Registered office:

28 Esplanade
St Helier
Jersey
JE2 3QA

17 April 2018

To Shareholders and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder

OPEN OFFER OF 5,542,967 ORDINARY SHARES

Introduction

The Company announced today that it has conditionally raised gross proceeds of approximately £170 million by way of a placing of 222,222,222 Ordinary Shares at the Issue Price of 76.5 pence per Ordinary Share to existing and other institutional investors pursuant to the Placing in order to part fund the proposed acquisition of the Lagan Group.

The Board is pleased to provide Qualifying Shareholders with the opportunity to participate in the Open Offer at the Issue Price to raise up to £4.2 million (assuming full take up of the Open Offer but being less than the €5 million maximum amount permitted without requiring publication of a prospectus under the Prospectus Rules). The Open Offer is in addition to and separate from the Placing. The Open Offer is conditional upon (amongst other things) completion of the Acquisition and is not being underwritten.

The purpose of this document is to provide you with details of the proposed Open Offer.

Principal terms of the Open Offer

Qualifying Shareholders will be given the opportunity to subscribe for Open Offer Shares to their existing shareholdings at the Issue Price, payable in full on application and free of all expenses, on the basis of:

1 Open Offer Share for every 261 Existing Shares

held by Qualifying Shareholders at the Record Date and so on in proportion for any other number of Existing Shares then held.

In addition, provided that a Qualifying Shareholder takes up its Beneficial Entitlement in full, it will be able to apply for Excess Shares under the Excess Application Facility, with applications being scaled back at the Company's absolute discretion.

Cenkos has received commitments to not participate in the Open Offer from certain institutional Shareholders who participated in the Placing in relation to, in aggregate, 4,677,002 Open Offer Shares, representing approximately 84.4 per cent. of the Ordinary Shares subject to the Open Offer.

The Issue Price of 76.5 pence per Open Offer Share represents a 2.3 per cent. discount to the closing middle market price of 78.3 pence per Ordinary Share on the Last Practicable Date.

Directors' support and participation in the Open Offer

The Directors are fully supportive of the Open Offer and the Directors who are Qualifying Shareholders (other than one of the non-executive Directors) have therefore indicated their intention to participate in part or in full in the Open Offer in respect of their respective Basic Entitlements, which amount to 190,496 Open Offer Shares in aggregate. However, the Directors who are Qualifying Shareholders are willing to be scaled back by other Qualifying Shareholders under the Excess Application Facility to accommodate demand from other Qualifying Shareholders.

Further details of the Open Offer

The Open Offer will result in the issue of up to 5,542,967 Open Offer Shares, representing approximately 0.4 per cent. of the existing issued share capital of the Company prior to the Placing. The Open Offer Shares, when issued, will be free of all liens, charges and encumbrances and will rank in full for all dividends or other distributions declared, made or paid on the Ordinary Shares after the date of issue of the Open Offer Shares and otherwise *pari passu* in all respects with the Existing Shares. No temporary documents of title will be issued.

Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to the other Qualifying Shareholders under the Excess Application Facility. The Excess Application Facility (explained in further detail in Part III of this document) enables Qualifying Shareholders to apply for Open Offer Shares in excess of their Basic Entitlement. Applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Basic Entitlements and may be scaled back at the Company's absolute discretion.

The Open Offer Shares will be issued by the Company pursuant to the authority and power of the Directors granted by Shareholder resolutions passed at the Company's annual general meeting on 25 April 2017, whereby the Directors were generally and unconditionally authorised to issue equity securities (within the meaning of Article 6.6) in accordance with Article 6.2 and empowered pursuant to Article 6.7 to allot such equity securities for cash as if Article 6.3 did not apply to such allotment.

Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain Restricted Jurisdictions will not, subject to certain exemptions, qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 5 of Part III of this document.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. 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 CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying CREST Shareholders who do not apply under the Open Offer.

The Open Offer has not been underwritten. The Open Offer is not conditional upon the level of applications made to subscribe under it or any minimum levels of proceeds being raised.

Therefore, there may be fewer than 5,542,967 Open Offer Shares issued pursuant to the Open Offer.

Introduction to the Acquisition

Breedon announced today that it has entered into a conditional agreement to acquire the Lagan Group, a leading construction materials business based in Belfast, for a consideration of £455 million¹ on a cash- and debt-free basis. The combination of Breedon and Lagan will create a leading independent construction materials group in the UK and Ireland, and extend Breedon's geographic footprint with immediate critical mass in Ireland and across the entire value chain. The Acquisition also provides Breedon with an enhanced platform for further organic growth and bolt-on acquisitions.

¹ Based on locked-box accounts at 31 December 2017.

Information on Lagan

Lagan is a leading supplier of construction materials and contract surfacing in Ireland and the UK, supplying a range of bulk and bagged cement, aggregates, asphalt and bitumen, with services ranging from road surfacing and maintenance to airfield surfacing. Founded in 1960, Lagan is one of the largest privately-owned companies in Ireland, employing approximately 750 people.

Lagan's assets include: a modern cement manufacturing facility, nine active quarries across the UK & Ireland (including the Welsh Slate business), 13 asphalt plants, nine ready-mixed concrete plants, a brick manufacturing plant, four port terminals (one for cement export, one for aggregates export and two for bitumen import & export) and a share in a bitumen vessel.

