

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional advisor.

If you have sold or otherwise transferred all your Shares, please send this Circular at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any Restricted Jurisdiction. **Investors who wish to participate in the Tender Offer must hold Shares at the latest by 6.00 p.m. on 5 October 2017.**

Liberum Capital Limited, which is authorised and regulated by the Financial Conduct Authority, is acting exclusively for the Company and for no one else in connection with the Non-US Tender Offer and Liberum, its affiliates and its and their respective directors, officers, employees and agents are not, and will not, be responsible to anyone other than the Company for providing the protections afforded to customers of Liberum nor for providing advice in relation to the Non-US Tender Offer. For the avoidance of doubt, none of Liberum, its affiliates and its and their respective directors, officers, employees and agents will be responsible for, or liable in relation to, the US Tender Offer, or any other transaction, arrangement or other matter referred to in the Circular, other than the Non-US Tender Offer.

Apart from the responsibility and liabilities, if any, which may be imposed on Liberum by the Financial Services and Markets Act 2000 (as amended), the Financial Services Act 2012, or the regulatory regimes established thereunder, Liberum does not accept any responsibility or liability whatsoever nor makes any representation or warranty, express or implied, concerning the contents of this Circular, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Non-US Tender Offer or this Circular. Each of Liberum, its affiliates and their respective directors, officers, employees and agents accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Circular or any such statement.

Zegona Communications plc

(incorporated and registered in England
and Wales under number 09395163)

Proposed return of up to £140 million of cash to Shareholders by way of Tender Offer at a price of at least £2 per share and Notice of General Meeting

Notice of a General Meeting of the Company to be held at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL at 11.00 a.m. on 22 September 2017 is set out at the end of this Circular. Whether or not you propose to attend the General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed green form.

To be valid, the Form of Proxy must be received by the Company's registrars at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU by no later than 11.00 a.m. on 20 September 2017, together with any power of attorney under which it is executed. Completion and return of a form of proxy will not preclude you from attending and voting in person at the General Meeting, should you so wish.

The availability of the Tender Offer to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are not resident in the United Kingdom should read the section headed "Overseas Shareholders" set out in paragraph 4 of Part I of this Circular and paragraph 6 of Section A of Part IV of this Circular.

This Circular does not constitute an offer to purchase, or solicitation of an offer to sell, Shares in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws.

Accordingly, unless otherwise determined by Liberum and the Company and permitted by applicable law and regulation, the accompanying Tender Form is not being, nor may it be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed, or sent in, into or from any Restricted Jurisdiction, and persons receiving the Tender Form (including, without limitation, trustees, nominees or custodians) must not mail or otherwise forward, distribute or send it in, into or from such Restricted Jurisdiction, as to do so may invalidate any purported acceptance of the Tender Offer. Any person (including, without limitation, trustees, nominees or custodians) who would or otherwise intends to, or who may have a contractual or legal obligation to, forward the accompanying Tender Form to any jurisdiction outside the United Kingdom, should seek appropriate advice before taking any action.

The delivery of this Circular shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof, or that there has been no change in the information set forth herein or in the affairs of the Company since the date hereof. No dealer, salesperson or other person is authorised to give any information or to make any representations with respect to the Tender Offer other than such information or representations contained herein and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or Liberum.

Your attention is drawn to the sections headed "Action to be taken" on page 5, and "Part II Risk Factors" on pages 18 and 19, of this Circular.

This Circular is dated 30 August 2017.

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IMPORTANT INFORMATION

NOTICE TO US SHAREHOLDERS

The US Tender Offer is made solely by the Company. While the US Tender Offer is being made available to US Shareholders, the right to tender Shares is not being made available in any jurisdiction in the United States in which the making of the US Tender Offer or the right to tender Shares would not be in compliance with the laws of such jurisdictions.

The US Tender Offer is being made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The settlement procedure with respect to the US Tender Offer will be consistent with UK practice, which differs from US domestic tender offer procedures in certain material respects, particularly with regard to date of payment. US Shareholders should note that the Shares are not listed on a US securities exchange and the Company is not subject to the periodic reporting requirements of the Exchange Act and is not required to, and does not, file any reports with the US Securities and Exchange Commission thereunder. The US Tender Offer is not subject to the disclosure and other procedural requirements of Regulation 14D under the Exchange Act. The US Tender Offer will be made in accordance with the requirements of Regulation 14E under the US Exchange Act to the extent applicable. Accordingly, the US Tender Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

The Company has not been, and will not be, registered in the United States as an investment company under the Investment Company Act. In order to avoid being required to register under, or otherwise violating, the Investment Company Act, the Company has implemented restrictions on the ownership and transfer of its Shares. As such, the US Tender Offer will be made solely to US Shareholders that are both QIBs and QPs, and any US Shareholder that was not both a QIB and a QP at the time it acquired any Shares or any such beneficial interest therein should notify the Company immediately.

The receipt of cash pursuant to the US Tender Offer by a US Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the US Tender Offer.

It may be difficult for US Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since the Company is located in a foreign country, and all of its officers and directors are residents of a foreign country. US Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgement. Whether located in the US or elsewhere, US Shareholders will receive their cash consideration in pounds sterling.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the Exchange Act, the Company or its nominees, or its brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Shares outside the United States, other than pursuant to the US Tender Offer, before or during the period in which the US Tender Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will only be disclosed as required in the UK, will be reported to a Regulatory Information Service of the UK Listing Authority and will be available on the London Stock Exchange website, www.londonstockexchange.com.

FORWARD LOOKING STATEMENTS

This Circular includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "envisages", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied

by the forward-looking statements, including, without limitation: the assessment of Telecable's working capital and net debt pursuant to the SPA could result in an adjustment to the cash consideration payable to the Company's subsidiary, Zegona Limited; the tax credits which are required to be proven to generate the contingent consideration under the SPA may not arise or be usable; equity market conditions for the Company and Euskaltel; the market position of Euskaltel; earnings, financial position, cash flows, return on capital and operating margins of Euskaltel; anticipated investments and capital expenditures of Euskaltel; changing business or other market conditions; and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this Circular.

Forward-looking statements contained in this Circular based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company is not obliged, and does not intend, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by any applicable law or regulation. Accordingly, Shareholders should not place undue reliance on forward-looking statements, which speak only as of the date of this Circular.

ACTION TO BE TAKEN

You are not under any obligation to tender your Shares but to the extent that you do wish to participate in the Tender Offer, you may only tender your whole Tender Offer Entitlement of Shares, being 35.706095 per cent. of your Shares on the Record Date (rounded down to the nearest whole number of Shares).

Enclosed with this document are a green Form of Proxy and either a blue Non-US Tender Form or a pink US Tender Form. If you do not wish to tender any of your Shares, do not complete and return any Tender Form.

Whether or not you wish to tender your Tender Offer Entitlement of Shares under the Tender Offer, you are requested to complete and return your Form of Proxy in accordance with the instructions therein so as to be received as soon as possible and, in any event, not later than the times and dates specified on page 6 of this Circular.

Full details of the actions to be taken are set out in this Circular and in the instructions on the respective forms. You should read the whole of this Circular which contains the terms of the Tender Offer. The attention of Overseas Shareholders is drawn to the sections headed "Overseas Shareholders" in paragraph 4 of Part I of this Circular and in paragraph 6 of Section A of Part IV of this Circular.

Shareholder Helpline

If you have any queries in relation to your shareholding(s) or how you can participate in the Tender Offer, please call Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this Circular, information relating to the Company's register of members and information regarding completion of forms and is unable to give advice on the merits of the Tender Offer or to provide legal, financial, tax or investment advice.

If you are in any doubt about what action to take you should seek your own personal financial advice from your independent financial adviser, stockbroker, solicitor, accountant, bank manager or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000.

EXPECTED TIMETABLE OF EVENTS

All dates 2017

Publication of this Circular	30 August
Tender Offer opens	30 August
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 20 September
Time and date of General Meeting	11.00 a.m. on 22 September
Outcome of General Meeting announced by	22 September
Publication of interim results	29 September
Latest time and date for receipt of Tender Forms and TTE Instructions from CREST Shareholders (i.e. close of Tender Offer)	1.00 p.m. on 5 October
Record date for the Tender Offer	6.00 p.m. on 5 October
Outcome of Tender Offer and Tender Price announced by	6 October
Purchase of Shares under the Tender Offer	9 October
Cheques despatched for certificated Shares purchased pursuant to the Tender Offer, payment through CREST for uncertificated Shares purchased pursuant to the Tender Offer, despatch of balance share certificates for unsold certificated Shares and CREST accounts credited with uncertificated Shares being returned to Shareholders	By 16 October

Notes:

- References to times in this Circular are to London times.
- Each of the above times and dates is based on the Company's expectations as at the date of this Circular. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.
- All events relating to the Tender Offer in the above timetable following the General Meeting are conditional upon approval by Shareholders of the Tender Offer Resolution to be proposed at the General Meeting.

DEFINITIONS

The following definitions apply throughout this Circular and the accompanying Tender Form unless the context otherwise requires:

“Act”	the Companies Act 2006, as amended;
“Articles”	the articles of association of the Company;
“Basic Tender Offer Entitlement”	a Qualifying Shareholder’s Tender Offer Entitlement prior to any adjustment as a result of the Tender Price increasing;
“Board”	the board of directors of the Company as constituted from time to time;
“Business Day”	any day other than a Saturday, Sunday or bank holiday in England;
“Capita Asset Services”	a trading name of Capita Registrars Limited;
“certificated” or “in certificated form”	a Share which is not in uncertificated form;
“Circular”	this document, including the notice of General Meeting and the Tender Form;
“Company”	Zegona Communications plc;
“Core Investor”	any entity controlled, managed or advised now or in the future by Marwyn Investment Management LLP, Marwyn Capital LLP or Marwyn Asset Management Limited;
“Core Investor Shares”	B ordinary shares of 0.00001p each in the capital of Zegona Limited;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Manual”	the CREST manual published by Euroclear;
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
“CREST Regulations”	Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Directors”	the directors of the Company as at the date of this Circular;
“Distribution <i>in Specie</i> Resolution”	the special resolution to be proposed at the General Meeting to amend the Articles to authorise the Company to make distributions <i>in specie</i> where such distributions consist solely of Euskaltel Shares;
“Engagement Letter”	the engagement letter from Liberum to the Company dated 22 August 2017;
“Equity Interest”	has the meaning ascribed to it in the Prospectus;
“Escrow Agent”	HSBC Bank plc;
“Escrow Agreement”	the escrow agreement dated 29 August 2017 between the Company, Liberum and the Escrow Agent;
“Escrow Amount”	the maximum amount required to be paid by the Company: (a) to Liberum in order to effect the Repurchase of Shares following the Non-US Tender Offer; and (b) to US Shareholders in order to effect the US Tender Offer;
“Euroclear”	Euroclear UK & Ireland Limited;
“Euskaltel”	Euskaltel, S.A.;

“Euskaltel Shares”	the ordinary shares in the capital of Euskaltel, having a nominal value of €3.00 each;
“Exchange Act”	the United States Securities Exchange Act of 1934, as amended;
“FCA”	the Financial Conduct Authority;
“Form of Proxy”	the green form of proxy enclosed with this Circular and relating to the notice of General Meeting;
“General Meeting”	the general meeting of the Company to be held at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL at 11.00 a.m. on 22 September 2017, or any adjournment thereof;
“Group”	the Company and its subsidiary undertakings (as defined in section 1162 of the Act);
“Investment Company Act”	the United States Investment Company Act of 1940, as amended;
“Irrevocable Undertaking”	the irrevocable undertaking granted by MAML in favour of the Company dated 29 August 2017 (further details of which are set out in paragraph 4.2 of Part VI of this Circular);
“IRS”	the Internal Revenue Service of the United States federal government;
“ISA”	an individual savings account;
“Liberum”	Liberum Capital Limited;
“Listing Rules”	the listing rules made by the FCA under Part VI of the Financial Services and Markets Act 2000, as amended from time to time;
“Management”	the holders of the Management Shares from time to time, being at the date of this Circular, Eamonn O’Hare, Robert Samuelson, Howard Kalika and Menno Kremer;
“Management Shares”	A ordinary shares of 0.00001p each in the capital of Zegona Limited;
“MAML”	Marwyn Asset Management Limited;
“MAR”	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;
“Member account ID”	the identification code or number attached to any member account in CREST;
“MLTI”	Marwyn Long Term Incentive LP, the holder of the Core Investor Shares;
“Net Invested Capital”	has the meaning ascribed to it in the Prospectus;
“Non-US Shareholder”	any Qualifying Shareholder who is neither located in nor a citizen of the United States of America and is not a US Person;
“Non-US Tender Conditions”	as defined in paragraph 2.1 of Section A of Part IV of this Circular;
“Non-US Tender Form”	the blue tender form accompanying this Circular issued for use by Non-US Shareholders in connection with the Non-US Tender Offer;
“Non-US Tender Offer”	the invitation by Liberum to Shareholders who are Non-US Shareholders to tender Shares on the terms and subject to the conditions set out in this Circular and, in the case of Shares held in certificated form only, using the Non-US Tender Form;
“Official List”	the Official List maintained by the FCA;
“Overseas Shareholder”	a Shareholder who is resident in, or a citizen of, a jurisdiction outside the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers;
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;

“Preferred Return”	has the meaning ascribed to it in the Prospectus;
“Prospectus”	the prospectus published by the Company on 25 September 2015;
“Prospectus Rules”	the prospectus rules made by the FCA under Part VI of the Financial Services and Markets Act 2000, as amended from time to time;
“Put and Call Option Agreement”	the agreement dated 30 August 2017 between the Company and Liberum, (further details of which are set out in paragraph 4.1 of Part VI of this Circular) pursuant to which the Company granted Liberum an option to require the Company to repurchase all Shares purchased by Liberum pursuant to the Non-US Tender Offer;
“QIB”	a qualified institutional buyer as defined in Rule 144A;
“QP”	a qualified purchaser as defined in Section 2(a)(51) of the Investment Company Act;
“Qualifying Shareholders”	Shareholders entitled to participate in the Tender Offer, being those who are on the Register on the Record Date and who are not Shareholders subject to the securities laws of a Restricted Jurisdiction;
“Receiving Agent”	Capita Asset Services;
“Record Date”	6.00 p.m. on 5 October 2017;
“Register”	the Company’s register of members;
“Registrars”	Capita Asset Services;
“Regulatory Information Service”	any of the regulatory information services set out in Appendix B of the Listing Rules;
“Repurchase”	the purchase by the Company of Shares from Liberum in connection with the Non-US Tender Offer pursuant to the authority granted under the Tender Offer Resolution, and “Repurchased” shall be construed accordingly;
“Resolutions”	the Tender Offer Resolution and the Distribution <i>in Specie</i> Resolution;
“Restricted Jurisdiction”	each of Australia, Canada, Japan, New Zealand, South Africa and any other jurisdiction where the mailing of a Tender Form or accompanying documents into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction;
“Rule 144A”	Rule 144A under the Securities Act;
“Securities Act”	the United States Securities Act of 1933, as amended;
“Share Pledge Agreement”	the pledge agreement dated 26 July 2017 between the Company, Zegona Limited and Euskaltel pursuant to which the Company and Zegona Limited have pledged 2,189,474 Euskaltel Shares in favour of Euskaltel as security over the Company’s and certain of Zegona Limited’s obligations including under the Tax Indemnity Agreement;
“Shareholders”	holders of Shares from time to time;
“Shares”	the issued ordinary shares in the capital of the Company, having a nominal value of £0.01 each;
“SPA”	the sale and purchase and share exchange agreement dated 15 May 2017 between the Company, Zegona Limited and Euskaltel (further details of which are set out in paragraph 4.4.1 of Part VI of this Circular) pursuant to which Euskaltel agreed to purchase the entire issued share capital of Telecable;
“Takeover Code”	the City Code on Takeovers and Mergers;

“Tax Indemnity Agreement”	the indemnity agreement dated 15 May 2017 between the Company, Zegona Limited and Euskaltel (further details of which are set out in Paragraph 4.4.2 of Part VI of this Circular) pursuant to which Zegona Limited and the Company agreed to indemnify certain potential tax liabilities that may arise to the enlarged Euskaltel group following completion of the SPA;
“Telecable”	Telecable de Asturias, S.A.U., its parent company, Telecable Capital Holding, S.A.U., and its parent company, Parselaya, S.L.U., and their respective subsidiary undertakings;
“Tender Conditions”	the Non-US Tender Conditions and the US Tender Conditions;
“Tender Forms”	the Non-US Tender Form and the US Tender Form;
“Tender Offer”	the Non-US Tender Offer and the US Tender Offer;
“Tender Offer Entitlement”	in relation to each Qualifying Shareholder, the number representing 35.706095 per cent. of the aggregate number of Shares registered in the Register in his or its name on the Record Date, rounded down to the nearest whole number of Shares as adjusted in accordance with sub-paragraph 4.1.2 of Part IV of this Circular;
“Tender Offer Resolution”	the special resolution to be proposed at the General Meeting to implement the Tender Offer;
“Tender Price”	the tender price of £2 per Share, or such higher amount calculated in accordance with paragraph 3.1 of Part I of this Circular;
“TFE Instruction”	a transfer from escrow instruction (as defined by the CREST Manual);
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST Manual);
“uncertificated” or “in uncertificated form”	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US Person”	a US person as defined in Regulation S under the Securities Act;
“US Shareholder”	any Qualifying Shareholder who is located in or a citizen of the United States of America or otherwise a US Person;
“US Tender Conditions”	as defined in paragraph 2 of Section B of Part IV of this Circular;
“US Tender Form”	the pink tender form accompanying this Circular issued for use by US Shareholders in connection with the US Tender Offer; and
“US Tender Offer”	the invitation by the Company to certain US Shareholders that are both QIBs and QPs to tender Shares on the terms and subject to the conditions set out in this Circular and, in the case of Shares held in certificated form only, using the US Tender Form.

PART I

LETTER FROM THE CHAIRMAN OF THE COMPANY

ZEGONA COMMUNICATIONS PLC

(Incorporated and registered in England No. 09395163)

Directors:

Eamonn O'Hare (Chairman and Chief Executive Officer)
Robert Samuelson (Chief Operating Officer)
Mark Brangstrup Watts (Non-executive Director)
Ashley Martin (Independent non-executive Director)
Murray Scott (Independent non-executive Director)
Richard Williams (Independent non-executive Director)

Registered and Head Office:

20 Buckingham Street
London
England
WC2N 6EF

30 August 2017

Dear Shareholder

Proposed return of up to £140 million of cash to Shareholder by way of a Tender Offer at a price of at least £2 per share

1. INTRODUCTION

Following the announcement made by the Company on 26 July 2017 that it intends to return up to £140 million to Qualifying Shareholders by way of a tender offer, the Board confirms today the launch of the Tender Offer, pursuant to which up to £140 million will be returned to Qualifying Shareholders by way of a tender offer at a price of at least £2 per Share.

The Directors have sought to structure the Tender Offer in such a way as to ensure that all Qualifying Shareholders will receive a pro-rata distribution of cash proceeds resulting from the sale of Telecable. Accordingly, each Qualifying Shareholder may only tender their Tender Offer Entitlement.

The Tender Price will be subject to upwards adjustment as described in paragraph 3.1 of Part I of this Circular. If the Tender Price is determined to be £2 per Share, each Qualifying Shareholder will be permitted to tender approximately 36 per cent. of their Shares. If all Shareholders participate, £140 million will be returned to Shareholders and 70 million Shares will be repurchased in aggregate. This represents 42 per cent. of the Company's market capitalisation of £330 million¹.

If the Tender Price is determined to be above £2 per Share, each Qualifying Shareholder's Tender Offer Entitlement will be reduced, meaning each participating Shareholder will still receive the same amount of cash but will sell fewer Shares. If all Shareholders participate, £140 million will still be returned but fewer Shares will be repurchased. The reduction to each Qualifying Shareholder's Tender Offer Entitlement is described in paragraph 4.1.2 of Sections A and B of Part IV of this Circular (for the Non-US Tender Offer and the US Tender Offer respectively).

As explained in further detail in paragraph 2 below, the Company was established with the aim of delivering attractive returns to Shareholders. The Directors believe that the Tender Offer represents a successful validation of that original strategy and are excited about sourcing future acquisitions that will provide the opportunity to achieve further returns to Shareholders.

Assuming Shareholders participate fully in the Tender Offer and the Company meets its target dividend of 5 pence per Share² for the financial year ending 31 December 2017, as the Board expects it to do, total cash returned to Zegona Shareholders (including dividends paid in previous years) will be up to £158.6 million, which represents 55 per cent. of the initial equity invested by Shareholders since the Company's inception.

1 As at 29 August 2017, being the latest practicable date prior to the publication of this Circular and based on a share price of 168.5p as at market close on that date.

2 Based on the number of Shares outstanding as at 29 August 2017. The Company intends to adjust the dividend per Share following the Tender Offer such that a total dividend of £9.8 million is paid in respect of 2017.

The purpose of this Circular is to:

- explain the mechanics of the Tender Offer;
- provide Shareholders with terms and conditions relating to the Tender Offer;
- explain to Qualifying Shareholders how they may tender their Shares, should they wish to participate in the Tender Offer; and
- convene a General Meeting of the Company to authorise the buyback of Shares by the Company pursuant to the Tender Offer and amend the Company's articles of association to enable the Board, in future, to make distributions *in specie* (delivery of shares rather than cash to satisfy a dividend) where such distributions consist solely of Euskaltel Shares. The notice of General Meeting is set out in Part VII of this Circular.

This letter is not a recommendation for Shareholders to tender their Shares under the Tender Offer. Whether or not Shareholders tender their Shares will depend on, among other things, their view of the Company's prospects and their own individual circumstances, including their tax position, on which they should seek their own independent advice.

However, the Board recommends that Shareholders vote in favour of the Resolutions to approve the Tender Offer and the amendment of the Articles and to enable those Shareholders who wish to do so to realise part of their investment in the Company through the Tender Offer.

2. BACKGROUND AND REASON FOR THE TENDER OFFER

The Company was established in January 2015 with the objective of acquiring businesses in the European telecommunications, media and technology sector with a "Buy-Fix-Sell" strategy to deliver attractive Shareholder returns. The Company made its first acquisition in furtherance of this objective in August 2015 through the purchase of Telecable, which the Directors believed represented a compelling investment because of (amongst other reasons) its market position, cash generation and opportunity for consolidation, as well as the attractive dynamics in the Spanish telecommunications market and Spanish economy.

The Company completed the sale of Telecable to Euskaltel on 26 July 2017 for a cash consideration of €186.5 million³ and a 15 per cent. stake in the enlarged Euskaltel group (comprising 26.8 million Euskaltel shares).

Further details of the SPA entered into between the Company and Euskaltel in respect of the sale of Telecable are set out in paragraph 4.4.1 of Part VI of this Circular. As noted in the announcement dated 30 August 2017, the Company continues to see good potential to drive further value growth through its Euskaltel ownership and potential new investments. Euskaltel has a very strong market position, is highly cash generative and will benefit from the input and experience of Zegona management.

As noted in its announcement on 26 July 2017, the Company has a strong commitment to return cash to Shareholders quickly and tax efficiently. After having considered a number of different methods of returning cash to Shareholders and considering the business's ongoing working capital needs, the Board has resolved to carry out the Tender Offer in order to return up to £140 million.

3. DETAILS OF THE TENDER OFFER

The Tender Offer is comprised of the Non-US Tender Offer (which is being conducted by Liberum) and the US Tender Offer (which is being conducted by the Company). Although the Non-US and US Tender Offers are being conducted on substantially the same terms, certain specific details relating to each are set out below.

3.1 Details of the Tender Offer as a whole

Each Qualifying Shareholder will be entitled to sell all, but not part, of their Tender Offer Entitlement (subject to scaling back if the Tender Price exceeds £2 per Share) under the Tender Offer.

³ Prior to adjustments at completion of the transaction. A cash payment was made on completion which represents €176.7 million after initial net debt adjustments, other permitted leakage and certain transactional costs.

The Tender Price will be increased if the value of a Euskaltel Share, denominated in pounds sterling, on the closing date of the Tender Offer is greater than £7.99, which is the equivalent value on the date this Circular is published.

Under the adjustment mechanism, the tender price will be increased by 14p for every £1 increase in the value of a Euskaltel share, up to a maximum of £4. There is no reduction to the price if the value of Euskaltel shares falls and the adjustment will be calculated in accordance with the formula below:

Tender Price = £2.00 + the Additional Amount, where:

Additional Amount = (£EKT – £7.99) x 0.13670; and

£EKT is the closing price of one Euskaltel Share (as quoted in the Bolsa de Madrid Stock Exchange), converted into Sterling using the UK Pound Sterling/Euro FX Cross Rate quoted by the Financial Times at the close of business on the closing date of the Tender Offer.

Provided always that:

- (i) the minimum Tender Price will be £2 per Share and the maximum Tender Price will be £4 per Share; and
- (ii) any Tender Price calculated according to the formula above will be rounded to the nearest £0.01.

The procedure to accept the Tender Offer is set out in paragraph 9.2 below.

To the extent that any Shareholders choose not to participate in the Tender Offer, that portion of the surplus cash proposed to be returned to Shareholders pursuant to the Tender Offer shall continue to be held by the Company. The Directors will consider how to utilise any such funds in due course, depending on the relevant amount and other conditions.

The Tender Offer will close at 1.00 p.m. on 5 October 2017 and tenders received after that time will not be accepted unless otherwise approved by both Liberum and the Company.

It is expected that Qualifying Shareholders who successfully tender their Shares will receive payment for such Shares on or before 16 October 2017.

The Tender Offer is subject to, amongst other things, the passing of the Tender Offer Resolution.

Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in Part IV of this Circular. Some questions and answers related to the Tender Offer are set out in Part III of this Circular.

3.2 Details of the Non-US Tender Offer

Subject to certain conditions (including the Tender Offer Resolution being passed at the General Meeting), the Non-US Tender Offer will be implemented on the basis of Liberum, acting as principal and not as agent, nominee or trustee, acquiring the successfully tendered Shares under the Non-US Tender Offer and a subsequent Repurchase of the tendered Shares from Liberum by the Company by way of an on-market transaction on the London Stock Exchange, in both cases at the Tender Price.

Shares will be purchased under the Tender Offer free of all commissions and dealing charges save if you own your Shares through a bank, broker, dealer, trust company or other nominee and such nominee tenders your Shares on your behalf, in which case such nominee may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.

To give effect to these arrangements, Liberum has entered into a Put and Call Option Agreement with the Company (details of which are set out in paragraph 4.1 of Part VI of this Circular). Shares Repurchased in connection with the Non-US Tender Offer will be cancelled.

The Non-US Tender Offer will be open to all Non-US Shareholders on the Register on the Record Date, save for those who are subject to the securities laws of a Restricted Jurisdiction (i.e. Qualifying Shareholders).

3.3 Details of the US Tender Offer

Subject to certain conditions (including the Tender Offer Resolution being passed at the General Meeting), the US Tender Offer will be implemented directly by the Company (or an agent of the Company), by way of an on-market transaction on the London Stock Exchange at the Tender Price.

Shares successfully tendered to it in connection with the US Tender Offer will be cancelled.

The US Tender Offer will be open solely to those US Shareholders on the Register on the Record Date who are both QIBs and QPs.

The US Tender Offer in the United States is made solely by the Company. While the US Tender Offer is being made available to US Shareholders, the right to tender Shares is not being made available in any jurisdiction in the United States in which the making of the Tender Offer or the right to tender Shares would not be in compliance with the laws of such jurisdiction.

The receipt of cash pursuant to the US Tender Offer by a US Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each US Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the US Tender Offer.

3.4 Restricted jurisdictions

The Tender Offer is not available to Shareholders in Australia, Canada, Japan or South Africa or any other jurisdiction where the mailing of a Tender Form or accompanying documents into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction.

Further information relating to the terms and conditions of the Tender Offer is set out in Part IV of this Circular.

4. OVERSEAS SHAREHOLDERS

A significant number of the Company's Shares are held on behalf of investors in the US and Spain so the Company has taken specific advice relating to making the Tender Offer available in those jurisdictions.

The attention of Qualifying Shareholders who are citizens, residents or nationals of countries other than the UK, Spain or the US who wish to participate in the Tender Offer is drawn to paragraph 6 of Section A of Part IV of this Circular.

The Tender Offer is not being made in or into, and is not capable of acceptance in or from the Restricted Jurisdictions. Custodians, nominees and trustees should observe these restrictions and should not send or distribute documents in or into the Restricted Jurisdictions. Any persons (including nominees, trustees and custodians) who may have a legal or contractual obligation to forward this document, the Tender Form and any related documents to any jurisdiction outside the United Kingdom, the United States or Spain should seek appropriate advice and read paragraph 6 of Section A of Part IV of this Circular before doing so.

5. TAXATION

A summary of the tax consequences of the Tender Offer for UK, US and Spanish resident Shareholders is set out in Part V of this Circular.

It should be noted that this refers to the current system of taxation in each of these jurisdictions. Shareholders are strongly advised to obtain independent tax advice regarding their own tax position.

6. SUBSTANTIAL SHAREHOLDINGS

The table below sets out the interests of Shareholders with significant shareholdings in the Company as at 29 August 2017 (being the latest practicable date prior to the publication of this Circular):

	Number of Shares	% of current issued Shares
Marwyn Asset Management Limited ¹	50,608,567	25.81
Invesco Asset Management	33,429,168	17.06
Fidelity Investments Limited	19,596,852	10.00
Capital Research & Management Company	15,386,666	7.85
Legal & General Investment Managers	14,000,000	7.14
AXA Investment Managers	13,371,555	6.82
Taconic Capital Advisers	9,541,666	4.87
Hargreave Hale	8,773,331	4.48
Tekne Capital Management LLC	6,722,445	3.43

Note

¹ In its capacity as agent for and on behalf of its discretionary managed clients.

The Company's largest shareholder, MAML, has irrevocably undertaken to participate in full in the Tender Offer with respect to its Tender Offer Entitlement. As a consequence, there will be no increase in its holding of Shares as a result of the Tender Offer and Rule 9 of the Takeover Code will not apply in relation to its shareholding.

Further information on the Irrevocable Undertaking provided to the Company is set out in paragraph 3 of Part VI (Additional Information) of this Circular.

7. THE GENERAL MEETING

Notice of a General Meeting of the Company to be held at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL on 22 September 2017 at 11.00 a.m. is set out at Part VII of this Circular, together with a green Form of Proxy for use at the meeting.

7.1 Resolution 1 – Authority to repurchase shares

Whilst the Company has existing authority to purchase up to 19,604,496 Shares pursuant to a resolution passed at the annual general meeting held on 17 May 2017, the Company requires a fresh authority from Shareholders in connection with the proposed Tender Offer and Repurchase since the existing authority was subject to different parameters than those currently proposed. Accordingly, the Tender Offer Resolution proposes the purchase of up to 70 million Shares at a maximum Tender Price of £4 per share. The authority to purchase shares pursuant to the Tender Offer Resolution will expire on the date which is 12 months from the date on which the resolution is passed, being 21 September 2018.

7.2 Resolution 2 – Authority to make distributions *in specie*

Resolution 2 proposes to amend the Company's Articles to permit the Board to satisfy the payment of any dividends declared by the Company wholly or partly by the distribution of shares in Euskaltel or any successor entity of Euskaltel, from time to time. At present, Article 119 of the Articles requires the Company's Shareholders to pass an ordinary resolution permitting the distribution of non-cash assets to satisfy any dividend that has been declared, but the proposed changes would allow the Board more flexibility to return value from its investment in Euskaltel to Shareholders.

7.3 Record date

Each Shareholder registered on the Register at 5 p.m. on 20 September 2017 will be entitled to vote on the resolutions contained in the Notice of General Meeting. Both the Tender Offer Resolution and the Distribution *in Specie* Resolution are being proposed as special resolutions. This means that, for the resolutions to be passed, at least three-quarters of the votes cast must be in favour.

8. THE TAKEOVER CODE

As a public company incorporated in England and Wales whose Shares are listed, the Company is subject to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

MAML, acting as agent for and on behalf of its discretionary managed clients, currently holds 50,608,567 Shares, representing 25.81 per cent. of the Company's current issued share capital. If the Company were to acquire all Tender Offer Entitlements but MAML did not tender its Tender Offer Entitlement, MAML would remain interested in 50,608,567 Shares, but those Shares would then represent approximately 35.1 per cent. of the reduced issued share capital of the Company. In these circumstances, MAML would therefore be required to make a mandatory offer for the Company under Rule 9 of the Code.

The Company has, however, received an Irrevocable Undertaking from MAML to tender (or procure that the registered holder tenders) its Tender Offer Entitlement of 18,070,342 Shares under the Tender Offer, thus ensuring that its interest will not exceed 30 per cent. of the issued share capital following the Tender Offer. MAML has also undertaken to vote (or procure that the registered holder votes) in favour of the Resolutions at the General Meeting. As consideration for such undertakings, the Company has undertaken to procure that a further tender offer is made to Shareholders as soon as reasonably practicable if the Company exercises its rights to terminate the Tender Offer. Further details of this Irrevocable Undertaking are set out in paragraph 3 of Part VI (Additional Information) of this Circular.

Under the Non-US Tender Offer, Liberum will purchase, as principal and not as agent, nominee or trustee, voting shares in the Company which could result in Liberum coming to have an interest in such Shares carrying 30 per cent. or more of the voting rights of the Company. Liberum has indicated its intention that, promptly following such purchase, it will sell all those Shares acquired pursuant to the Non-US Tender Offer, to the Company for cancellation, and the Company has agreed to buy all such Shares, in both cases on the terms of the Put and Call Option Agreement. Accordingly, a waiver has been obtained from the Panel in respect of the application of Rule 9 of the Takeover Code to the purchase by Liberum of the Shares under the Non-US Tender Offer.

9. ACTION TO BE TAKEN

9.1 Action to be taken in respect of the General Meeting

Shareholders will find enclosed with this Circular a green Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy (together with any power of attorney under which it is executed) in accordance with the instructions printed on the form, so as to reach the Company's Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible and in any event not later than 11.00 a.m. on 20 September 2017.