In the year ended 31 December 2017, Lagan generated revenue of £249 million and EBITDA of £46 million and profit before tax of £21 million. As at 31 December 2017, Lagan had pro forma net assets of £156 million.

Information on Breedon

Breedon is the largest independent construction materials group in the UK after the four global majors. It operates a cement plant, around 60 quarries, 26 asphalt plants, nearly 200 ready-mixed concrete and mortar plants and four concrete products plants nationwide, employing around 2,200 people. Breedon has strong asset backing, with around 750 million tonnes of mineral reserves and resources. Breedon's strategy is to continue growing through organic improvement and acquisition of businesses in the heavyside construction materials market.

In the year ended 31 December 2017, Breedon sold 16.0 million tonnes of aggregates, 1.9 million tonnes of asphalt and 3.3 million cubic metres of concrete. In the same period Breedon generated revenue of £652 million, underlying EBITDA of £117 million and profit before tax of £71 million.

Breedon's Ordinary Shares are admitted to trading on the AIM market of the London Stock Exchange.

Strategic rationale for the Acquisition

Expansion into the attractive Irish construction market

Lagan's strong presence as a leading supplier of construction materials and services in Ireland complements Breedon's existing footprint in the UK. The strategic entry into Ireland secures immediate critical mass across the entire value chain and will allow Breedon to service an attractive market with a strong growth outlook for the Irish construction sector.

Increased scale and enhanced market position

The Acquisition creates a leading independent construction materials group in the UK and Ireland.

The Enlarged Group will have: two cement manufacturing plants, 69 quarries, 39 asphalt plants, approximately 200 ready-mixed concrete and mortar plants, six import/export terminals, eight rail-fed depots and four contract surfacing businesses.

In the year ended 31 December 2017, the Enlarged Group would have reported pro forma revenue of £901 million and pro forma underlying EBITDA of £163 million.

Further consolidation of the UK and Irish heavyside construction materials sectors

As a result of sector consolidation over the last 15 years or so, international cement companies now account for the vast majority of the UK heavyside building materials industry.

The combination of Breedon and Lagan brings together two sizeable companies in this sector in the UK and RoI and, in line with Breedon's strategy, further consolidates the UK and RoI heavyside construction materials industry. With the significantly enhanced platform created by the Acquisition, and with the smaller end of the sector remaining highly fragmented, there are further consolidation opportunities for the Enlarged Group in the future.

Improved and broadened product mix

The Acquisition provides a range of complementary products and services that will enable Breedon to strengthen its core product offering. In addition to aggregates, asphalt, ready-mixed concrete and

bitumen, Lagan adds bricks, a range of concrete and clay products and Welsh Slate to Breedon's existing portfolio.

Lagan also brings with it a substantial contract surfacing and road maintenance business which will significantly increase the scale of Breedon's existing contract surfacing operations and enable the Enlarged Group to participate in larger surfacing and road maintenance projects.

Cost synergies

Breedon expects to achieve annual cost synergies of approximately £5 million from operational improvements by the third full year following Completion. One-off integration costs to achieve these savings are expected to be approximately £4 million.

Key terms of the Acquisition

Under the terms of the SPA, Breedon Holdings (Jersey) Limited, a wholly-owned subsidiary of Breedon, will acquire the entire issued share capital of Lagan for a consideration of £455 million on a cash- and debt-free basis¹. The consideration for the shares in Lagan will be payable to the Sellers on Completion. Completion is conditional on, and is expected to occur within one Business Day of, Admission.

The SPA also contains customary warranties, covenants, undertakings and conditions for a transaction of this nature.

Financing for the Acquisition

The consideration will be financed by a combination of a new term loan, a new revolving credit facility and the net proceeds of the Placing.

At the time of signing the SPA, Breedon entered into a new £500 million term and revolving credit facility agreement with Barclays Bank PLC, HSBC Bank plc, The Royal Bank of Scotland plc, Santander UK plc and AIB Group (UK) PLC (t/a First Trust Bank). The new facility replaces Breedon's existing £300 million revolving credit facility and has a four-year term with an option to extend by one year (in respect of the £350 million revolving facility only; the £150 million term facility amortises fully over the four-year term) and a £100 million accordion option. The pricing is marginally better than Breedon's existing revolving credit facility.

The Placing

The Placing Shares have been conditionally placed by Cenkos and Numis Securities, as agents for Breedon, with existing institutional and other investors at the Placing Price in accordance with the terms of the Placing Agreement. Breedon intends to use the net proceeds of the Placing to part-fund the cash consideration payable under the terms of the SPA.

Of the Placing Shares, 65,488,454 Clawback Placing Shares have been placed subject to a right of recall to satisfy allocations under the Clawback Placing which was launched immediately following the Announcement. The Clawback Placing is subject to the terms and conditions set out in the appendix of the Announcement. The remaining 156,733,768 Placing Shares (the "Firm Placing Shares") have been placed firm and are not subject to clawback.

Following the Announcement, Cenkos and Numis Securities commenced a bookbuilding process in respect of the Clawback Placing Shares. The Clawback Placing Shares will be placed at the Placing Price. The timing of the closing of the book and allocations are at the absolute discretion of Cenkos, Numis Securities and Breedon. Regardless of the take-up of the Clawback Placing Shares, the full number of Placing Shares will be allotted pursuant to the Placing Agreement.