Completion and return of a form of proxy will not, however, prevent you from attending the General Meeting and voting in person if you should wish to do so.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. In order to be valid, the message must be transmitted so as to be received by the issuer's agent (ID RA10) by 11.00 a.m. on 20 September 2017. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

9.2 Action to be taken in respect of the Tender Offer

If you hold Shares in certificated form and wish to participate in the Tender Offer, tenders may only be made on the relevant accompanying Tender Form, which is personal to the Shareholder(s) named on it and may not be assigned or transferred. You must complete and return your Tender Form to Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible but, in any event so as to arrive no later than 1.00 p.m. on 5 October 2017. Details of how to complete and return your Tender Form are set out in paragraph 3.2 of Part IV of this Circular.

If you hold Shares in uncertificated form and wish to participate in the Tender Offer, tenders may only be made by way of an electronic tender. If you wish to tender your Tender Offer Entitlement of Shares, you must send a valid TTE Instruction which must settle by 1.00 p.m. on 5 October 2017 as described in paragraph 3.4 of Part IV of this Circular. To be valid, Tender Forms and/or electronic tenders must be received by the Receiving Agent no later than 1.00 p.m. on 5 October 2017.

Shareholders who do not wish to participate in the Tender Offer should not complete the Tender Form and will not be required to make a TTE Instruction.

10. RECOMMENDATION

The Directors are making no recommendation as to whether or not you should accept the Tender Offer.

The Directors consider that the Tender Offer and the Resolutions to be put to the General Meeting are in the best interests of the Company and its Shareholders as a whole. The Directors intend to vote in favour of the Resolutions and unanimously recommend that you do as well.

The Company's interim financial statements for the six month period ended 30 June 2017 are scheduled to be published on 29 September 2017. Since the Company is currently in a close period for the purposes of MAR relating to its interim financial statements, the Company has not received any irrevocable undertakings from its Directors to tender their respective Tender Offer Entitlements in the Tender Offer. However, Shareholders should note that all of the Directors who themselves hold Shares intend to tender their respective Tender Offer Entitlements under the Tender Offer (representing 1,072,545 Shares in aggregate at the minimum Tender Price of £2 per Share) and to grant irrevocable undertakings to that effect following the expiry of the close period (upon the publication of the Company's interim financial statements).

Whether or not Qualifying Shareholders decide to tender their Shares will depend, amongst other things, on their view of the Company's prospects and their own individual circumstances (including their own tax position).

If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice.

Yours sincerely

Eamonn O'Hare

Chairman and Chief Executive Officer

PART II

RISK FACTORS

Shareholders considering whether to tender their Shares should read this Circular carefully. In particular, Shareholders should have regard to the following risk factors. The risk factors below are those considered by the Board to be material to the Tender Offer at the date of this document; additional risks and uncertainties that are not currently known or are not currently considered material may emerge or become material.

1. RISKS RELATING TO THE TENDER OFFER

- 1.1** The Tender Offer is subject to certain conditions (principally the need for Shareholder approval and a material change in circumstance not having occurred), the non-fulfilment of which would mean that the Tender Offer could not be implemented and that the Company would have to bear the abortive costs of making the proposal of the Tender Offer.
- 1.2** As a result of the Tender Offer, the number of Shares in issue will be reduced and the Company will reduce in size. As a result, the fixed costs of the Company will be spread over fewer Shares.
- 1.3** Once the Tender Offer has closed, Tender Forms and TTE Instructions will be irrevocable. The price of the Shares and the value of the Euskaltel Shares the Company holds may rise or fall following submission of a Tender Form or TTE Instruction and the closing of the Tender Offer. Although the Directors may terminate the Tender Offer in the event that, among other reasons, the Directors have concluded that the implementation of the Tender Offer is no longer in the best interests of the Company and/or Shareholders as a whole, after settlement of a TTE Instruction, the Shareholder will not be able to access the Shares concerned in CREST for any transaction or for charging purposes.

2. RISKS RELATING TO THE COMPANY'S INVESTMENT IN EUSKALTEL

- 2.1** Although the Company's strategy is to acquire full voting control and the entire equity interest of target companies or businesses, it is also permitted to acquire or own less than voting majority interests if such opportunity is considered attractive. In this case, the Company's decision-making authority to implement its plans in the relevant target company or business may be limited and third party majority or minority shareholders may dispute the Company's strategy. By way of example, the Company currently holds a 15 per cent. stake in Euskaltel and is entitled to appoint a representative to its board of directors and each of its audit and control, appointments and remuneration and strategy committees. If the remaining shareholders in Euskaltel have interests which are inconsistent or in conflict with those of the Company, the Company cannot ensure they will not oppose or suggest an alternative strategy to any strategy suggested by the representative of the Company. In addition, disputes among the Company or its representative and any such third parties could result in litigation or arbitration. Any of these events could impair the Company's objectives and strategy, which could have a material adverse effect on the continued development or growth of the acquired or owned interest in the company or business.
- 2.2** For so long as the Company's principal asset is its holding of Euskaltel Shares, it will not be eligible to apply for admission to the premium segment of the Official List.
- 2.3** In order to acquire or to fund the operations of further target businesses, the Company may need to obtain additional funding or raise additional capital in respect of which it may need to publish a prospectus. In accordance with the Prospectus Rules, for so long as the Company's main asset is its holding of Euskaltel Shares, any prospectus will be required to contain certain disclosures concerning the Company's underlying interest in Euskaltel. Although Euskaltel has undertaken to assist the Company in preparing a prospectus by providing certain information to the Company, there is no guarantee that the Company will be able to produce a prospectus in a form which is compliant with the Prospectus Rules. In such circumstances, the Company may be compelled to abandon a particular acquisition, proceed with an acquisition on less favourable terms, or distribute *in specie* or sell its Euskaltel Shares earlier than the Board might otherwise have preferred, which may reduce the Company's return on the investment and may impact on the Company's financial strategy, including its ability to pay dividends.

- 2.4** The Company is exposed to foreign currency translation risk as a result of its functional currency and Shares being denominated in pounds sterling while its holding in Euskaltel is denominated in euros. The principal ongoing risk is to the Company's ability to re-translate dividends distributed by Euskaltel in euro into pounds sterling for the purposes of returning it to Shareholders. As a result, any significant fluctuations in the pounds sterling/euro exchange rate could have a material adverse effect on the value of any euro-denominated dividends from Euskaltel that the Company distributes to Shareholders in pounds sterling.

3. RISKS RELATING TO THE SALE OF TELECABLE

- 3.1** The agreements relating to the sale of Telecable contain certain contingent liabilities which remain uncertain in terms of timing and amount. Although the Group has taken out insurance in respect of some of these liabilities, if any or all of the contingent liabilities relating to the sale of Telecable are realised, this could have an adverse effect on the financial condition and results of operation of the Group. The agreements relating to the sale of Telecable are described in further detail in paragraph 4.4 of Part VI of this Circular.

For additional risks relating to the business and operations of the Group as well as other risks, including those relating to the industry in which the Group operates and the strategy, management and operations of the Company, please read pages 17 to 37 of the Prospectus.

PART III

QUESTIONS AND ANSWERS ON THE TENDER OFFER

1. INTRODUCTION

To help explain what is involved in the Tender Offer, the Company has prepared a summary and some questions and answers. You should read the whole of this Circular and not rely solely on the summary information in this Part III.

Section A of Part IV of this Circular sets out the detailed terms and conditions of the Non-US Tender Offer and Section B of Part IV of this Circular sets out the detailed terms and conditions of the US Tender Offer. In the event of any inconsistency between the contents of this Part III and the terms and conditions set out in Sections A and B of Part IV of this Circular, the terms and conditions set out in Sections A and B of Part IV of this Circular shall prevail.

A list of defined terms is set out from page 7 of this Circular, in the Section entitled “Definitions”.

2. YOU AND THE TENDER OFFER

2.1 Why am I receiving this Circular?

The Board has arranged to provide Non-US Shareholders with the opportunity to sell a portion of their Shares (known as their Tender Offer Entitlement) under the Non-US Tender Offer and for the Company to provide US Shareholders with the opportunity to sell a portion of their Shares (known as their Tender Offer Entitlement) under the US Tender Offer.

2.2 What documents have I been sent?

- Qualifying Shareholders who hold their Shares in certificated form (that is, not in CREST) should receive:
 - this Circular;
 - a green Form of Proxy;
 - a blue Tender Form (if they are not in the United States) or a pink Tender Form (if they are in the United States); and
 - a prepaid envelope to return the Form of Proxy and Tender Form (for use in the UK).
- Qualifying Shareholders who hold their Shares in uncertificated form (that is, in CREST) should receive:
 - this Circular;
 - a green Form of Proxy; and
 - a prepaid envelope to return the Form of Proxy (for use in the UK).

If you have not received any of the documents listed above please call the Shareholder Helpline, details of which are set out at paragraph 2.31 of Part III of this Circular.

2.3 Can you summarise the Tender Offer for me?

- Under the Tender Offer, each Qualifying Shareholder will be entitled to sell approximately 36 per cent. of their Shares for a minimum of £2 per Share.
- Qualifying Shareholders can choose whether they want to sell their Shares under the Tender Offer or not. Qualifying Shareholders are not obliged to sell any of their Shares if they do not wish to do so, but if they do wish to participate, they can sell **only** the full amount of their Tender Offer Entitlement.
- All Shares purchased under the Tender Offer will be purchased at a Tender price of at least £2 per Share. This price may be adjusted upwards as described in paragraph 2.12 below, but if this is the case, the number of Shares that may be tendered will be reduced as discussed in paragraph 2.13 below. The result will be that, irrespective of the final price, for each Share owned before tendering, each participating Shareholder will receive (subject to rounding) 71p in cash.

- In order to participate in the Tender Offer, you must complete your Tender Form and return your share certificates (if you hold your shares in certificated form) or complete your TTE Instruction (if you hold your shares in CREST) by no later than 1.00 p.m. on 5 October 2017.

2.4 Why is the Company returning money to its Shareholders?

The Board is committed to providing Shareholders with ongoing cash returns quickly and tax efficiently. As further described in paragraph 4.4 of Part VI of this Circular, the Company recently completed the sale of Telecab to Euskaltel for a cash consideration of €186.5 million⁴ and a 15 per cent. stake in the enlarged Euskaltel group (comprising 26.8 million Euskaltel shares).

Accordingly, the Board intends to return up to £140 million to Qualifying Shareholders, comprising surplus cash of the Company following the sale of Telecab.

2.5 What will the Company do with money that is not returned to Shareholders under the Tender Offer?

To the extent that Shareholders choose not to participate in the Tender Offer, the surplus cash that is not returned to Shareholders will be held by the Company. The Board will consider how to utilise the surplus cash in due course, depending on the relevant amount and other conditions.

2.6 Why has the Company chosen a Tender Offer (and associated Repurchase) as a way of returning money to Shareholders?

After careful consideration, the Board considers the Tender Offer, together with the subsequent Repurchase pursuant to the Non-US Tender Offer, to be the most appropriate means of returning capital to the Shareholders as it is quicker than some of the other methods of distributing cash to Shareholders which were considered by the Board, it allows Shareholders individually to choose whether or not to participate, and it provides certain Shareholders with preferable tax treatment.

2.7 Why is there a Non-US Tender Offer and a US Tender Offer?

The Non-US Tender Offer is being conducted by Liberum, acting as principal and not as agent, nominee or trustee. It is not possible for US Shareholders to participate in the Non-US Tender Offer. As such, the Company is separately conducting the US Tender Offer to enable US Shareholders to participate in the Tender Offer on identical terms (save to the extent of Liberum's involvement) to Non-US Shareholders.

2.8 Who is eligible to participate in the Tender Offer?

All Qualifying Shareholders are eligible to participate in the Tender Offer.

Shareholders who are citizens, residents or nationals of countries other than the UK, Spain or the US, should read the information for Overseas Shareholders set out in Section A of Part IV of this Circular.

US Shareholders that are both QIBs and QPs should read the information set out in Section B of Part IV of this Circular.

2.9 Do I have to sell my Shares?

No, you are not obliged to sell your Shares.

2.10 What happens if I don't sell my Shares?

If you choose not to sell any Shares, your holding will be unaffected, save for the fact that you will (assuming the Tender Offer is completed) end up owning a greater percentage of the Shares of the Company after the Tender Offer than you did before as there will be fewer shares in issue after completion of the Tender Offer process than before.

⁴ Prior to adjustments at completion of the transaction. A cash payment was made on completion which represents €176.7 million after initial net debt adjustments, other permitted leakage and certain transactional costs.

The maximum number of Shares that could be acquired under the Tender Offer is 70 million (representing approximately 35.7 per cent. of the Company's current issued ordinary share capital), so the increase in the percentage of your holding could be significant.

2.11 What is the maximum and minimum number of Shares I can tender?

You can only offer to tender your Tender Offer Entitlement of Shares, no more and no less. Your Tender Offer Entitlement is calculated by taking the number of Shares held by you on the Record Date and multiplying that number by 35.706095 per cent., then rounding the result down to the nearest whole number.

2.12 What is the Tender Price?

The Tender Price is a minimum of £2 per Share. The price is subject to upward adjustment if the value of Euskaltel's shares increases after this Circular is published.

The Tender Price will be increased if the value of a Euskaltel Share, denominated in pounds sterling, on the closing date of the Tender Offer is greater than £7.99, which is the equivalent value on the date this Circular is published.

Under the adjustment mechanism, the Tender Price will be increased by 14p for every £1 increase in the value of a Euskaltel Share, up to a maximum of £4. There is no reduction to the price if the value of Euskaltel Shares falls and the adjustment will be calculated in accordance with the formula below:

Tender Price = £2.00 + the Additional Amount, where:

Additional Amount = (£EKT – £7.99) x 0.13670; and

£EKT is the closing price of one Euskaltel Share (as quoted in the Bolsa de Madrid Stock Exchange), converted into Sterling using the UK Pound Sterling/Euro FX Cross Rate quoted by the Financial Times at the close of business on the closing date of the Tender Offer.

Provided always that:

- (i) the minimum Tender Price will be £2 per Share and the maximum Tender Price will be £4 per Share; and
- (ii) any Tender Price calculated according to the formula above will be rounded to the nearest £0.01.

2.13 What happens to my Tender Offer Entitlement if the Tender Price exceeds £2 per Share?

If the Tender price after the adjustment described in paragraph 2.12 above is above £2 per share then your Tender Offer Entitlement will be reduced ("scaled back"), however the result will always be that you will receive the same amount of cash as you would have received had the Tender Price been £2 per Share. In practice, this will mean that for every share you own today, you will receive 71p of cash.

If your Tender Offer Entitlement is scaled back, you will have tendered more Shares than you are ultimately entitled to. In such circumstances, any excess Shares tendered will be returned to you as soon as reasonably practicable. This is illustrated in the following examples:

Worked example assuming Tender Price of £2 per Share

Assumed Tender Offer Entitlement = 10,000 Shares

Assumed Tender Price = £2

Value returned to Shareholder = 10,000 x £2 = £20,000

From the above example, it is clear that 10,000 Shares tendered at £2 per Share would generate proceeds of £20,000. The following example demonstrates how this £20,000 would be applied if the Tender Price exceeded £2 per Share after the same Shareholder had offered to tender their 10,000 Shares.

Worked example assuming Tender Price exceeds £2 per Share

Assumed Tender Price = £2 + the Additional Amount, where:

the Additional Amount is (£EKT – £7.99) x 0.13670, rounded to the nearest 1p

Assumed £EKT = £8.10

Additional Amount = (£8.10 – £7.99) x 0.13670 = £0.02

Assumed Tender Price = £2+ £0.02 = £2.02

Scaled Back Tender Offer Entitlement = £20,000/£2.02 = 9,900 Shares

In this example, the Shareholder tendering 10,000 Shares would receive £19,998 for 9,900 Shares and 100 Shares would be returned to the Shareholder.

2.14 When will the Tender Price be calculated?

The Tender Price will be calculated as soon as possible following the close of business on 5 October 2017.

2.15 What will I receive?

What you receive will depend on the action that you take. If you decide to participate and your Shares are successfully tendered in the Tender Offer, you will sell your Tender Offer Entitlement (subject to scaling back if the Tender Price exceeds £2) of Shares and will receive cash proceeds for them.

As demonstrated in the worked examples at paragraph 2.13 above, if the Tender Price is determined to be above £2 per Share, you will receive the same amount of cash as if you had received £2 per Share for all of your Tender Offer Entitlement, but for a correspondingly smaller number of Shares. Any excess Shares will be returned to you as soon as reasonably practicable following the close of the Tender Offer.

If you decide to keep your Shares, you will not receive any money under the Tender Offer but, assuming successful completion of the Tender Offer and the subsequent cancellation of Shares tendered under the Tender Offer, you will end up owning a greater percentage of the issued ordinary share capital of the Company after the Tender Offer than you did before, as explained in paragraph 2.10 above.

2.16 What do I need to do now?

If you hold your Shares in **certificated form** and you wish to tender your Tender Offer Entitlement of Shares, you should complete the relevant Tender Form in accordance with the instructions printed on it and set out in Part IV of this Circular. You should return your completed Tender Form by post in the accompanying reply-paid envelope (for use in the UK only) or by hand to Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TU, together with your share certificate(s) in respect of the Shares tendered.

If you hold your Shares in **uncertificated form** and you wish to tender your Tender Offer Entitlement of Shares, you should send a TTE Instruction for your Basic Tender Offer Entitlement and follow the procedures set out in Part IV of this Circular in respect of tendering uncertificated Shares.

Completed Tender Forms and/or TTE Instructions (as appropriate) must be received by Capita Asset Services by no later than 1.00 p.m. (UK time) on 5 October 2017 after which time Tender Forms and/or TTE Instructions (as appropriate) will be rejected.

2.17 What is the deadline for returning my Tender Form?

The Tender Offer will close at 1.00 p.m. (UK time) on 5 October 2017 and tenders received after that time will not be accepted.

2.18 What should I do if I have lost my share certificate and wish to participate in the Tender Offer?

You should complete the Tender Form and send it, together with a letter of explanation to Capita Asset Services in accordance with the instructions in the relevant Tender Form. You should then phone the Shareholder helpline or write to Capita Asset Services asking for a letter of indemnity to be sent to you, which you should then complete in accordance with the instructions given and send back to Capita Asset Services immediately.

2.19 If my Shares are held by my broker or other nominee, will that person tender my Shares on my behalf?

Depending on the terms under which such Shares are held, your Shares may only be tendered if you provide instructions to your broker or other nominee to do so. You should follow the directions provided by your broker or other nominee regarding how to instruct your broker or other nominee to tender your Shares. Without your specific instructions, your Tender Offer Entitlement will not be tendered for purchase under the Tender Offer.

2.20 Can I withdraw my tender?

You can withdraw or amend your tender of Shares up until 1.00 p.m. (UK time) on 5 October 2017, which is the closing date for the Tender Offer. If you wish to do so, please contact Capita Asset Services on the Shareholder Helpline (details of which are set out in paragraph 2.31 below).

2.21 When do I receive my cash?

As explained under the section entitled “Expected timetable of events” on page 6 of this Circular, it is anticipated that, for holders of Shares in certificated form, a cheque would be despatched to you for the proceeds of any sale by 16 October 2017. CREST account holders would have their CREST accounts credited on 16 October 2017.

2.22 Do I have to pay any costs and expenses?

Neither the Company nor Liberum is imposing any fees on Shareholders in connection with the Tender Offer. If you own your Shares through a bank, broker, dealer, trust company or other nominee and such person tenders your Shares on your behalf, such person may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.

2.23 What is the tax treatment for Shareholders?

For information on certain UK, US and Spanish taxation consequences of the Tender Offer please see Part V of this Circular. This information is for guidance only and does not constitute tax advice. If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the UK, the US or Spain, you should consult an independent professional adviser.

2.24 What happens if I sell my Shares after receiving this Circular?

You may trade your Shares in the normal way during the Tender Offer period.

If you have sold or otherwise transferred all of your Shares, please forward this Circular (but not the accompanying personalised Tender Form) at once to the purchaser or transferee or the agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee (but not if such purchaser, transferee or agent is resident in a Restricted Jurisdiction). If you have sold part of your holding of Shares, please retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected as to the actions you should take.

2.25 What happens if I hold my Shares in an ISA?

You should contact your plan manager. We expect that you will be written to separately by your plan manager about the implications of the Tender Offer on your ISA holding.

2.26 Can I tender my Shares by guaranteed delivery?

No. Shares may not be tendered in the Tender Offer by guaranteed delivery.

2.27 What if I am resident outside the UK?

Shareholders resident outside the UK, or who are nationals or citizens of jurisdictions other than the UK, should read the additional information set out in paragraph 6 of Section A of Part IV of this Circular.

2.28 Is there a general meeting of Shareholders to approve the Tender Offer and do I need to attend?

Yes there is a general meeting to approve the Tender Offer, but you do not need to attend. Although the Company is authorised to purchase up to 19,604,496 Shares pursuant to a resolution passed at the annual general meeting held on 17 May 2017, the Company requires a fresh authority from Shareholders in connection with the proposed Tender Offer and Repurchase since the existing authority was subject to different parameters and applied to a smaller number of Shares. Accordingly, the Company is holding the General Meeting on 22 September 2017 at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL, to seek authority for the purchase of up to 70 million Shares at a maximum Tender Price of £4 per share pursuant to the Tender Offer.

The Company is also proposing to make an amendment to its articles of association at the General Meeting. Details of the proposed changes are set out in the Notice of General Meeting at Part VII of this Circular.

Although there is no requirement to attend the General Meeting, Shareholders are very welcome to attend and should, in any event, ensure that they complete and return their Form of Proxy by no later than 11.00 a.m. on 20 September 2017 to ensure their vote on the Resolutions is counted.

2.29 What if I hold Shares on behalf of both US Shareholders and Non-US Shareholders?

If the Shares are held in **certificated form**, you should complete the Non-US Tender Form in respect of Non-US Shareholders and the US Tender Form in respect of US Shareholders. You should follow the procedure for tendering as set out in paragraph 3.2 of Section A of Part IV of this Circular in respect of Shares held on behalf of Non-US Shareholders and paragraph 3.2 of Section B of Part IV of this Circular in respect of Shares held on behalf of US Shareholders.

If the Shares are held in **uncertificated form**, you should send two TTE Instructions to Euroclear, one in respect of Shares held on behalf of Non-US Shareholders and the other in respect of Shares held on behalf of US Shareholders. You should follow the procedure for tendering as set out in paragraph 3.4 of Section A of Part IV of this Circular and paragraph 3.4 of Section B of Part IV of this Circular, respectively.

2.30 What do I do if I hold Shares as nominee on behalf of more than one beneficial shareholder?

Assuming that one or more of the beneficial owners of Shares on behalf of whom you hold Shares does not instruct you, as nominee, to participate in the Tender Offer on its behalf, you will be permitted to tender a smaller number of Shares than your full Basic Tender Offer Entitlement, provided that this number of Shares tendered represents the aggregate of the Basic Tender Offer Entitlements of the underlying beneficial owner(s) that has/have provided instructions to participate in the Tender Offer.

2.31 What if I have any more questions?

We have set up a Shareholder helpline. Accordingly, you can call Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Please note that, for legal reasons, the Shareholder Helpline is only able to provide information contained in this Circular, information relating to the Company's register of members and information regarding completion of forms and is unable to give advice on the merits of the Tender Offer or to provide legal, financial, tax or investment advice. **If you are in any doubt about what action to take you should seek your own personal financial advice from your independent financial adviser, stockbroker, solicitor, accountant, bank manager or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000.**

3. THE TENDER OFFER

3.1 How many Shares will there be after the Tender Offer and associated Repurchase and cancellation of Shares?

We are unable to give an exact number at this stage, as it will depend on how many of the Shares are successfully tendered and the final Tender Price. Following the purchase of Shares by the Company from US Shareholders and from Liberum pursuant to the Put and Call Option Agreement and the subsequent cancellation of such Shares, up to 70 million Shares may be tendered and cancelled. The Company's issued ordinary share capital would therefore be reduced by up to approximately 35.7 per cent. assuming the Tender Offer is fully subscribed and that the Shares which are purchased by Liberum under the Non-US Tender Offer are Repurchased by the Company pursuant to the Put and Call Option Agreement. If the Tender Offer is not fully subscribed, then fewer Shares may be tendered and cancelled as a result of the Tender Offer and associated Repurchase and cancellation of Shares.

3.2 Can the Company decide not to proceed with the Tender Offer?

The Tender Offer is conditional upon the satisfaction of the Tender Conditions set out in paragraph 2.1 of Section A and paragraph 2.1 of Section B Part IV of this Circular. Should the Tender Conditions not be satisfied or waived by Liberum or the Company, as the case may be, then the Tender Offer will not proceed.

The Company may also resolve to withdraw the Tender Offer in the event of a material change in the Company's circumstances and will withdraw the Tender Offer if it becomes aware that a takeover offer or approach in relation to such an offer has been or will be made for the Company or Euskaltel.

3.3 What will happen to the Shares that are successfully tendered?

The Non-US Tender Offer is being made by Liberum, acting as principal and not as agent, nominee or trustee. Liberum and the Company have entered into the Put and Call Option Agreement pursuant to which Liberum has the right to require the Company to purchase from Liberum the Shares purchased by it under the Non-US Tender Offer and the Company has the right to require Liberum to sell the Shares purchased by it under the Non-US Tender Offer, at a price per Share equal to the Tender Price.

The Company will cancel the Shares that are successfully tendered to Liberum pursuant to the Non-US Tender Offer and subsequently Repurchased by the Company pursuant to the Put and Call Option Agreement. Shares that are successfully tendered to the Company pursuant to the US Tender Offer will be repurchased by the Company and will also be cancelled.

PART IV

TERMS AND CONDITIONS OF THE TENDER OFFER

A. TERMS AND CONDITIONS OF THE NON-US TENDER OFFER

1. INTRODUCTION

Non-US Shareholders on the Register on the Record Date are being invited to tender all, but not a part, of their Tender Offer Entitlement (subject to scaling back if the Tender Price exceeds £2 per Share) of their Shares for purchase by Liberum on the terms and subject to the conditions set out in this Circular and, in the case of certificated Shares, in the Non-US Tender Form.

Shareholders who do not wish to participate in the Non-US Tender Offer need take no action. The rights of Shareholders who choose not to tender their Shares will be unaffected.

All Shares that are Repurchased pursuant to the Put and Call Option Agreement will be cancelled.

2. TERMS OF THE NON-US TENDER OFFER

2.1 The Non-US Tender Offer is conditional upon the following (together the “**Non-US Tender Conditions**”):

2.1.1 the Tender Offer Resolution being passed by the requisite majority of Shareholders at the General Meeting;

2.1.2 each of the US Tender Conditions having been satisfied or waived;

2.1.3 the Company at all times having performed in all material respects all of its obligations under the Put and Call Option Agreement and the Engagement Letter;

2.1.4 the representations, undertakings and warranties of the Company in the Put and Call Option Agreement and the Engagement Letter being true and accurate in all material respects;

2.1.5 Liberum not having received written notice from the Directors of the Company that the Directors have concluded that the implementation of the Tender Offer is no longer in the best interests of the Company and/or Shareholders as a whole; and

2.1.6 the Company not becoming aware that an approach or offer (each having the same meaning as in the Takeover Code) has been or will be made for the Company or Euskaltel.

Liberum will not purchase the Shares pursuant to the Non-US Tender Offer unless all the Non-US Tender Conditions have been satisfied. The Non-US Tender Conditions under 2.1.3 and 2.1.4 above may be waived by Liberum, but the other Non-US Tender Conditions may not be waived by Liberum or the Company. If any of the above conditions are not satisfied or waived (as applicable) by 6.00 p.m. on 5 October 2017 (or such later time and date as the Company and Liberum may agree), the Non-US Tender Offer will lapse.

2.2 All Shares tendered by Non-US Shareholders under the Non-US Tender Offer must be tendered at the Tender Price.

2.3 The maximum number of Shares that could be purchased under the Non-US Tender Offer will be 70 million (equivalent to approximately 35.7 per cent. of the issued share capital of the Company which, as at 29 August 2017 (being the latest practicable date prior to the publication of this Circular), was 196,044,960 Shares).

2.4 The Non-US Tender Offer is available only to Non-US Shareholders on the Register on the Record Date and in respect of their full Tender Offer Entitlement.

2.5 Non-US Tender Forms (for Shares held in certificated form) once duly completed and submitted to the Receiving Agent and TTE Instructions which have settled (for Shares held in uncertificated form) may be withdrawn at any time up to the closing date of the Tender Offer, which will be 1.00 p.m. on 5 October 2017 and thereafter will be irrevocable. All questions as to the validity (including time of receipt) of tenders will be determined by Liberum, the Company and the Receiving Agent, which determination shall be final and binding (except as

otherwise required under applicable law). None of the Company, Liberum, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities and none of them will incur any liability for failure to give such notice.

- 2.6** The Non-US Tender Offer will close at 1.00 p.m. on 5 October 2017 and no tenders received after that time will be accepted unless otherwise approved by Liberum and the Company.
- 2.7** Only a Qualifying Shareholder's full Tender Offer Entitlement may be tendered (subject to scaling back if the Tender Price exceeds £2 per Share).
- 2.8** If Liberum exercises its put option or the Company exercises its call option under the Put and Call Option Agreement, Shares successfully tendered under the Non-US Tender Offer will be sold to Liberum fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same. Upon the Repurchase by the Company, Shares successfully tendered under the Non-US Tender Offer (or a corresponding number of Shares) will be sold by Liberum to the Company by way of an on-market transaction on the London Stock Exchange and will subsequently be cancelled. Such Shares will not rank for any dividends, distribution or other equity-related rights declared by the Company after the date they are sold by Liberum to the Company.
- 2.9** All tenders of Shares held in certificated form must be made on the accompanying Non-US Tender Form, duly completed in accordance with the instructions set out below and on the Non-US Tender Form, as applicable (which constitute part of the terms of the Non-US Tender Offer). Such tenders will be valid only when the procedures contained in this Part IV of the Circular and in the Non-US Tender Form are complied with.
- 2.10** All tenders of Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of an appropriate TTE Instruction in CREST in accordance with the instructions set out below and the relevant procedures in the CREST Manual which together constitute part of the terms of the Non-US Tender Offer. Such tenders will be valid only when the procedures contained in this Section A of Part IV of the Circular and in the relevant parts of the CREST Manual are complied with.
- 2.11** The Non-US Tender Offer and all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Non-US Tender Offer and the Non-US Tender Form or the input of a TTE Instruction in CREST, whether contractual or non-contractual, will be governed by, and construed in accordance with, the laws of England and Wales and the delivery of a Non-US Tender Form or the input of a TTE Instruction in CREST, as applicable, will constitute submission to the jurisdiction of the courts of England and Wales.
- 2.12** The results of the Non-US Tender Offer are expected to be announced on 6 October 2017.
- 2.13** All documents and remittances sent by or to Non-US Shareholders and all instructions made by or on behalf of a Non-US Shareholder in CREST relating to the Non-US Tender Offer will be sent or made (as the case may be) at the risk of the sender or maker. If the Non-US Tender Offer does not become unconditional, or does not proceed, and lapses, in respect of Shares held in certificated form, Non-US Tender Forms, share certificates and other documents of title will be returned by post to Non-US Shareholders at their risk, or, in respect of Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow by TFE Instruction to the original available balances to which those Shares relate, in each case not later than ten Business Days after the date of such lapse.
- 2.14** Further copies of the Non-US Tender Form may be obtained on request from the Receiving Agent. Please contact Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- 2.15** Under the Non-US Tender Offer and subject to the terms and conditions set out in this Section A of Part IV, and (where relevant) the Non-US Tender Form, Non-US Shareholders will be entitled to sell to Liberum their Tender Offer Entitlement.

- 2.16** If a Non-US Shareholder validly tenders a number of Shares which is equal to their Basic Tender Offer Entitlement, the tender will be satisfied in full (subject to (i) adjustment if the Basic Tender Price exceeds £2 per Share; (ii) the Non-US Tender Offer not being terminated or lapsing prior to its completion; and (iii) satisfaction of the other terms and conditions set out in this Part IV and (where relevant) the Non-US Tender Form).
- 2.17** All Shares successfully tendered pursuant to the Non-US Tender Offer will be purchased by Liberum, as principal and not as agent, nominee or trustee, at the Tender Price.
- 2.18** All questions as to the number of Shares tendered and the validity, form, eligibility (including the time of receipt) and rejection of any tender of Shares under the Non-US Tender Offer will be determined jointly by Liberum and the Company, which determination shall be final and binding on all parties except as otherwise required under applicable law. Notwithstanding the foregoing, Liberum reserves the absolute right to reject any or all tenders it determines not to be in proper form or where the payment for which may, in the opinion of Liberum (after consulting with the Company), be unlawful. Liberum also reserves the absolute right to waive any of the terms or conditions of the Tender Offer with the consent of the Company (other than clauses 2.1.2 and 2.1.5 of the Non-US Tender Conditions) and any defect or irregularity in the tender of any particular Shares or any particular holder thereof. Unless Liberum determines otherwise, no tender of Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Non-US Tender Offer will not be despatched (in respect of Shares in certificated form) or made by way of CREST payment (in respect of Shares in uncertificated form) to the relevant Non-US Shareholder until after (in the case of Shares in certificated form) the Non-US Tender Form is complete in all respects and the share certificate(s) and/or other document(s) of title satisfactory to Liberum have been received or (in the case of Shares in uncertificated form) the relevant TTE Instruction has settled. None of the Receiving Agent, Liberum, the Company or any other person is or will be obliged to give notice of any defects or irregularities in any tender and none of them will incur any liability for failure to give any such notice.
- 2.19** Shares will be purchased under the Non-US Tender Offer free of all commissions and dealing charges save if you own your Shares through a bank, broker, dealer, trust company or other nominee and such person tenders your Shares on your behalf, in which case such person may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.
- 2.20** The failure of any person to receive a copy of this Circular or the Non-US Tender Form or US Tender Form shall not invalidate any aspect of the Non-US Tender Offer.
- 2.21** The terms of the Non-US Tender Offer shall have effect subject to such non-material modifications as the Company and Liberum may from time to time approve in writing. The times and dates referred to in this Circular may be amended by agreement in writing between the Company and Liberum.

3. PROCEDURE FOR TENDERING

3.1 Different procedures for certificated and uncertificated Shares

If you hold Shares in certificated form, you may tender such Shares only by completing and returning the Non-US Tender Form in accordance with the instructions printed thereon and set out in paragraph 3.2 below. If you hold Shares in certificated form, but under different designations, you should complete a separate Non-US Tender Form for each designation. Additional copies of the Non-US Tender Form can be obtained from the Receiving Agent or by calling the Shareholder Helpline, details of which are set out in paragraph 3.3 below.