The issue of the Placing Shares is to be effected by way of a cashbox placing. Breedon will allot and issue the Placing Shares on a non-pre-emptive basis to the placees in consideration for Cenkos Securities transferring its holdings of redeemable preference shares and ordinary subscriber shares in JerseyCo to Breedon.

¹ Based on locked-box accounts at 31 December 2017.

The Placing is not underwritten and is not conditional on Completion. The Placing Agreement contains certain warranties and indemnities from Breedon in favour of Cenkos and Numis Securities, and is conditional, *inter alia*, upon:

- (i) certain announcement obligations;
- (ii) the SPA having become unconditional in all respects (save in relation to any condition relating to the Placing Agreement becoming unconditional and Placing Admission) and not being terminated in accordance with its terms;
- (iii) the New Facility Agreement having become unconditional in all respects (save in respect of any condition relating to the Placing Agreement becoming unconditional, Placing Admission and the completion of the SPA) and not being terminated in accordance with its terms;
- (iv) the warranties contained in the Placing Agreement not being breached (save where such breach is not considered by the Joint Bookrunners, acting jointly and in good faith, to be material in the context of the Placing) when made at the date of the Placing Agreement and at Placing Admission by reference to the facts and circumstances subsisting at the time;
- (v) the Company complying with its obligations under the Placing Agreement in all material respects to the extent that they fall to be performed on or before Placing Admission; and
- (vi) Placing Admission becoming effective in accordance with the AIM Rules for Companies by no later than 8.00 a.m. on 19 April 2018 (or by such later date as the Company and the Joint Bookrunners (acting jointly) may agree in writing, being no later than 8.00 a.m. on 30 April 2018).

In the unlikely event that the Acquisition does not complete in circumstances where Placing Admission has already taken place, the Board's current intention is that the net proceeds of the Placing will be invested and/or applied for general corporate purposes and, where possible, financing the acquisition opportunities that fulfil the Company's strategic objectives.

The Placing Shares will represent approximately 15.4 per cent of Breedon's current issued share capital and approximately 13.3 per cent of the Enlarged Share Capital of Breedon following Placing Admission and Completion. The Placing Shares will, following Placing Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued ordinary share capital of Breedon and otherwise rank *pari passu* in all other respects with the existing Ordinary Shares. The Placing Price represents a 2.3 per cent discount to the closing mid-market price of 78.3 per Ordinary Share on the Last Practicable Date.

Financial effects of the Acquisition

The Acquisition will significantly increase Breedon's scale and profitability, bringing into the Group a business that generated revenue of £249 million and EBITDA of £46 million in the year ended 31 December 2017. In addition, Breedon expects to achieve annual cost synergies of approximately £5 million by the third full year following Completion.

The Acquisition is expected to be double-digit accretive to Breedon's underlying earnings per share in the first full year following Completion.¹

Breedon's pro forma net debt is expected to be approximately 2.6x underlying EBITDA at Completion. Leverage is expected to fall to less than 1.0x in 2020. The Enlarged Group's strong balance sheet and expected increased future cash flow will provide it with the financial flexibility to pursue further bolt-on acquisitions and future growth opportunities.

Board, management and employees

Breedon greatly values the skills, knowledge and expertise of Lagan's existing management team and employees. Lagan's experienced management team will continue to drive growth in Ireland, supported by Breedon's existing management team.

¹ This should not be construed as a profit forecast and should therefore not be interpreted to mean that earnings per share in any future financial period will necessarily match or be greater than those for the relevant preceding financial period.

Strategy of the Enlarged Group

The strategy of the Enlarged Group will remain consistent with Breedon's current strategy of pursuing a well-planned combination of organic growth and continuing consolidation of the UK and Irish heavyside construction materials industry. Breedon's objective remains to be the safest and most profitable construction materials company in the UK and Ireland market through:

- (i) striving for best customer service;
- (ii) delivering continuous organic improvement;
- (iii) securing value-enhancing acquisitions; and
- (iv) doing all these things safely.

Action to be taken

If you are a Qualifying Non-CREST Shareholder you will have received an Application Form which gives details of your entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 1 of Part III of this document and on the Application Form itself.

If you are a Qualifying CREST Shareholder no Application Form is enclosed and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your entitlement under the Open Offer. You should refer to the procedure for application set out in paragraph 2 of Part III of this document and to your CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 9 May 2018. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part III of this document. Further details also appear in the Application Forms which have been sent to Qualifying Non-CREST Shareholders.

If you are in any doubt as to the procedure for acceptance, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Settlement and dealings

Application has been made for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 14 May 2018 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 14 May 2018. Further information in respect of settlement and dealings in the Open Offer Shares is set out in Part III of this document.

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 III of this document and in the Application Form.

Yours sincerely

Peter Tom CBE
Executive Chairman

PART II

Risk Factors

Any investment in the Company is subject to a number of risks. Accordingly, Qualifying Shareholders should carefully consider the risk factors set out below as well as the other information contained in this document before making a decision whether to subscribe for Open Offer Shares. Any of these risks may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group and, following Completion, the Enlarged Group. In that case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

Before making an investment, prospective investors are strongly advised to consult an investment adviser authorised under the FSMA who specialises in investments of this kind. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances, the financial resources available to him or her and his or her ability to bear any loss which might result from such investment.