If you hold Shares in uncertificated form (that is, in CREST) you may tender such Shares only by TTE Instruction in accordance with the procedure set out in paragraph 3.4 below and, if those Shares are held under different member account IDs, you should send a separate TTE Instruction for each member account ID.

3.2 Shares held in certificated form (that is, not in CREST)

To participate in the Non-US Tender Offer, Non-US Shareholders holding Shares in certificated form must complete, sign, have witnessed and return the Non-US Tender Form in accordance with these instructions and the instructions on the Non-US Tender Form.

Completed, signed and witnessed Non-US Tender Forms, together with the relevant valid share certificate(s) and/or other document(s) of title, should be sent either by post in the accompanying reply-paid envelope (for use in the UK only) or (during normal business hours only) delivered by hand to the Receiving Agent, at Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 5 October 2017. Tenders received after that time will be accepted only at the sole discretion of Liberum and the Company, acting jointly.

Duly completed Non-US Tender Forms sent by any of the means set out above and received signed and complete in all respects by the prescribed time will be treated as tenders of Shares in accordance with the terms and conditions of the Non-US Tender Offer. No acknowledgement of receipt of documents will be given.

The completed and signed Non-US Tender Form should be accompanied, where possible, by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Non-US Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent, Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TY by no later than 1.00 p.m. on 5 October 2017, together with any share certificate(s) and/or document(s) of title that you may have available.

In respect of those Shares for which your share certificate(s) and/or other document(s) of title is/are unavailable and you have been sent a Non-US Tender Form, a letter of indemnity can be obtained by writing to Capita Asset Services or contacting them on the Shareholder Helpline (the details of which are set out in paragraph 3.3 below). If a separate letter of indemnity is completed, this should be returned with the Tender Form as described above so as to be received by the Receiving Agent, Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 1.00 p.m. on 5 October 2017. A fee may be payable by the Non-US Shareholder in respect of each letter of indemnity.

Where you have completed and returned a letter of indemnity in respect of unavailable share certificate(s) and/or other document(s) of title and you subsequently find or obtain the relevant share certificate(s) and/or other document(s) of title, you should immediately send the certificate(s) and/or other document(s) of title by post or (during normal business hours only) by hand to the Receiving Agent, Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TU.

- 3.3** If you are in any doubt as to the procedure for participating in the Non-US Tender Offer, please contact Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

By signing and returning a Non-US Tender Form, you will be deemed to have instructed Liberum to remit the cash consideration to the Receiving Agent with instructions that such consideration be remitted in accordance with the instructions set out in the Non-US Tender Form.

3.4 Shares held in uncertificated form (that is, in CREST)

If your Shares are in uncertificated form, to tender such shares under the Non-US Tender Offer you should take (or procure the taking of) the action set out below to transfer (by means of a TTE Instruction) the number of Shares you wish to tender under the Non-US Tender Offer to the relevant escrow account specifying Capita Asset Services (in its capacity as a CREST participant under the relevant Participant ID(s) and member account ID(s) referred to below) as the escrow agent, as soon as possible and in any event so that the TTE Instruction settles by no later than 1.00 p.m. on 5 October 2017. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE Instructions accordingly.

The input and settlement of a TTE Instruction in accordance with this paragraph shall constitute an offer to Liberum to sell to it the number of Shares (or such lower number as is your Tender Offer Entitlement) at the Tender Price by transferring such Shares to the relevant escrow account as detailed below.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your Participant ID and the member account ID under which your Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender. The Corporate Action Number is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

After settlement of the TTE Instruction, you will not be able to access in CREST the Shares concerned for any transaction or charging purposes, notwithstanding that they will be held by Capita Asset Services as the escrow agent until completion or lapse of the Non-US Tender Offer. If the Non-US Tender Offer becomes unconditional by 6.00 p.m. on 5 October 2017, or such later time and date as the Company and Liberum may agree, Capita Asset Services will transfer the successfully tendered Shares to itself as the agent of Liberum, transferring any Shares not successfully tendered to the original available balances to which those Shares relate.

You are recommended to refer to the CREST Manual for further information on the CREST procedures outlined below. You 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 connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 1.00 p.m. on 5 October 2017. In this connection you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3.4.1 Electronic tenders

To tender Shares in uncertificated form you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear in relation to such Shares.

The TTE Instruction must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- (a) the number of Shares which you wish to tender and to be transferred to the relevant escrow account (this should be equal to your Basic Tender Offer Entitlement, save in the circumstances set out in paragraph 4.3.5 below);
- (b) your member account ID;
- (c) your Participant ID;
- (d) the Participant ID of Capita Asset Services, in its capacity as a CREST receiving agent, which is RA10;
- (e) the member account ID of the Receiving Agent in its capacity as escrow agent, which is 29274ZEG;
- (f) the corporate action ISIN in respect of the Shares, which is GB00BVGBY890;
- (g) the intended settlement date. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on 5 October 2017;
- (h) the contact name and telephone number inserted in the shared note field;
- (i) the corporate action number for the Non-US Tender Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- (j) input with a standard delivery instruction priority of 80.

The Company and/or Liberum will make an appropriate announcement through a Regulatory Information Service if any of the details contained in this paragraph relating to settlement in CREST are materially altered.

3.5 Deposits of Shares into, and withdrawals of Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form or *vice versa* during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Non-US Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 5 October 2017.

3.6 Validity of tenders

3.6.1 Non-US Tender Forms

Liberum reserves the right (with the agreement of the Company) to treat as valid only Non-US Tender Forms which are received entirely in order by 1.00 p.m. on 5 October 2017 and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof in respect of the entire number of Shares tendered.

3.6.2 Validity of Electronic tenders

A Non-US Tender Form which is received in respect of Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Shareholders holding Shares in uncertificated form who wish to tender such shares should note that a TTE Instruction will be a valid tender as at 5 October 2017, only if it has settled on or before 1.00 p.m. on that date.

An appropriate announcement will be made through a Regulatory Information Service if any of the details contained in this paragraph 3.6 are altered.

3.6.3 General

Notwithstanding the completion of a valid Non-US Tender Form or settlement of a TTE Instruction, as applicable, the Non-US Tender Offer may be terminated or lapse in accordance with the conditions set out above.

The decision of Liberum as to which Shares have been validly tendered shall be conclusive and binding on all Shareholders.

If you are in any doubt as to how to complete the Non-US Tender Form or as to the procedure for making an electronic tender please contact the Receiving Agent, Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TU, or on the Shareholder Helpline. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.

3.6.4 Shareholder helpline details

Please contact Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4. EFFECT OF TENDER

4.1 Non-US Tender Forms

Each Non-US Shareholder by whom or, as applicable, on whose behalf, a Non-US Tender Form is executed and lodged, including a Non-US Tender Form which is treated by Liberum as valid, irrevocably undertakes, represents, warrants and agrees to and with Liberum (so as to bind him, his personal representatives, heirs, successors and assigns) that:

4.1.1 the execution of the Non-US Tender Form shall constitute an offer to Liberum to sell to it such number of certificated Shares as represents such Shareholder's Tender Offer Entitlement, in each case on and subject to the terms and conditions set out or referred to in this Circular and the Non-US Tender Form and that, once lodged, such tender shall be irrevocable;

4.1.2 the Tender Offer Entitlement is subject to adjustment based on the final Tender Price by reference to the following formula:

Each Qualifying Shareholder's Tender Offer Entitlement shall be the aggregate number of Shares registered in the Register in his or its name on the Record Date multiplied by the Tender Proportion (rounded to 8 decimal places) and then rounded down to the nearest whole number of Shares, where:

the "Tender Proportion" is the Maximum Tendered Shares divided by the Total Issued Share Capital;

the "Maximum Tendered Shares" is £140 million divided by the final Tender Price, rounded down to the nearest whole number; and

the "Total Issued Share Capital" is the number of Shares in issue on the Record Date;

4.1.3 such execution and lodgement, shall, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company and/or Receiving Agent as such Non-US Shareholder's attorney and/or agent ("**Attorney**"), and an irrevocable instruction to the Attorney to:

- (a) complete and execute any and all instruments of transfer and/or other documents or forms and take any and all actions which are necessary, in such Attorney's absolute discretion, in relation to the Shares referred to in sub-paragraph 4.1.1 above in favour of Liberum or such other person or persons as Liberum may direct; and
- (b) deliver such instrument(s) of transfer and/or other document(s) or form(s) at the discretion of the Attorney, together with the share certificate(s) and/or other document(s) of title relating to such Shares, for registration within six months of the Non-US Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the Non-US Tender Offer and to vest in Liberum or its nominee(s) or such other person(s) as Liberum may direct such Shares;

4.1.4 such Non-US Shareholder holding Shares in certificated form will deliver to the Receiving Agent his share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 4.1.1 above, or an indemnity acceptable to Liberum in lieu thereof, or will procure the delivery of such document(s) to such person(s) as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 5 October 2017;

4.1.5 the provisions of the Non-US Tender Form shall be deemed to be incorporated into the terms and conditions of the Non-US Tender Offer;

4.1.6 the despatch of a cheque to a Non-US Shareholder as referred to in paragraph 5 of this Part IV headed "Settlement", will discharge fully any obligation of Liberum to pay such Non-US Shareholder the consideration to which he is entitled under the Non-US Tender Offer;

4.1.7 on execution a Non-US Tender Form takes effect as a deed; and

4.1.8 the execution of the Non-US Tender Offer shall constitute a submission by the Non-US Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Non-US Tender Offer and the Non-US Tender Form, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the delivery of a Tender Form will constitute submission to the jurisdiction of the courts of England and Wales.

A reference in this paragraph to a Non-US Shareholder includes a reference to the person or persons executing a Non-US Tender Form and in the event of more than one person executing a Non-US Tender Form, the provisions of this paragraph will apply to them jointly and severally.

4.2 Electronic tenders

Each Non-US Shareholder by whom, or on whose behalf, a TTE Instruction which is treated by Liberum as valid and made irrevocably undertakes, represents, warrants and agrees to and with Liberum and the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

4.2.1 the input of the TTE Instruction shall constitute an offer to sell to Liberum such number of Shares as are specified in the TTE Instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this Circular and the TTE Instruction and that, once the TTE Instruction has settled, such tender shall be irrevocable;

4.2.2 the input of the TTE Instruction, will, subject to the Non-US Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company and/or Receiving Agent as such Non-US Shareholder's agent ("**Agent**"), and an irrevocable instruction and authority to the Agent to complete and execute all or any instrument(s) of transfer and/or other document(s) or input any instructions into Euroclear at the Agent's discretion in relation to the Shares referred to in sub-paragraph 4.2.1 above in favour of Liberum or such other person or persons as Liberum may direct and to deliver any documents or input any instructions into Euroclear relating to such Shares, for registration within six months of the Non-US Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Agent be necessary or expedient for the purpose of, or in connection with, the Non-US Tender Offer and to vest in Liberum or its nominee(s) or such other person(s) as Liberum may direct, such Shares;

4.2.3 if, for any reason, any Shares in respect of which a TTE Instruction has been made are prior to 1.00 p.m. on 5 October 2017, converted into certificated form, the electronic tender in respect of such Shares shall cease to be valid and the Non-US Shareholder will need to comply with the procedures for tendering Shares in certificated form as set out in this Part IV in respect of the Shares so converted, if the Non-US Shareholder wishes to make a valid tender of such Shares pursuant to the Non-US Tender Offer;

4.2.4 the creation of a payment obligation in favour of such Non-US Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part IV headed "Settlement" will discharge fully any obligation of Liberum to pay to such Non-US Shareholder the consideration to which he is entitled under the Non-US Tender Offer; and

4.2.5 the input of a TTE Instruction in CREST shall constitute a submission by the Non-US Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Non-US Tender Offer and the TTE Instruction, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the input of a TTE Instruction in CREST will constitute submission to the jurisdiction of the courts of England and Wales.

4.3 General tendering provisions

Each Qualifying Shareholder who submits a tender pursuant to the Non-US Tender Offer irrevocably undertakes, represents, warrants and agrees to and with Liberum and the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- 4.3.1** such Shareholder has observed the laws of all relevant jurisdictions, obtained any requisite consents and complied with all applicable formalities, that the invitation under the Non-US Tender Offer may be made to him under the laws of the relevant jurisdictions, and has not taken or omitted to take any action which would otherwise result in Liberum or the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase by Liberum of the Shares tendered by him under the Non-US Tender Offer and the associated Repurchase;
- 4.3.2** such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Liberum to be desirable, in each case in order to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 4.3.3** if the appointment of Attorney/Agent provision under sub-paragraph 4.1.3 or 4.2.2 (as applicable) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of the Company or Liberum or the Receiving Agent the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Company and/or Liberum and/or the Receiving Agent to secure the full benefits of sub-paragraph 4.1.3 or 4.2.2 (as applicable) above;
- 4.3.4** such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Liberum, Liberum will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, including the right to receive all dividends and other distributions declared, paid or made after that date;
- 4.3.5** if a Non-US Shareholder holds legal title to its Shares as trustee, custodian, nominee, or otherwise on behalf of more than one underlying beneficial owner, such Shareholder will be deemed, in the case of uncertificated shares, upon the input of its TTE Instruction, to warrant and represent that, to the extent the number of Shares input in the TTE Instruction is less than that Shareholder's Basic Tender Offer Entitlement, the number of Shares tendered by it represents the Basic Tender Offer Entitlement of each underlying beneficial owner which has instructed the relevant Shareholder to participate in the Non-US Tender Offer and that any apparent shortfall in the number of Shares so tendered is as a result of certain of the beneficial owners of the relevant Shares choosing not to participate in the Non-US Tender Offer;
- 4.3.6** such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Liberum and/or the Receiving Agent or any of their respective directors or officers or any person nominated by Liberum or the Receiving Agent or any of their respective directors or officers in the proper exercise of their respective powers and/or authorities hereunder; and
- 4.3.7** such Shareholder has not received or sent copies or originals of the Non-US Tender Form in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Non-US Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of a Restricted Jurisdiction at the time of the input of and settlement of the relevant TTE Instruction, that the TTE Instruction has not been sent from a Restricted Jurisdiction and such Shareholder is accepting the Non-US Tender Offer from outside a Restricted Jurisdiction.

Each Shareholder to which paragraphs 4.1 or 4.2 apply hereby consents to the assignment by Liberum of all such benefits as Liberum may have in any covenants, representations and warranties in respect of the Shares which are successfully tendered under the Non-US Tender Offer.

5. SETTLEMENT

Settlement of the consideration to which any Non-US Shareholder is entitled pursuant to valid tenders accepted by Liberum will be made by the dispatch of cheques or the creation of CREST payment obligations as follows:

5.1 Shares in certificated form

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent (on behalf of Liberum) by 16 October 2017 by first class post to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in section 4A or section 4B of the Non-US Tender Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the registered address of the first named Shareholder at the risk of the persons entitled thereto. All payments will be made in pounds sterling by cheque, drawn on a branch of a UK clearing bank.

5.2 Shares in uncertificated form

Where an accepted tender relates to Shares held by Non-US Shareholders in uncertificated form, the consideration due will be paid by 16 October 2017 through CREST by the Receiving Agent (on behalf of Liberum) procuring the creation of a payment obligation in favour of the payment banks of accepting Shareholders in accordance with the CREST payment arrangements.

6. OVERSEAS SHAREHOLDERS

6.1 Overseas Shareholders should inform themselves about and observe any applicable or legal regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.

6.2 The making of the Non-US Tender Offer in, or to persons resident in, jurisdictions outside the United Kingdom, Spain or to persons who are citizens, residents or nationals of other countries may be affected by the laws of the relevant jurisdiction. Shareholders who are not resident in the United Kingdom, Spain, or who are citizens, residents or nationals of countries outside the United Kingdom and Spain should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to take up the Non-US Tender Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction.

Each Overseas Shareholder will be responsible for any such transfer or other taxes or other requisite payments by whomsoever payable and the Company, Receiving Agent and Liberum and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder on an after-tax basis for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Non-US Tender Offer or to authorise the extending of the Non-US Tender Offer or the distribution of the Non-US Tender Form in any territory outside the United Kingdom other than Spain.

6.3 In particular, the Non-US Tender Offer is not being made directly or indirectly in, into or from or by use of the mail or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of a Restricted Jurisdiction and the Non-US Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction.

Accordingly, copies of the Non-US Tender Form are not being and must not be mailed or otherwise distributed or sent in, into, or from a Restricted Jurisdiction, including to Shareholders with registered addresses in a Restricted Jurisdiction, or to persons who are custodians, nominees or trustees holding Shares for persons in a Restricted Jurisdiction.

- 6.4** If, in connection with making the Non-US Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards the Non-US Tender Form in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction in connection with such forwarding, such persons should:
- 6.4.1** inform the recipient of such fact;
 - 6.4.2** explain to the recipient that such action may invalidate any purported acceptance of the Non-US Tender Offer by the recipient; and
 - 6.4.3** draw the attention of the recipient to this section of this Circular.
- 6.5** The provisions of this paragraph and/or any other terms of the Non-US Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Liberum and the Company in their discretion, but only if Liberum and the Company are each satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law. Subject to this, the provisions of this paragraph headed “Overseas Shareholders” supersede any terms of the Non-US Tender Offer inconsistent therewith.
- 6.6** References to a Shareholder shall include references to the persons executing a Non-US Tender Form and in the event of more than one person executing Non-US Tender Forms, the provisions of this paragraph shall apply to them jointly and severally.