The risks described below are not the only risks faced by the Group or which will be faced, following Completion, by the Enlarged Group and are not intended to be presented in any assumed order of priority. Additional risks and uncertainties that the Directors are not aware of or that the Directors currently believe are immaterial may also impair the operations of the Group and, following Completion, the Enlarged Group.

1. Risks relating to the Transaction, the business of the Group and, following Completion, the Enlarged Group

Integration of the Acquisition

The Enlarged Group's success will in part be dependent on the Group's ability to integrate the Lagan Group without disruption to the existing business. While the Group has carried out significant planning in respect of the Acquisition, there is a risk that Breedon may encounter difficulties when seeking to integrate the Lagan Group, as a result of differences in organisational structure, management and culture, as well as management and operational issues. If such integration difficulties are significant, this could result in management distraction or overstretch and the deferral of certain planned management actions and could adversely affect the Enlarged Group's business, prospects, financial condition and results of operations. Should any of these integration difficulties occur, the Enlarged Group's businesses may not perform in line with management or Shareholder expectations, which could have an adverse effect on the Enlarged Group's business, results, financial condition and prospects.

Economic and market conditions

Market conditions and changes in the UK and, following Completion, the Irish macroeconomic environment (including Brexit and government policy) may affect the value of the Company's share price regardless of operating performance. General economic conditions may affect interest rates, inflation rates and demand for the Group's and, following Completion, the Enlarged Group's products and may increase the Group's and, following Completion, the Enlarged Group's exposure to credit risk among its customers and impact on the ability of the Group's and, following Completion, the Enlarged Group's ability to win new business. The Group and, following Completion, the Enlarged Group, could be affected by unforeseen events outside its control, including an unplanned production outage at the cement works, adverse weather, natural disasters, terrorist attacks and political unrest and/or government legislation or policy. Should any of these issues occur, they could have an adverse effect on the Group's and, following Completion, the Enlarged Group's business, results, financial condition and prospects.

Competition

Products are available which compete directly or indirectly with the products of the Group and the Lagan Group. New quarrying technology, changing commercial circumstances and new entrants to the markets in which the Group and the Lagan Group operate may adversely affect the Enlarged Group's

business. Many of the companies operating in the same sector as the Group and the Lagan Group are significantly larger, have significantly greater financial resources and are able to achieve more favourable input costs and there is a risk that one or more of the industry's larger competitors may attempt to gain an advantage by reducing prices to secure market share. This could lead to the business entering into contracts which become unprofitable. These factors could lead to an adverse effect upon the Group's and, following Completion, the Enlarged Group's revenues and earnings.

Supply risks

The Group is and, following Completion, the Enlarged Group will be reliant on the availability of energy, hydrocarbons and other key materials at a reasonable cost in order to produce its products and get them to market. Heavy reliance on key suppliers may cause difficulties for the business if there are supply issues. Any increase in the costs (including as a result of unfavourable currency exchange rates) or drastically limited availability in the supply of such key materials could reduce the Group's and, following Completion, the Enlarged Group's margins.

The Group is and, following Completion, the Enlarged Group will be reliant on the availability of haulage suppliers at a reasonable cost in order to get products to market. There is a risk that such supply could be disrupted or not aligned with demand. Any increase in the costs, or drastically limited availability in the supply, of such haulage could reduce the Group's and, following Completion, the Enlarged Group's margins.

Environmental, health and safety laws, regulations and standards

The Group is and, following Completion, the Enlarged Group will be subject to a broad range of laws, regulations and standards, including those relating to pollution, the health and safety of employees, protection of the public (including product quality controls), protection of the environment (including planning and emission restrictions) and the handling of waste materials.

Environmental, health and safety laws, regulations and standards are becoming increasingly stringent. Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditure, restrictions and delays in the Enlarged Group's activities, the extent of which cannot be predicted and which could have an adverse effect on the Group's and, following Completion, the Enlarged Group's business, results, financial condition and prospects.

It is Breedon's policy to require that all of its subsidiary undertakings, employees, suppliers and sub-contractors comply with applicable laws, regulations and standards. However, violations of such laws, regulations and standards, in particular environmental and health and safety laws and including competition, anti-trust and anti-bribery and corruption laws, could result in restrictions on the operations of the Group's and, following Completion, the Enlarged Group's sites, damages, fines or other sanctions, increased costs of compliance with potential reputational damage and potential loss of future contracts.

Dependence on key and senior personnel

The future success of the Group and, following Completion, Enlarged Group is dependent on the continued services and contributions of its directors, senior management and other key personnel. In particular, the Group and, following Completion, the Enlarged Group is dependent on the continued employment and performance of its management team. The loss of the services of any of the Company's executive officers or other key employees could have a material adverse effect on the Enlarged Group's business.

The Group's and, following Completion, Enlarged Group's operations require individuals with a high degree of technical and/or professional skills. The Group and, following Completion, the Enlarged Group may encounter significant competition for qualified management and skilled workers. If the Group and, following Completion, the Enlarged Group is unable to attract, develop and retain an adequate number of skilled workers, a decrease in productivity or an increase in costs may have an adverse effect on its operations, financial condition and ability to deliver on its strategic objectives.