B. TERMS AND CONDITIONS OF THE US TENDER OFFER

1. INTRODUCTION

US Shareholders who are (i) on the Register on the Record Date and (ii) both QIBs and QPs (“**Qualifying US Shareholders**”) are being invited to tender all, but not part, of their Tender Offer Entitlement (subject to scaling back if the Tender Price exceeds £2 per Share) of their Shares for purchase by the Company on the terms and subject to the conditions set out in this Circular and, in the case of certificated Shares, in the US Tender Form.

Shareholders who do not wish to participate in the US Tender Offer need take no action. The rights of Shareholders who choose not to tender their Shares will be unaffected.

2. TERMS OF THE US TENDER OFFER

2.1 The US Tender Offer is conditional upon the following (together the “US Tender Conditions”):

2.1.1 the Tender Offer Resolution being passed by the requisite majority of Shareholders at the General Meeting;

2.1.2 the Directors not having concluded that the implementation of the Tender Offer is no longer in the best interests of the Company and/or Shareholders as a whole; and

2.1.3 the Company not becoming aware that an approach or offer (each having the same meaning as in the Takeover Code) has been or will be made for the Company or Euskaltel.

The Company will not purchase the Shares pursuant to the US Tender Offer unless all the Tender Conditions have been satisfied. If any of the above conditions are not satisfied or waived (as applicable) by 6.00 p.m. on 5 October 2017 (or such later time and date as determined by the Company), the US Tender Offer will lapse.

2.2 All Shares tendered by US Shareholders who are Qualifying US Shareholders under the US Tender Offer must be tendered at the Tender Price.

2.3 The maximum number of Shares that could be purchased under the US Tender Offer will be 70 million (equivalent to approximately 35.7 per cent. of the issued share capital of the Company which, as at 29 August 2017 (being the latest practicable date prior to the publication of this Circular), was 196,044,960 Shares).

2.4 The US Tender Offer is available only to US Shareholders who are Qualifying US Shareholders on the Register on the Record Date and in respect of their full Tender Offer Entitlement.

2.5 US Tender Forms (for Shares held in certificated form) once duly completed and submitted to the Receiving Agent and TTE Instructions which have settled (for Shares held in uncertificated form) may be withdrawn at any time up to the closing date of the Tender Offer, which will be 1.00 p.m. on 5 October 2017 and thereafter will be irrevocable. All questions as to the validity (including time of receipt) of tenders will be determined by the Company, which determination shall be final and binding (except as otherwise required under applicable law). None of the Company, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities and none of them will incur any liability for failure to give such notice.

2.6 The US Tender Offer will close at 1.00 p.m. on 5 October 2017 and no tenders received after that time will be accepted unless otherwise approved by the Company.

2.7 Only a Shareholder’s full Tender Offer Entitlement (subject to scaling back if the Tender Price exceeds £2 per Share) may be tendered.

2.8 Shares successfully tendered under the US Tender Offer will be sold to the Company fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same and will subsequently be cancelled.

2.9 All tenders of Shares held in certificated form must be made on the accompanying US Tender Form, duly completed in accordance with the instructions set out below and on the US Tender Form, as applicable (which constitute part of the terms of the US Tender Offer). Such tenders will be valid only when the procedures contained in this Circular and in the US Tender Form are complied with.

- 2.10** All tenders of Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of an appropriate TTE Instruction in CREST in accordance with the instructions set out below and the relevant procedures in the CREST manual which together constitute part of the terms of the US Tender Offer. Such tenders will be valid only when the procedures contained in this Section B of Part IV of the Circular and in the relevant parts of the CREST Manual are complied with.
- 2.11** The US Tender Offer and all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the US Tender Offer and the US Tender Form or the input of a TTE Instruction in CREST, whether contractual or non-contractual, will be governed by, and construed in accordance with, the laws of England and Wales and the delivery of a US Tender Form or the input of a TTE Instruction in CREST, as applicable, will constitute submission to the jurisdiction of the courts of England and Wales.
- 2.12** The results of the US Tender Offer are expected to be announced on 6 October 2017.
- 2.13** All documents and remittances sent by or to US Shareholders and all instructions made by or on behalf of a Qualifying US Shareholder in CREST relating to the US Tender Offer will be sent or made (as the case may be) at the risk of the sender or maker. If the US Tender Offer does not become unconditional, or does not proceed, and lapses, in respect of Shares held in certificated form, US Tender Forms, share certificates and other documents of title will be returned by post to Qualifying US Shareholders at their risk, or, in respect of Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow by TTE Instruction to the original available balances to which those Shares relate, in each case not later than ten Business Days after the date of such lapse.
- 2.14** Further copies of the US Tender Form may be obtained on request from the Receiving Agent. Please contact Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- 2.15** Under the US Tender Offer and subject to the terms and conditions set out in this Section B Part IV, and (where relevant) the US Tender Form, US Shareholders who are Qualifying US Shareholders will be entitled to sell to the Company their Tender Offer Entitlement.
- 2.16** If a US Shareholder who is a Qualifying US Shareholder validly tenders a number of Shares which is equal to their Basic Tender Offer Entitlement, the tender will be satisfied in full (subject to (i) adjustment if the Tender Price exceeds £2 per Share; (ii) the US Tender Offer not being terminated or lapsing prior to its completion; and (iii) satisfaction of the other terms and conditions set out in this Part IV and (where relevant) the US Tender Form).
- 2.17** All Shares successfully tendered pursuant to the US Tender Offer will be purchased by the Company (or an agent on behalf of the Company) by way of an on-market transaction on the London Stock Exchange, at the Tender Price.
- 2.18** All questions as to the number of Shares tendered and the validity, form, eligibility (including the time of receipt) and rejection of any tender of Shares under the US Tender Offer will be determined by the Company, which determination shall be final and binding on all parties except as otherwise required under applicable law. Notwithstanding the foregoing, the Company reserves the absolute right to reject any or all tenders it determines not to be in proper form or where the payment for which may, in the Company's opinion, be unlawful. Unless the Company determines otherwise, no tender of Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the US Tender Offer will not be despatched (in respect of Shares in certificated form) or made by way of CREST payment (in respect of Shares in uncertificated form) to the relevant Qualifying US Shareholder until after (in the case of Shares in certificated form) the US Tender Form is complete in all respects and the share certificate(s) and/or other document(s) of title satisfactory to the Company have been received or (in the case of Shares in uncertificated form) the relevant TTE Instruction has settled. None of the

Receiving Agent, the Company or any other person is or will be obliged to give notice of any defects or irregularities in any tender and none of them will incur any liability for failure to give any such notice.

- 2.19** Shares will be purchased under the US Tender Offer free of all commissions and dealing charges save if you own your Shares through a bank, broker, dealer, trust company or other nominee and such nominee tenders your Shares on your behalf, in which case such nominee may charge you a fee for doing so. You should consult with your bank, broker, dealer, trust company or other nominee to determine whether any charges will apply.
- 2.20** The failure of any person to receive a copy of this Circular or the US Tender Form shall not invalidate any aspect of the US Tender Offer.
- 2.21** The terms of the US Tender Offer shall have effect subject to such non-material modifications as the Company may from time to time approve in writing. The times and dates referred to in this Circular may be amended by the Company.

3. PROCEDURE FOR TENDERING

3.1 Different procedures for certificated and uncertificated Shares

If you hold Shares in certificated form, you may tender such Shares only by completing and returning the US Tender Form in accordance with the instructions printed thereon and set out in paragraph 3.2 below. If you hold Shares in certificated form, but under different designations, you should complete a separate US Tender Form for each designation. Additional copies of the US Tender Form can be obtained from the Receiving Agent or by calling the Shareholder Helpline, details of which are set out in paragraph 3.3 below.

If you hold Shares in uncertificated form (that is, in CREST) you may tender such Shares only by TTE Instruction in accordance with the procedure set out in paragraph 3.4 below and, if those Shares are held under different member account IDs, you should send a separate TTE Instruction for each member account ID.

3.2 Shares held in certificated form (that is, not in CREST)

To participate in the US Tender Offer, US Shareholders who are Qualifying US Shareholders holding Shares in certificated form must complete, sign, have witnessed and return the US Tender Form in accordance with these instructions and the instructions on the US Tender Form.

Completed, signed and witnessed US Tender Forms, together with the relevant valid share certificate(s) and/or other document(s) of title, should be sent either by post in the accompanying reply-paid envelope (for use in the UK only) or (during normal business hours only) delivered by hand to the Receiving Agent, at Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 5 October 2017. Tenders received after that time will be accepted only at the sole discretion of the Company.

Duly completed US Tender Forms sent by any of the means set out above and received signed and complete in all respects by the prescribed time will be treated as tenders of Shares in accordance with the terms and conditions of the US Tender Offer. No acknowledgement of receipt of documents will be given.

The completed and signed US Tender Form should be accompanied, where possible, by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the US Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent, Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TU by no later than 1.00 p.m. on 5 October 2017, together with any share certificate(s) and/or document(s) of title that you may have available.

In respect of those Shares for which your share certificate(s) and/or other document(s) of title is/are unavailable and you have been sent a US Tender Form, a letter of indemnity can be obtained by writing to Capita Asset Services or contacting them on the Shareholder Helpline (the details of which are set out in paragraph 3.3 below). If a separate letter of indemnity is completed, this should be returned with the Tender Form as described above so as to be

received by the Receiving Agent, Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 1.00 p.m. on 5 October 2017. A fee may be payable by the Qualifying US Shareholder in respect of each letter of indemnity.

Where you have completed and returned a letter of indemnity in respect of unavailable share certificate(s) and/or other document(s) of title and you subsequently find or obtain the relevant share certificate(s) and/or other document(s) of title, you should immediately send the certificate(s) and/or other document(s) of title by post or (during normal business hours only) by hand to the Receiving Agent, Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TU.

- 3.3** If you are in any doubt as to the procedure for participating in the US Tender Offer, please contact Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

By signing and returning a US Tender Form, you will be deemed to have appointed the Company or any agent acting on its behalf as your agent in respect of the tender process. The Company (or an agent acting on its behalf) will therefore issue a contract note on behalf of all Qualifying US Shareholders whose Shares are so purchased under the US Tender Offer and will remit the cash consideration to Capita Asset Services with instructions that such consideration be remitted to the Qualifying US Shareholders entitled thereto in accordance with the instructions set out on their respective US Tender Forms.

3.4 Shares held in uncertificated form (that is, in CREST)

If your Shares are in uncertificated form, to tender such shares under the US Tender Offer you should take (or procure the taking of) the action set out below to transfer (by means of a TTE Instruction) the number of Shares you wish to tender under the US Tender Offer to the relevant escrow account specifying Capita Asset Services (in its capacity as a CREST participant under the relevant Participant ID(s) and member account ID(s) referred to below) as the escrow agent, as soon as possible and in any event so that the TTE Instruction settles by no later than 1.00 p.m. on 5 October 2017. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE Instructions accordingly.

The input and settlement of a TTE Instruction in accordance with this paragraph shall constitute an offer to the Company to sell to it the number of Shares (or such lower number as is your Tender Offer Entitlement) at the Tender Price by transferring such Shares to the relevant escrow account as detailed below.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your Participant ID and the member account ID under which your Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender. The Corporate Action Number is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

After settlement of the TTE Instruction, you will not be able to access in CREST the Shares concerned for any transaction or charging purposes, notwithstanding that they will be held by Capita Asset Services as the escrow agent until completion or lapse of the US Tender Offer. If the US Tender Offer becomes unconditional by 6.00 p.m. on 5 October 2017, or such later time and date as determined by the Company, Capita Asset Services will transfer the successfully tendered Shares to itself as the agent of the Company, transferring any Shares not successfully tendered to the original available balances to which those Shares relate.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined below. You 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 connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Shares to settle prior to

1.00 p.m. on 5 October 2017. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

3.4.1 Electronic tenders

To tender Shares in uncertificated form you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear in relation to such Shares.

The TTE Instruction must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- (a) the number of Shares which you wish to tender and to be transferred to the relevant escrow account (this should be equal to your Basic Tender Offer Entitlement, save in the circumstances set out in paragraph 4.3.6 below);
- (b) your member account ID;
- (c) your Participant ID;
- (d) the Participant ID of Capita Asset Services, in its capacity as a CREST receiving agent, which is RA10;
- (e) the member account ID of the Receiving Agent in its capacity as escrow agent, which is 29274USA;
- (f) the corporate action ISIN in respect of the Shares, which is GB00BVGBY890;
- (g) the intended settlement date. This should be as soon as possible and, in any event, by no later than 1.00 p.m. on 5 October 2017;
- (h) the contact name and telephone number inserted in the shared note field;
- (i) the corporate action number for the US Tender Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- (j) input with a standard delivery instruction priority of 80.

The Company will make an appropriate announcement through a Regulatory Information Service if any of the details contained in this paragraph relating to settlement in CREST are materially altered.

3.5 Deposits of Shares into, and withdrawals of Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form or vice versa during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the US Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 5 October 2017.

3.6 Validity of tenders

3.6.1 US Tender Forms

The Company reserves the right to treat as valid only US Tender Forms which are received entirely in order by 1.00 p.m. on 5 October 2017 and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof in respect of the entire number of Shares tendered.

3.6.2 Validity of Electronic tenders

A US Tender Form which is received in respect of Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Shareholders holding Shares in uncertificated form who wish to tender such shares should note that a TTE Instruction will be a valid tender as at 5 October 2017, only if it has settled on or before 1.00 p.m. on that date.

An appropriate announcement will be made through a Regulatory Information Service if any of the details contained in this paragraph 3.6 are altered.

3.6.3 General

Notwithstanding the completion of a valid US Tender Form or settlement of a TTE Instruction, as applicable, the US Tender Offer may be terminated or lapse in accordance with the conditions set out above.

The decision of the Company as to which Shares have been validly tendered shall be conclusive and binding on all US Shareholders.

If you are in any doubt as to how to complete the US Tender Form or as to the procedure for making an electronic tender please contact the Receiving Agent, Capita Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, BR3 4TU, or on the Shareholder Helpline. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.

3.6.4 Shareholder helpline details

Please contact Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4. EFFECT OF TENDER

4.1 US Tender Forms

Each US Shareholder who is a Qualifying US Shareholder by whom or, as applicable, on whose behalf, a US Tender Form is executed and lodged, including a US Tender Form which is treated by the Company as valid, irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

4.1.1 the execution of the US Tender Form shall constitute an offer to the Company to sell to it such number of certificated Shares as represent your Tender Offer Entitlement or are deemed to be tendered, in each case on and subject to the terms and conditions set out or referred to in this Circular and the US Tender Form and that, once lodged, such tender shall be irrevocable;

4.1.2 the Tender Offer Entitlement is subject to adjustment based on the final Tender Price by reference to the following formula:

Each Qualifying Shareholder's Tender Offer Entitlement shall be the aggregate number of Shares registered in the Register in his or its name on the Record Date multiplied by the Tender Proportion (rounded to 8 decimal places) and then rounded down to the nearest whole number of Shares, where:

the "Tender Proportion" is the Maximum Tendered Shares divided by the Total Issued Share Capital;

the "Maximum Tendered Shares" is £140 million divided by the final Tender Price, rounded down to the nearest whole number; and

the "Total Issued Share Capital" is the number of Shares in issue on the Record Date;

4.1.3 such execution and lodgement, shall, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company as such Qualifying US Shareholder's attorney and/or agent ("**Attorney**"), and an irrevocable instruction to the Attorney to:

- (a) complete and execute any and all instruments of transfer and/or other documents or forms and take any and all actions which are necessary, in such Attorney's absolute discretion, in relation to the Shares referred to in sub-paragraph 4.1.1 above in favour of the Company or such other person or persons as the Company may direct; and
- (b) deliver such instrument(s) of transfer and/or other document(s) or form(s) at the discretion of the Attorney, together with the share certificate(s) and/or other document(s) of title relating to such Shares, for registration within six months of the US Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the US Tender Offer and to vest in the Company or its nominee(s) or such other person(s) as the Company may direct such Shares;

4.1.4 such Qualifying US Shareholder holding Shares in certificated form will deliver to the Receiving Agent his share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 4.1.1 above, or an indemnity acceptable to the Company in lieu thereof, or will procure the delivery of such document(s) to such person(s) as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 5 October 2017;

4.1.5 the provisions of the US Tender Form shall be deemed to be incorporated into the terms and conditions of the US Tender Offer;

4.1.6 the despatch of a cheque to a Qualifying US Shareholder as referred to in paragraph 5 of this Part IV headed "Settlement", will discharge fully any obligation of the Company to pay such Qualifying US Shareholder the consideration to which he is entitled under the US Tender Offer;

4.1.7 on execution a US Tender Form takes effect as a deed; and

4.1.8 the execution of the US Tender Offer shall constitute a submission by the Qualifying US Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the US Tender Offer and the US Tender Form, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the delivery of a Tender Form will constitute submission to the jurisdiction of the courts of England and Wales.

A reference in this paragraph to a Qualifying US Shareholder includes a reference to the person or persons executing a US Tender Form and in the event of more than one person executing a US Tender Form, the provisions of this paragraph will apply to them jointly and severally.

4.2 Electronic tenders

Each US Shareholder who is a Qualifying US Shareholder and by whom, or on whose behalf, a TTE Instruction which is treated by the Company as valid and made irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

4.2.1 the input of the TTE Instruction shall constitute an offer to sell to the Company such number of Shares as are specified in the TTE Instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this Circular and the TTE Instruction and that, once the TTE Instruction has settled, such tender shall be irrevocable;

4.2.2 the input of the TTE Instruction, will, subject to the US Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Receiving Agent as such Qualifying US Shareholder's agent ("**Agent**"), and an irrevocable instruction and authority to the Agent to complete and execute all or any instrument(s) of transfer and/or other document(s) or input any instructions into Euroclear

at the Agent's discretion in relation to the Shares referred to in sub-paragraph 4.2.1 above in favour of the Company or such other person or persons as the Company may direct and to deliver any documents or input any instructions into Euroclear relating to such Shares, for registration within six months of the US Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Agent be necessary or expedient for the purpose of, or in connection with, the US Tender Offer and to vest in the Company or its nominee(s) or such other person(s) as the Company may direct, such Shares;

4.2.3 if, for any reason, any Shares in respect of which a TTE Instruction has been made are prior to 1.00 p.m. on 5 October 2017, converted into certificated form, the electronic tender in respect of such Shares shall cease to be valid and the Qualifying US Shareholder will need to comply with the procedures for tendering Shares in certificated form as set out in this Part IV in respect of the Shares so converted, if the Qualifying US Shareholder wishes to make a valid tender of such Shares pursuant to the US Tender Offer;

4.2.4 the creation of a payment obligation in favour of such Qualifying US Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part IV headed "Settlement" will discharge fully any obligation of the Company to pay to such Qualifying US Shareholder the consideration to which he is entitled under the US Tender Offer; and

4.2.5 the input of a TTE Instruction in CREST shall constitute a submission by the Qualifying US Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the US Tender Offer and the TTE Instruction, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the input of a TTE Instruction in CREST will constitute submission to the jurisdiction of the courts of England and Wales.

4.3 General tendering provisions

Each Qualifying US Shareholder who submits a tender pursuant to the US Tender Offer irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

4.3.1 Such US Shareholder is both a QIB and a QP;

4.3.2 such US Shareholder has observed the laws of all relevant jurisdictions, obtained any requisite consents and complied with all applicable formalities, that the invitation under the US Tender Offer may be made to him under the laws of the relevant jurisdictions, and has not taken or omitted to take any action which would otherwise result in the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase by the Company of the Shares tendered by him under the US Tender Offer;

4.3.3 such US Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, in each case in order to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;

4.3.4 if the appointment of Attorney/Agent provision under sub-paragraph 4.1.3 or 4.2.2 (as applicable) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of the Company or the Receiving Agent the benefit or authority expressed to be given therein, the US Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Company and/or the Receiving Agent to secure the full benefits of sub-paragraph 4.1.3 or 4.2.2 (as applicable) above;

4.3.5 such US Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances,

equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, including the right to receive all dividends and other distributions declared, paid or made after that date;

4.3.6 if a Qualifying US Shareholder holds legal title to its Shares as trustee, custodian, nominee, or otherwise on behalf of more than one underlying beneficial owner, such Shareholder will be deemed, in the case of uncertificated shares, upon the input of its TTE Instruction, to warrant and represent that, to the extent the number of Shares input in the TTE Instruction is less than the Shareholder's Basic Tender Offer Entitlement, the number of Shares tendered by it represents the Basic Tender Offer Entitlement of each underlying beneficial owner which has instructed the relevant Qualifying US Shareholder to participate in the US Tender Offer and that any apparent shortfall in the number of Shares so tendered is as a result of certain of the beneficial owners of the relevant Shares choosing not to participate in the US Tender Offer;

4.3.7 such US Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by the Company and/or the Receiving Agent or any of their respective directors or officers or any person nominated by the Company or the Receiving Agent or any of their respective directors or officers in the proper exercise of their respective powers and/or authorities hereunder; and

4.3.8 such US Shareholder has not received or sent copies or originals of the US Tender Form in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the US Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of a Restricted Jurisdiction at the time of the input of and settlement of the relevant TTE Instruction, that the TTE Instruction has not been sent from a Restricted Jurisdiction and such Shareholder is accepting the US Tender Offer from outside a Restricted Jurisdiction.

Each Shareholder to which paragraphs 4.1 or 4.2 apply hereby consents to the assignment by the Company of all such benefits as the Company may have in any covenants, representations and warranties in respect of the Shares which are successfully tendered under the US Tender Offer.

5. SETTLEMENT

Settlement of the consideration to which any Qualifying US Shareholder is entitled pursuant to valid tenders accepted by the Company will be made by the dispatch of cheques or the creation of CREST payment obligations as follows:

5.1 Shares in certificated form

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent (on behalf of the Company) by 16 October 2017 by first class post to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in section 4A or section 4B of the US Tender Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the registered address of the first named Shareholder at the risk of the persons entitled thereto. All payments will be made in pounds sterling by cheque, drawn on a branch of a UK clearing bank.

5.2 Shares in uncertificated form

Where an accepted tender relates to Shares held by Qualifying US Shareholders in uncertificated form, the consideration due will be paid by 16 October 2017 through CREST by the Receiving Agent (on behalf of the Company) procuring the creation of a payment obligation in favour of the payment banks of accepting Shareholders in accordance with the CREST payment arrangements.

PART V

TAXATION

1. UNITED KINGDOM

The following comments do not constitute tax advice and are intended only as a guide to current United Kingdom law and H.M. Revenue & Customs' published practice (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the United Kingdom tax treatment of Shareholders who are resident in the United Kingdom for United Kingdom tax purposes, who are, and will be, the beneficial owners of their Shares and who hold, and will hold, their Shares as investments (and not as assets to be realised in the course of a trade, profession or vocation). They may not relate to certain Shareholders, such as dealers in securities or Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment.

Shareholders are advised to take independent advice in relation to the tax implications for them of selling Shares pursuant to the Tender Offer.

1.1 Taxation of chargeable gains

The sale of Shares by a Shareholder to Liberum pursuant to the Non-US Tender Offer should be treated as a disposal of those shares giving rise solely to capital proceeds for United Kingdom tax purposes. This may, subject to the Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains ("**CGT**").

The amount of CGT payable by a Shareholder who is an individual as a consequence of the sale of Shares, if any, will depend on his or her own personal tax position. Broadly, a Shareholder whose total taxable gains and income in a given tax year, including any gains made on the sale of Shares ("**Total Taxable Gains and Income**"), are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the "**Band Limit**") (£33,500 for 2017/2018) will normally be subject to CGT at a rate of 10 per cent. in respect of any gain arising on the sale of his or her Shares. A Shareholder whose Total Taxable Gains and Income are more than the Band Limit will normally be subject to CGT at a rate of 10% in respect of any gain arising on the sale of his or her Shares (to the extent that, when added to the Shareholder's other taxable gains and income, the gain is less than or equal to the Band Limit) and at a rate of 20 per cent. in respect of the remainder of the gain arising on the sale of his or her Shares. However, no tax will be payable on any gain arising on the sale of Shares if the amount of the chargeable gain realised by a Shareholder in respect of the sale, when aggregated with other chargeable gains realised by that Shareholder in the year of assessment (and after taking into account aggregate losses), does not exceed the annual exemption (£11,300 for 2017/2018).

A corporate Shareholder is normally taxable on all of its chargeable gains, subject to any reliefs and exemptions. Corporate Shareholders should be entitled to indexation allowance up to the date which is treated for CGT purposes as the date of disposal.

1.2 Transactions in securities

Under the provisions of Part 15 of the Corporation Tax Act 2010, H.M. Revenue & Customs can in certain circumstances counteract corporation tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by H.M. Revenue & Customs to the Tender Offer, Shareholders who are subject to corporation tax might be liable to corporation tax as if they had received an income amount rather than a capital amount.

These rules apply only in certain circumstances and do not apply where it can be shown that the transaction in question was entered into for genuine commercial reasons or in the ordinary course of making or managing investments and did not involve as one of its main objects the obtaining of a corporation tax advantage. In view of these restrictions on the application of the anti-avoidance provisions, no application has been made to H.M. Revenue & Customs for clearance in respect of the application of Part 15 of the Corporation Tax Act

2010 to the Tender Offer. Shareholders who are within the charge to corporation tax are advised to take independent advice as to the potential application of the above provisions in light of their own particular motives and circumstances.

Similar rules exist in Part 13 Income Tax Act 2007 in relation to income tax advantages. These will only be in point if the Company is a “close company” as defined by the relevant legislation. The Company has been advised that on the basis of its current shareholder profile it is not, and it is not anticipated that it will at any material time become, a close company. However, if material trades in the Company’s Shares take place prior to implementation of the Tender Offer, the Company’s close company status could change. Shareholders who are within the charge to income tax are advised to take independent advice as to the potential application of the above provisions in light of their own particular motives and circumstances.

1.3 Stamp duty and stamp duty reserve tax (“SDRT”)

The sale of Shares pursuant to the Tender Offer will not give rise to any liability to stamp duty or SDRT for the selling Shareholder.

However, stamp duty at a rate of 0.5 per cent. on the Shares repurchased, rounded up to the nearest £5 if necessary, will be payable by the Company both on its Repurchase of Shares from Liberum in connection with the Non-US Tender Offer and on its purchase of Shares from US Shareholders in connection with the US Tender Offer.

2. UNITED STATES

2.1 Introduction

The following is a summary of certain US federal income tax considerations of the tendering of the Shares by a US Shareholder (as defined below) pursuant to the Tender Offer. This summary deals only with beneficial owners of the Shares that are US Shareholders and that hold the Shares as “capital assets” as defined in the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”). This summary does not address non-US, state or local tax considerations. In addition, this summary does not address all tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the Company’s voting power, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under US federal income tax laws (such as financial institutions, insurance companies, regulated investment companies, investors liable for the alternative minimum tax, certain US expatriates, individual retirement accounts and other tax-deferred accounts, real estate investment trusts, partnerships or other pass-through entities, tax-exempt organisations, dealers in securities or currencies, securities traders that elect mark-to-market tax accounting, investors that will hold the Shares as part of constructive sales, straddles, hedging, integrated or conversion transactions for US federal income tax purposes or investors whose “functional currency” is not the US dollar).

For the purposes of this paragraph 2 of Part V of the Circular, the term “US Shareholder” means a beneficial owner of the Shares that is either:

2.1.1 an individual who is a citizen or resident of the United States;

2.1.2 a corporation, or other entity treated as a corporation, created or organised under the laws of the United States, any state thereof or the District of Columbia;

2.1.3 an estate the income of which is subject to US federal income tax without regard to its source; or

2.1.4 a trust if it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust. If a partnership (or other entity treated as a partnership or pass-through entity for US federal income tax purposes) holds the Shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership.

The Company believes that it historically has not been a “controlled foreign corporation” or a “passive foreign investment company” under the Code, and this summary assumes that the Company currently is neither a controlled foreign corporation nor a passive foreign investment company.

2.2 Exchange of shares pursuant to the Tender Offer

A sale of all or part of the Shares held by a US Shareholder for cash pursuant to the Tender Offer will be a taxable transaction. A US Shareholder that participates in the Tender Offer will be treated either:

2.2.1 as recognising gain or loss from the sale of the Shares; or

2.2.2 as receiving a distribution from the Company with respect to the Shares.

Sale or exchange treatment. A US Shareholder will generally recognise a gain or loss on a sale of Shares for cash if the sale results in a “complete termination” of such US Shareholder’s equity interest in the Company, results in a “substantially disproportionate” redemption with respect to such US Shareholder, or is “not essentially equivalent to a dividend” with respect to the US Shareholder. Each of these tests, referred to herein as the “Section 302 tests”, is explained in more detail below.

Substantially disproportionate test. The sale of a US Shareholder’s Shares pursuant to the Tender Offer generally will result in a “substantially disproportionate” redemption with respect to the US Shareholder if, among other things, the percentage of the then-outstanding Shares that is actually and constructively owned by the US Shareholder after the sale is less than 80 per cent. of the percentage of the Shares that were actually and constructively owned by the US Shareholder prior to the sale.

Not essentially equivalent to a dividend test. The sale of a US Shareholder’s Shares pursuant to the Tender Offer will be treated as “not essentially equivalent to a dividend” if the reduction in the US Shareholder’s proportionate interest in the Company as a result of the sale constitutes a “meaningful reduction” of the US Shareholder’s proportionate interest in the Company, given the US Shareholder’s particular circumstances. In general, the question of whether a US Shareholder’s sale of Shares represents a “meaningful reduction” in the US Shareholder’s proportionate interest will depend on the extent of the US Shareholder’s rights to participate in dividends, to receive proceeds upon a liquidation, and to vote and exercise control prior to the sale and the extent to which such rights are reduced as a result of the sale. Contemporaneous dispositions or acquisitions of stock by a shareholder may be deemed to be part of a single integrated transaction and, if so, may be taken into account in determining whether any of the Section 302 tests are satisfied.

Complete termination test. The sale of a US Shareholder’s Shares pursuant to the Tender Offer will result in a “complete termination” of the US Shareholder’s equity interest in the Company if all of the Shares that are actually owned by the US Shareholder are sold, and all of the Shares that are constructively owned by the US Shareholder, if any, are sold (or, with respect to Shares owned by certain related individuals, the US Shareholder satisfies special conditions set forth in the Code, which, if satisfied, prevents attribution of ownership of certain Shares to the US Shareholder).

In applying each of the Section 302 tests explained above, US Shareholders must take into account not only the Shares that they actually own but also the Shares that they are treated as owning under the constructive ownership rules of the Code. Under the constructive ownership rules, a US Shareholder is treated as owning any Shares that are owned (actually and in some cases constructively) by certain related individuals and entities as well as Shares that the US Shareholder has the right to acquire by exercise of an option or by conversion or exchange of a security. Due to the factual nature of the Section 302 tests, US Shareholders should consult their tax advisors to determine whether the tender of their Shares under the Tender Offer qualifies for sale treatment in their particular circumstances.

If a US Shareholder satisfies any of the Section 302 tests above, the US Shareholder will be treated as recognising gain or loss from the sale of the Shares for cash. Such gain or loss will be equal to the difference between the amount of cash received and such US Shareholder’s tax basis in the Shares exchanged therefor. Gain or loss must be determined separately for each “block” of Shares (meaning Shares acquired at the same cost in a single transaction) that is sold to the Company by a US Shareholder.

Distribution Treatment. If a US Shareholder does not satisfy any of the Section 302 tests described above, the US Shareholder will be treated as receiving a distribution from the Company. Distributions out of current and accumulated earnings and profits will be treated as dividends, distributions in excess of current and accumulated earnings and profits will be

treated as a non-taxable return of capital to the extent of the US Shareholder's basis in the Shares and thereafter distributions will be treated as a sale or exchange generating capital gain. The Company does not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. As a result, US Shareholders should therefore assume, if they do not satisfy any of the Section 302 tests listed above, that any distribution received with respect to the purchase of its Shares under the Tender Offer will constitute ordinary dividend income. To the extent that a purchase of a US Shareholder's Shares under the Tender Offer is treated as the receipt by the US Shareholder of a dividend, the US Shareholder's remaining adjusted tax basis in the purchased Shares will be added to the basis of any Shares retained by the US Shareholder. Amounts treated as dividends paid pursuant to the Tender Offer paid in sterling will be included in a US Shareholder's income in a US dollar amount calculated by reference to the exchange rate in effect on the date the amounts are received by such US Shareholder, regardless of whether the payment is in fact converted into US dollars. If the amounts treated as dividends are converted into US dollars on the date of receipt, a US Shareholder generally should not be required to recognise foreign currency gain or loss in respect of the dividend income.

2.3 Information reporting and backup withholding

Information returns may be filed with the US Internal Revenue Service (the "IRS") in connection with Tender Offer proceeds unless a US Shareholder establishes that it is exempt under the information reporting rules. A US Shareholder that does not establish this may be subject to backup withholding on these payments if the US Shareholder fails to provide its taxpayer identification number or otherwise comply with the relevant certification forms or procedures. The amount of any backup withholding from a payment to a US Shareholder will be allowed as a credit against its US federal income tax liability and may entitle the US Shareholder to a refund, provided that the required information is timely furnished to the IRS. Certain US Shareholders (including, among others, corporations) are not subject to backup withholding. US Shareholders should consult their advisers regarding any additional tax reporting or filing requirements they may have as a result of participating in the Tender Offer. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

2.4 Service of process

The Company is incorporated in England and Wales. Its Directors are residents of countries other than the United States. As a result it may not be possible for Shareholders to affect service of process within the United States upon the Company or such Directors or to enforce against any of them judgments of the United States predicated upon the civil liability provisions of the federal securities laws of the United States.

2.5 The Company may be treated as a controlled foreign corporation ("CFC")

As a result of the Tender Offer, the ownership percentage of certain Shareholders may increase or decrease. If after the Tender Offer:

- (a) a US Shareholder owns (directly, indirectly or by attribution) over 10 per cent. of the voting power of the Company after the Tender Offer; and
- (b) US Shareholders collectively own more than 50 per cent. of the Company's voting power or value,

then the Company may be treated as a CFC for United States federal income tax purposes. Shareholders should consult with their tax advisors regarding the risk that the Company is or could be a CFC and the potential consequences of it being a CFC.