IT and cyber security

The Group's and, following Completion, the Enlarged Group's IT systems may be subject to damage or interruption from hacking, power loss, telecommunications failure, flood, fire and similar events. Any

major breach of system security or other disruption to these systems could adversely affect the Group's and, following Completion, the Enlarged Group's ability to carry on its operations, potentially leading to financial loss, regulatory penalties as well as damage to its brand and reputation. The Enlarged Group may experience difficulty in integrating the Lagan Group's IT systems into the Enlarged Group's infrastructure and applications following Completion which may also affect the Group's and, following Completion, the Enlarged Group's ability to conduct its ongoing operations and may have a material adverse effect on its business, results, financial condition and prospects.

Future acquisitions

There can be no assurance that the Group and, following Completion, the Enlarged Group will be able to successfully conclude agreements with any other target businesses that the Board may identify in the future at an acceptable price and on acceptable terms. In addition, the Group and, following Completion, the Enlarged Group may face competition from other organisations which may be better funded. Further, there is a risk that the Enlarged Group may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions which may include public offer and transaction documentation, legal, accounting, operational and other due diligence. The difficulties involved in integrating any companies, business or assets acquired by the Group and, following Completion, the Enlarged Group may divert financial and management resources from the core business, which could adversely affect its business, financial condition and operating results.

Financing and liquidity

Notwithstanding the net proceeds of the Placing and the Open Offer and available facilities under the New Facility Agreement, the Group and, following Completion, the Enlarged Group may not have sufficient financial resources to meet its obligations as they fall due. Accordingly, the Company may need to seek additional sources of financing. There can be no assurance that the Company will be able to raise those funds, whether on acceptable terms or at all. If further financing is obtained by issuing new equity securities or convertible debt securities, the existing Shareholders may be diluted and the new securities may carry rights, privileges and preferences superior to the Ordinary Shares. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares.

The Company may seek debt finance to fund all or part of any future acquisition, in particular, to continue consolidating the small end of the heavyside building materials industry. There can be no assurance that the Company will be able to raise those debt funds, whether on acceptable terms or at all. If debt financing is obtained, the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions.

New Facility Agreement

The New Facility Agreement contains customary financial and other covenants which, if breached, would require the Enlarged Group to repay the borrowings in whole or in part. In such circumstances, the Enlarged Group may be required to sell, in a limited time, some or all of its investments, potentially in circumstances where there has been a downturn in values in the sector generally, such that the realisation proceeds do not reflect the Enlarged Group's valuation of the investments.

The Group borrows and, following Completion, the Enlarged Group will borrow at floating and fixed interest rates. Significant rises in interest rates could affect the ongoing profitability of the Group and, following Completion, the Enlarged Group's business.

Exit from the European Union

Brexit means the United Kingdom is likely to leave the European Union by April 2019, which could have a significant impact on the Group and, following Completion, the Enlarged Group. The extent of the impact would depend in part on the nature of the arrangements that are put in place between the UK and the EU following Brexit, including in relation to the Irish border, and the extent to which the UK continues to apply laws that are based on EU legislation.

Fluctuations in currency exchange rates

The Group operates in the UK, however, it is exposed to foreign currency rate fluctuations as it transacts in various countries and, following Completion, will transact in a greater number of countries,

in particular, the Republic of Ireland. Fluctuations in exchange rates could have a material adverse effect on the Group's revenues and earnings or the price competitiveness of its products.

There can be no guarantee that the Group would be able to compensate for, or hedge against, such adverse effects and therefore, adverse exchange rate movements could have a material adverse effect on the Group's and, following Completion, the Enlarged Group's business. This is particularly relevant given the uncertainty around Brexit.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. The taxation of an investment in the Company depends on the individual circumstances of investors.

2. Risks relating to the Open Offer and the Ordinary Shares

Future sales of Ordinary Shares

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

Dilution

The proportionate ownership and voting interest in the Company of Shareholders not participating in the Open Offer will be reduced pursuant to the Open Offer.

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

Investment risk and AIM

The Existing Shares are, and the Ordinary Shares will be, traded on AIM. An investment in shares traded on AIM may carry a higher risk than those listed on the Official List. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a range of events and factors, such as variations in operating results, announcements of technological innovations or new products and services by the Enlarged Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Enlarged Group, the general market perception of construction materials companies, news reports relating to trends in the Enlarged Group's markets, legislative changes in the Enlarged Group's sector and other factors outside of the Enlarged Group's control. Such events and factors may adversely affect the trading price of the Ordinary Shares, regardless of the performance of the Enlarged Group. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity.

No public market for the Ordinary Shares outside the United Kingdom

The Open Offer Shares will not be registered under the US Securities Act or the relevant laws of any state or other jurisdiction of the United States or those of any of the other Restricted Jurisdictions and Open Offer Shares may not be resold, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any other applicable security laws.

The Ordinary Shares are admitted to trading on AIM only and have not been listed on any other securities exchange or interdealer quotation system. The Company has no current intention to file any such registration statement or list the Ordinary Shares on any securities exchange or interdealer quotation system (other than AIM). As a consequence, Overseas Shareholders may not be able to sell

the Ordinary Shares or achieve an acceptable price. As a Qualifying Shareholder, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

Pre-emption rights may not be available to certain Overseas Shareholders

Under the Articles, holders of Ordinary Shares have pre-emption rights in respect of proposed increases in the Company's issued share capital, unless Shareholders waive such rights by a special resolution passed at a Shareholders' meeting. Shareholders in Restricted Jurisdictions are very likely to be excluded from exercising any such pre-emption rights they may have, unless an exemption from the registration requirements is available. The Company cannot assure Shareholders that any exemption from those registration requirements would be available to enable Shareholders in Restricted Jurisdictions to exercise such pre-emption rights or, if available, that the Company will utilise any such exemption.

Fluctuations in currency exchange rates

The Ordinary Shares are priced in pounds sterling, and will be quoted and traded in pounds sterling. Accordingly, Shareholders resident in non-UK jurisdictions are subject to risks arising from adverse movements in the value of their local currencies against pounds sterling, which may reduce the value of the Ordinary Shares. This is particularly relevant given the uncertainty around Brexit.

Dividends

The Company does not currently pay dividends and there can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and will depend on, among other things, the Company's results of operations and financial condition, its future business prospects, any applicable legal or contractual restrictions and availability of profits.

PART III

Details of the Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, also in the Application Form), the Company hereby invites Qualifying Shareholders to subscribe for Open Offer Shares *pro rata* to their existing shareholdings at the Issue Price, payable in full on application and free of all expenses, on the basis of:

1 Open Offer Share for every 261 Existing Shares

held by Qualifying Shareholders at the Record Date and so on in proportion for any other number of Existing Shares then held.

Qualifying Shareholders are also being given the opportunity, provided they take up their Basic Entitlements in full, to apply for Excess Entitlements through the Excess Application Facility, further details of which are set out below.

Qualifying Shareholders with holdings of Existing Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Open Offer Entitlements.

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility.

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

Condition of the Open Offer

The Open Offer is conditional (amongst other things) on Completion. Accordingly, if such condition is not satisfied, the Open Offer will not proceed.

Excess Application Facility

The Excess Application Facility enables Qualifying Shareholders to apply for Open Offer Shares in excess of their Basic Entitlement as at the Record Date.

However, applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Basic Entitlements and may be scaled back at the Company's absolute discretion. Cenkos has received commitments to not participate in the Open Offer from certain institutional Shareholders who participated in the Placing in relation to, in aggregate, 4,677,002 Open Offer Shares, representing approximately 84.4 per cent. of the Ordinary Shares subject to the Open Offer. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

In any event, applications will be rejected if acceptance would result in the Qualifying Shareholder, together with those acting in concert with him for the purposes of the City Code on Takeovers and Mergers, holding 30 per cent. or more of the Ordinary Shares in issue immediately following Admission.

Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Basic Entitlements should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess Entitlements credited to their stock account in CREST and should refer to paragraph 2 of this Part III for information on how to apply for Excess Entitlements pursuant to the Excess Application Facility.

Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement. The Application Form shows the number of Existing Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Shares in uncertificated form 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 Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 2(e) of this Part III.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of Qualifying CREST Shareholders. Qualifying CREST Shareholders 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.

1. If you have an Application Form in respect of your Open Offer Entitlements

(a) General

Qualifying Non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Shares registered in your name at the close of business on the Record Date in Box 6. It also shows the Basic Entitlement allocated to you set out in Box 7. Box 8 shows how much you would need to pay you with to take up your Basic Entitlement in full. You may apply for less than your entitlement should you wish to do so. Open Offer Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

You may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

(b) Market claims

Applications may only be made on the Application Form, and may only be made by the Qualifying Shareholder named in it, or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Shares through the market prior to the date upon which the Existing Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 17 April 2018 (an “**Applicant**”).

Application Forms may be split up to 3.00 p.m. on 4 May 2018.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Shares prior to 17 April 2018, being the date upon which the Existing Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty pursuant to the rules of the London Stock Exchange. Qualifying 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 the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into a Restricted Jurisdiction or to US persons.

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 2 below.

(c) **Application procedures**

If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer (whether in respect of all or part of your Basic Entitlement or under the Excess Application Facility), you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post or by hand (during normal business hours) to Link Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive no later than 11.00 a.m. on 9 May 2018. A reply-paid envelope is enclosed for use by Qualifying Non-CREST Shareholders in connection with the Open Offer.

Please note that Link Asset Services cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up some or all of your Open Offer Entitlements. If any Application Form is sent by first-class post within the United Kingdom, Qualifying Non-CREST Shareholders are recommended to allow at least three business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances after that date. The Company may also (in its sole discretion) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 9 May 2018 from an authorised person (as defined in the FSMA) specifying the number of Open Offer Shares concerned, and undertaking to lodge the relevant Application Form in due course.

(d) **Payments**

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "Link Market Services Limited re Breedon Group plc – Open Offer" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch or a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Eurocheques, unless drawn on a bank in the United Kingdom, the Channel Islands or the Isle of Man, will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 8.00 a.m. on 14 May 2018 or such later time and date as the Company shall agree, (being no later than 5.00 p.m. on 21 May 2018), the Open Offer will lapse and application monies will be returned by post to

Applicants, at the Applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(e) ***Incorrect sums***

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

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

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

(f) ***The Excess Application Facility***

Provided that the Applicant chooses to take up their Basic Entitlement in full, the Excess Application Facility enables him to apply for Excess Shares. Applicants who wish to do so should complete Box 3 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications will be met in full or in part or at all. Each Applicant who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Applicant 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.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements should be addressed to Link Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The Receiving Agent can be contacted on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(g) ***Effect of an application***

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

- (i) represents and warrants to the Company and Cenkos that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal

or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (ii) agrees with the Company and Cenkos that all applications, and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iii) confirms to the Company and Cenkos that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document;
- (iv) represents and warrants to the Company and Cenkos that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represents and warrants to the Company and Cenkos that, if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form and subject to the Articles;
- (vii) represents and warrants to the Company and Cenkos that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any other Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any other Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (viii) represents and warrants to the Company and Cenkos that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application he is not relying and has not relied on the Company or Cenkos or any person affiliated with the Company, or Cenkos, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt as to whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying Non-CREST Shareholders under the Open Offer should be addressed to Link Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU telephone number 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United

Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2. If you have Open Offer Entitlements credited to your stock account in CREST

(a) General

Each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Basic Entitlement equal to the number of Open Offer Shares for which he is entitled to apply under his basic entitlement under the Open Offer, together with a credit of Excess Entitlements equal to ten times their balance of Existing Shares on the Record Date.

Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than their Excess Entitlements they have been credited with then they should contact the Shareholder helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. To request an increased credit, ensuring to leave sufficient time for the additional Excess Entitlement credits to be credited to their account and for an application to be made in respect of those entitlements before the application deadline. Open Offer Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

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

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. or such later time as the Company may decide on 18 April 2018, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although 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 Entitlements will thereafter be transferred accordingly.

(c) USE instructions

CREST members who wish 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) an Unmatched Stock Event (“**USE**”) instruction to Euroclear which, on its settlement, will have the following effect:

- (iv) 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
- (v) 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 above.

(d) **Content of USE instructions**

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Basic Entitlements is JE00BFMNH667 and the ISIN of the Excess Entitlements is JE00BFMNH774;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Link Asset Services, in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link Asset Services, in its capacity as a CREST receiving agent. This is 29636BRE;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (d)(i) above;
- (viii) the intended settlement date. This must be on or before 9 May 2018;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 9 May 2018.

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

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

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 14 May 2018 or such later time and date as the Company shall agree (being no later than 5.00 p.m. on 21 May 2018), 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, within 14 days thereafter. The interest earned on such monies will be retained for the Company’s benefit.

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

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim) provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, 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 is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the 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 9 May 2018.

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 in CREST, is 3.00 p.m. on 3 May 2018, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 2 May 2018, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 9 May 2018.

Delivery of an Application Form with the CREST Deposit Form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member that it is not in breach of the provisions of the notes under the paragraph headed "Instructions for Depositing Entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member that it is not a citizen or resident of a Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member is entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(f) **Excess Application Facility**

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Basic Entitlement in full, to apply for Excess Shares.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess Entitlements may not be sold or otherwise transferred.

The CREST accounts of Qualifying CREST Shareholders will be credited with Excess Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Basic Entitlement nor the Excess Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

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

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement and the relevant Basic Entitlements be transferred, the Excess Entitlements will not transfer with the Basic Entitlements claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Shares as a result of one or more *bona fide* market claims, the Excess 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 Entitlement.

If there is a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess Entitlement, and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant’s sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements should be addressed to Link Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The Receiving Agent can be contacted on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(g) ***Validity of application***

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 9 May 2018 will constitute a valid application under the Open Offer.

(h) ***CREST procedures and timings***

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 9 May 2018. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) ***Incorrect or incomplete applications***

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

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

(j) **Effect of valid application**

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

- (i) represents and warrants to the Company and Cenkos that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to 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);
- (iii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- (iv) agrees with the Company and Cenkos that all applications and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (v) represents and warrants to the Company and Cenkos that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction 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 the Company (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;
- (vi) represents and warrants to the Company and Cenkos that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (vii) confirms to the Company and Cenkos that in making such application he is not relying on any information in relation to the Company other than that contained in this document, and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained herein;
- (viii) represents and warrants to the Company and Cenkos that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim; and
- (ix) confirms to the Company and Cenkos that in making the application he is not relying and has not relied on the Company or Cenkos or any person affiliated with the Company, or Cenkos, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

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

The Company may in its sole discretion:

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

3. Money Laundering Regulations

(a) **Holders of Application Forms**

If the value of an application for Open Offer Shares exceeds €15,000 (approximately £13,000 at the prevailing rate of exchange) (or is one of a series of linked applications, the aggregate value of which exceeds that amount), the verification of identity requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "**Money Laundering Regulations**") will apply.

The Receiving Agent is entitled to require, at its absolute discretion, verification of identity from any person lodging an Application Form including, without limitation, any person who appears to the Receiving Agent to be acting on behalf of some other person. Submission of an Application Form will constitute 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 purpose 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 retain an Application Form lodged by an Applicant for Open Offer Shares and/or the cheque, banker's draft or other remittance relating to it and/or not enter the Open Offer Shares to which it relates on the register of members or issue any share certificate in respect of them. If satisfactory evidence of identity has not been provided within a reasonable time, then the acceptance will not be valid but will be without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of the failure of the Applicant to provide satisfactory evidence. In that case, the application monies (without interest) will be returned to the bank or building society account from which payment was made.

The Receiving Agent shall be entitled, at its sole discretion, to determine whether the verification of identity requirements apply to any Applicant and whether such requirements have been

satisfied and neither of the Receiving Agent or the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of such discretion.

The following guidance is provided in order to reduce the likelihood of difficulties, delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above).

- (i) The Applicant should:
 - (a) where payment is made otherwise than by the Applicant's own cheque, write the Applicant's name and address on the back of the building society cheque, banker's draft or other third party cheque and, in the case of an individual, record his/her date of birth against his/her name;
 - (b) if a building society cheque or banker's draft is used, ask the building society or bank to print on the cheque or banker's draft the full name and account number of the person whose building society or bank account is being debited or to write those details on the back of the cheque and add its stamp; and
 - (c) enclose with his Application Form evidence of his name and address from an appropriate third party; for example, a recent bill from a gas, electricity or telephone company or a bank statement, in each case bearing the Applicant's name and address (originals of such documents (not copies) are required and will be returned in due course).
- (ii) If an application is delivered by hand, the Applicant should ensure that he has with him evidence of identity bearing his photograph (for example, a valid full passport) and separate evidence of his address.
- (iii) If you are making an application 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), 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 the application is being made. If the application is lodged with payment by an agent which is an organisation required to comply with the EU Money Laundering Directive ((EU)/2015/859), 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, Austria, Brazil, Canada, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide with the application written confirmation and evidence that it has that status and 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.

In order to confirm the acceptability of any written assurances referred to above, or in any other case, the Applicant should contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) **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 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.

4. Taxation

Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their independent professional adviser immediately.

5. Overseas Shareholders

THE OFFER OF OPEN OFFER SHARES TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, COUNTRIES OTHER THAN THE UNITED KINGDOM MAY BE AFFECTED BY THE LAW OR REGULATORY REQUIREMENTS OF THE RELEVANT JURISDICTION. IT IS THE RESPONSIBILITY OF ALL PERSONS (INCLUDING, WITHOUT LIMITATION, NOMINEES AND TRUSTEES) OUTSIDE THE UNITED KINGDOM WHO WISH TO APPLY FOR OPEN OFFER SHARES TO SATISFY THEMSELVES AS TO FULL OBSERVANCE OF THE LAWS AND REGULATORY REQUIREMENTS OF THE RELEVANT TERRITORY IN CONNECTION THEREWITH, INCLUDING OBTAINING ALL NECESSARY GOVERNMENTAL OR OTHER CONSENTS, COMPLYING WITH ANY OTHER RELEVANT FORMALITIES AND PAYING ANY ISSUE, TRANSFER OR OTHER TAXES DUE IN SUCH TERRITORIES.

Overseas Shareholders who are in any doubt as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for their entitlement to Open Offer Shares should consult their own professional advisers.

Subject to certain exemptions, Application Forms will not be sent to Overseas Shareholders nor will Open Offer Entitlements be credited to a stock account of Overseas Shareholders who are in a Restricted Jurisdiction or to US persons except that Application Forms may be sent to, or Open Offer Entitlements may be credited to the stock account in CREST of, certain of these Overseas Shareholders if they can prove to the satisfaction of the Company that such action would not result in a contravention of any applicable legal or regulatory requirements.

Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this document and/or an Application Form either will not be sent or will be deemed to have been sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer which could lawfully be made to him or an Application Form which could lawfully be used without contravention of any registration or other legal requirements.

Accordingly, persons receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements to any person in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his agent or nominee, he must not seek to apply for his entitlement to Open Offer Shares under the Open Offer except under an express written agreement between him and the Company. Any person who does forward this document and/or an Application Form or transfer the Open Offer Entitlements into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph.

(a) **Representations and warranties relating to Overseas Shareholders**

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, Cenkos and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Registrars may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or any other Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 5(a).

Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company, Cenkos and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) such person is not accepting on a nondiscretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

(b) **Waiver**

The provisions of this paragraph 5 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Cenkos in their absolute discretion. Subject to this, the provisions of this paragraph 5 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 5 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 5 shall apply to them jointly and to each of them.

The comments set out in this paragraph are intended as a general guide only and any Qualifying Shareholder who is in doubt as to his eligibility to accept the offer of Open Offer Shares should consult his professional adviser immediately.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the offer of Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the legislation of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or if a Qualifying Shareholder, in the case of an application or an

Application Form, provides an address for delivery of share certificates for Open Offer Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for his entitlement to Open Offer Shares under the Open Offer if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question or would not result in the contravention of any applicable legal or regulatory requirements.

Those Shareholders who wish, and are permitted, to subscribe for Open Offer Shares should note that payments must be made as described above in this Part III.

6. Admission, Settlement and Dealings

Application has been made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 14 May 2018 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 14 May 2018.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 9 May 2018 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 11 May 2018). On this day, 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 14 May 2018). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with 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 Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who 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 by 28 May 2018. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register. 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 the Application Form.

7. Times and dates

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

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

8. Governing law and jurisdiction

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

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