2.6 There is risk that the Company currently may be a "passive foreign investment company" (or "PFIC") and/or may be a PFIC going forward

The Company believes that it has not historically been a PFIC for United States federal income tax purposes. A passive foreign investment company is a foreign corporation that meets either of the following two tests:

- (a) the income test, where at least 75 per cent. of the corporation's income is passive income; or

- (b) the assets test, where least 50 per cent. of the corporation's assets are passive assets.

Based on the Company's income from the recent sale of Telecab and its currently held assets, there is risk that the Company currently may be a PFIC and/or may be a PFIC going forward. Notwithstanding its current income and assets, the Company might not be a PFIC under an exception for a company that recently disposed of an active business and establishes or acquires a new active business. Under this exception, the Company will avoid PFIC classification if the following requirements are met:

- (a) neither the Company nor any successor was a PFIC for any prior taxable year;
- (b) the Company establishes to the satisfaction of the IRS that:
 - (i) substantially all of the passive income of the Company for the taxable year is attributable to proceeds from the disposition of an active trade or business; and
 - (ii) the Company will not be a PFIC for either of the first two taxable years following such taxable year; and
- (c) the Company is not a PFIC for either of such first two taxable years.

There can be no assurance that the Company will qualify for this exception. If a US Person is treated as owning an interest in a PFIC, that person may be subject to tax at the highest ordinary income rates in effect during such person's holding period and interest charges upon the event of an excess distribution, meaning distributions and gain from the disposition of stock in the PFIC. Shareholders should consult with their tax advisors regarding the risk that the Company is or could be a PFIC and the potential consequences of it being a PFIC.

The above summary of US federal income tax consequences is for general information only. All Shareholders should consult their tax advisers as to the particular tax consequences to them of participating in the Tender Offer, including the applicability and effect of state, local, non-US, and other tax laws.

3. SPAIN

The following comments do not constitute tax advice and are intended only as a guide to current Spanish tax law and Spanish tax authorities' published practice (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the Spanish tax treatment of individual Shareholders who are resident in Spain for Spanish tax purposes, who are, and will be, the beneficial owners of their Shares and who hold, and will hold, their Shares as investments (and not as assets to be realised in the course of a trade, profession or vocation). They may not relate to certain Shareholders, such as dealers in securities or Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment.

In addition, the present description does not take into account Spanish regional tax regimes in force in the Basque Country and Navarra.

The applicable rules are found in Law 35/2006, dated November 28, 2006, of the Personal Income Tax and its implementing regulations, approved by Royal Decree 439/2007, dated March 30, 2007. All of the above is understood to be without prejudice to changes which may be made in the future to the applicable law.

Shareholders are advised to take independent advice in relation to the tax implications for them of selling Shares pursuant to the Tender Offer.

3.1 Taxation of chargeable gains

The sale of Shares by a Shareholder to Liberum pursuant to the Non-US Tender Offer should be treated as a disposal of those shares giving rise to a capital gain (or loss) for Spanish tax purposes. This may give rise to a chargeable gain (or allowable loss) for the purposes of Personal Income Tax ("*ganancias o pérdidas patrimoniales*").

Such capital gain (or loss) shall be computed into the "savings income taxable base" ("*base imponible del ahorro*") as long as it derives from the transfer of assets.

When the capital gain (or loss) arises from the transfer for a consideration of securities listed on any of the regulated securities markets defined in Directive 2004/39/EC of 21 April 2004 of the European Parliament and the Council, representing the equity of companies or entities

(such as the Shares), the gain or loss shall be calculated as the difference between the acquisition value (tax basis) and the transfer value, determined by the quotation on these markets on the date on which the transfer takes place or by the price agreed by the parties if higher than the quoted price.

In order to determine the tax basis, each shareholder must calculate the acquisition value taking into account any costs incurred in the acquisition of the shares (e.g. brokerage fees) but not including management, custody or advisory fees.

For part disposals of shares owned by any Shareholder please note that the Spanish Personal Income Tax Law provides for a FIFO (first in -first out) system in order to compute the capital gain applicable to the shares sold.

Capital gains and losses derived from the transfer of assets classified as savings income may only be offset against income of the same basket. If there is a net loss, it may be used to offset other savings income (i.e. "*rendimientos del capital mobiliario*" as dividends, interest and income obtained on the transfer of non-equity financial assets such as bonds and other debt securities) up to a limit of 20 per cent. in 2017 (25 per cent. in 2018) of such savings income ("*rendimientos del capital mobiliario*"). If the latter offset results in a loss, it may be carried forward for 4 years in order to offset it against future net capital gains (or even other savings income under the same limits). Carry-back of losses is not allowed.

It is relevant to note that losses from the transfer of quoted shares on a qualifying EU stock exchange shall be deferred and not offset, if the taxpayer acquired similar shares or participations in a period of 2 months before or after the transfer. The deductibility, through its inclusion in the taxable base, is deferred in proportion to the number of shares still held by the taxpayer.

In the case of capital gains subject to taxation, the applicable tax rate to the net income corresponding to the savings income taxable base shall be

3.1.1 19 per cent. for the first €6,000;

3.1.2 21 per cent. between €6,000.01 and €50,000; and

3.1.3 23 per cent. for amounts exceeding €50,000.

The effective tax rate shall depend on the particular circumstances at hand for each individual, such as personal reliefs, deductions, family allowances or other tax credits applicable in each case.

Capital gains arising from the transfer of shares are not subject to withholding tax.

As a general rule, all individuals resident in Spain must file a tax return with respect to their taxable income and simultaneously pay the tax. The Minister of Finance may allow payment by instalments such that the taxpayer pays 60 per cent. of the tax due when he submits the tax return (from April to June both of the following year to which the return refers to) and the remaining 40 per cent. later (usually in November that year) without late payment interest.

The tax return must be filed in the prescribed manner (that is, electronically from 2017) by the due date (usually 30 June) and on the forms that are defined and published every year.

Special regime for impatriates

Finally, natural persons who become resident in Spain as a result of a contract of employment or as administrator of a company in which the taxpayer has less than a 25 per cent. equity interest, may have opted between the Personal Income Tax and the Non-Resident Income Tax for the tax period in which the change of residence occurs and for the five years following so long as they comply with the requirements contained in Article 93 of the Personal Income Tax Law. Under the special regime, if the individual has opted for the application of the Non-Resident Income Tax rules, the capital gain obtained on the transfer of the Shares would not be subject to Spanish taxation.

3.2 Disclosure obligations for foreign assets

Royal Decree 1558/2012 of 15 November 2012 implemented an obligation to disclose assets and rights located abroad over which the taxpayer has the power of disposal.

Taxpayers are obliged to disclose information about their investments abroad in relation to particular types of assets on a yearly basis. This obligation includes, among others, securities or rights representing the capital stock, equity or assets of foreign entities which are held or located abroad.

Taxpayers must record the above information in Form 720. This form must be filed with the Spanish tax authorities in the period between 1 January and 31 March of the year following the tax year subject to the information. Late or incomplete filing may be subject to administrative penalties.

In general terms, this return does not need to be filed when the aggregate value of a particular type of asset, as classified in the Royal Decree 1558/2012, does not exceed €50,000 on 31 December of a given year. If the taxpayer has already been obliged to file this form in previous years disclosing against the Shares, the transfer of the Shares pursuant to the Tender Offer would need to be informed to the Spanish tax authorities by filing a subsequent Form 720 corresponding to the year when the transfer takes place. In any case, the particular circumstances at hand should be confirmed on a case by case basis in order to completely ascertain the information to be disclosed in this Form 720 on the relevant year.

3.3 Stamp duty and transfer tax

The sale of Shares pursuant to the Tender Offer will not give rise to any liability to stamp duty ("*Actos Jurídicos Documentados*") or transfer tax ("*Transmisiones Patrimoniales Onerosas*") for the selling Shareholder.

PART VI

ADDITIONAL INFORMATION

1. DIRECTORS AND REGISTERED OFFICE

The names and principal functions of the Directors are as follows:

Name	Position
Eamonn Francis O'Hare	Chairman and Chief Executive Officer
Robert Walter Samuelson	Executive Director and Chief Operating Officer
Mark Irvine John Brangstrup Watts	Non-Executive Director
Murray John Scott	Independent Non-Executive Director
Ashley Graham Martin	Independent Non-Executive Director
Richard James Williams	Independent Non-Executive Director

The Company was incorporated and registered in England and Wales as a limited company with company number 09395163 on 19 January 2015 under the Companies Act 2006 under the name of Zegona Communications Limited. On 26 February 2015, the Company re-registered as a public company limited by shares under the name of Zegona Communications plc. The Company's registered office is at 20 Buckingham Street, London, WC2N 6EF, United Kingdom.

2. DIRECTORS' INTERESTS

As at 29 August 2017 (being the latest practicable date prior to the publication of this Circular), the interests of the Directors in the issued share capital of the Company (all of whose interests are beneficial) which have been notified by each Director to the Company pursuant to the Disclosure and Transparency Rules were as follows:

Shareholder	Number of Shares	% of issued share capital
Eamonn Francis O'Hare	2,123,870	1.08
Robert Walter Samuelson	801,502	0.41
Murray John Scott	50,000	0.03
Ashley Graham Martin	15,867	0.008
Richard James Williams	12,578 ⁵	0.006
Other senior management	281,736	0.15

3. IRREVOCABLE UNDERTAKINGS RELATING TO THE TENDER OFFER

The Company has received an Irrevocable Undertaking from MAML, in its capacity as agent for and on behalf of its discretionary managed clients, to tender its Tender Offer Entitlement of Shares under the Tender Offer, details of which are below.

Shareholder	Number of Shares held	Number of Shares to be tendered
MAML	50,608,567	18,070,342

The Directors who hold Shares (listed in the table at paragraph 2 above) intend to tender their respective Tender Offer Entitlements under the Tender Offer (representing 1,072,545 Shares in aggregate at the minimum Tender Price of £2 per Share) and to grant irrevocable undertakings to that effect following the publication of the Company's interim financial statements when the Company is no longer in a close period, expected to be 29 September 2017.

⁵ In addition, Richard Williams also holds a long position equivalent to 56,000 Shares through a contract for difference.

4. MATERIAL CONTRACTS

4.1 Put and Call Option Agreement

On 30 August 2017, the Company entered into the Put and Call Option Agreement with Liberum. Pursuant to the terms of the Put and Call Option Agreement, and conditional on the Non-US Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms and to Liberum being registered as the holder of the Shares purchased by Liberum pursuant to the Non-US Tender Offer, the Company has granted a put option to Liberum which, on exercise, obliges the Company to purchase from Liberum at the Tender Price, all the Shares purchased by Liberum pursuant to the Non-US Tender Offer. Also under the Put and Call Option Agreement, Liberum has granted the Company a call option which, on exercise, obliges Liberum to sell to the Company, at the Tender Price, all the Shares purchased by Liberum pursuant to the Non-US Tender Offer.

Under the Put and Call Option Agreement, the Company has the right to compel Liberum at any time before the announcement of the results of the Tender Offer to terminate the Tender Offer if it concludes that:

- (a) the implementation of the Tender Offer and the related Repurchase is no longer in the best interests of the Company and the Shareholders as a whole;
- (b) the purchase of Shares by Liberum and the subsequent Repurchase may have adverse fiscal consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company or its Shareholders as a whole which were previously unexpected; or
- (c) an approach or offer (each having the same meaning as in the Takeover Code) has been or will be made for the Company or Euskaltel.

4.2 Irrevocable Undertaking

MAML has provided an irrevocable undertaking to the Company in connection with the Tender Offer dated 29 August 2017 pursuant to which MAML has undertaken to tender its Tender Offer Entitlement under the Tender Offer and to vote in favour of the Resolutions at the General Meeting. As consideration for such undertakings, the Company has undertaken to procure that a further tender offer is made to Shareholders as soon as reasonably practicable if the Company exercises its rights to terminate the Tender Offer.

4.3 Escrow Agreement

The Company has appointed HSBC Bank plc to act as the escrow agent in connection with the Tender Offer and subsequent repurchase of Shares pursuant to an escrow agreement dated 29 August 2017. Under the terms of the Escrow Agreement the Company will pay the Escrow Amount into an escrow account held by the Escrow Agent. Funds may only be released from the escrow account upon receipt by the Escrow Agent of a joint payment instruction authorised by both the Company and Liberum. The Escrow Agent will receive customary compensation for its services, will be reimbursed by the Company for reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the Tender Offer, including certain liabilities in connection with the Escrow Agreement.

4.4 Agreements relating to the sale of Telecable to Euskaltel

Each of the agreements described in this paragraph 5.4 is governed by Spanish law and the parties thereto have submitted to the jurisdiction of the courts of the city of Madrid.

4.4.1 SPA

The Company and its wholly-owned subsidiary, Zegona Limited, entered into a conditional sale and purchase and share exchange agreement with Euskaltel dated 15 May 2017 and a share transfer deed dated 26 July 2017 to effect the sale by Zegona Limited of Parselaya, S.L.U., the holding company of the Telecable group. The Company has guaranteed the obligations of Zegona Limited under the SPA. The sale was subject to certain conditions which were satisfied or waived and it completed on 26 July 2017.

Cash consideration of approximately €176.7 million was paid at completion but the amount is subject to adjustment depending on the assessed or agreed level of Telecable's working capital and net debt at 30 June 2017. Up to a further €15 million of contingent cash

consideration is payable by Euskaltel to Zegona Limited upon certain tax credits arising and being proven to be useable (the “**Tax Credits**”). In relation to certain of those Tax Credits, the parties have agreed to jointly apply for a ruling from the tax authorities. Zegona Limited has agreed to indemnify Euskaltel for its losses up to the level of the contingent cash consideration to the extent such Tax Credits are later declared void or incapable of being used for any purpose.

In addition to the cash consideration paid by Euskaltel:

- (a) Zegona Limited also received 26.8 million Euskaltel Shares (representing approximately 15 per cent. of the enlarged issued share capital of Euskaltel); and
- (b) prior to completion of the SPA, Zegona Limited was assigned the benefit of loans made to certain members of Telecable’s management team of a total amount of principal and accrued interest of approximately €1.6 million which are fully secured against their holdings of 2,978,704 Shares in the Company.

The SPA contained representations, warranties and indemnities from all parties given at signing and repeated at completion, including in relation to the information provided by each party to the other during the negotiation of the transaction. In addition, the Company and Zegona Limited have entered into the Tax Indemnity Agreement to indemnify Euskaltel against certain tax liabilities, including the Tax Credit Indemnity, which is described in further detail in paragraph 5.4.2 below.

The SPA also contains restrictive covenants which restrict the Company’s potential to operate in Spain currently and for a period of twelve months from the date on which Zegona Limited’s holding in Euskaltel represents less than 8.3 per cent. of Euskaltel’s issued ordinary share capital.

Pursuant to the agreement, for so long as Zegona Limited holds at least 8.3 per cent. of the issued ordinary share capital of Euskaltel, Zegona Limited has the right to appoint one director to the board of directors of Euskaltel. The parties have also agreed that Zegona Limited will not acquire more than 16.5 per cent. of the voting rights in Euskaltel during the twelve months from the date of completion of the transaction, unless such acquisition is from a shareholder holding more than 10% of the issued shares in Euskaltel.

Zegona Limited has agreed to standard lock-in provisions in respect of those Euskaltel Shares issued to it as consideration under the SPA. Notwithstanding such lock-in arrangements, the Company is permitted, on 15 Business Days’ notice to Euskaltel, to distribute Euskaltel Shares *in specie* pro-rata to its own Shareholders at any time.

4.4.2 Tax Indemnity Agreement

The Company, Zegona Limited and Euskaltel entered into a tax indemnity agreement dated 15 May 2017 pursuant to which Zegona Limited has agreed to indemnify Euskaltel in respect of any losses arising from the Spanish tax authorities declaring the Tax Credits void or unusable, whether in whole or in part. The Company has been advised that the risk in relation to the vast majority of such Tax Credits being void or unusable is low.

Zegona Limited’s liabilities under the Tax Indemnity Agreement are capped in respect of one set of Tax Credits (which has been fully insured by Zegona Limited) and in respect of the other set of Tax Credits, Zegona Limited has granted security to Euskaltel by a share pledge over 1,663,158 Euskaltel Shares.

Zegona Limited’s obligations under the Tax Indemnity Agreement are guaranteed by the Company.

4.4.3 Share Pledge Agreement

The Share Pledge Agreement provides security for certain of Zegona Limited’s obligations including under the Tax Credit Indemnity. The pledge is over 2,189,474 of the Euskaltel Shares (representing approximately 8.2 per cent. of the Euskaltel Shares owned by Zegona Limited).

5. INCENTIVE ARRANGEMENTS

The net proceeds returned to Qualifying Shareholders pursuant to the Tender Offer will be treated as a distribution for the purposes of the Company's Management incentive arrangements and Core Investor incentive arrangements, each of which are described in further detail below.

5.1 Management incentive arrangements

Management have been issued shares in Zegona Limited pursuant to their employee arrangements with the Group. These shares give Management the right, subject to certain provisions, to receive upon exercise up to a maximum of 15 per cent. of the growth in value of the Company.

The Management incentive arrangements are subject to Shareholders achieving a Preferred Return of five per cent. per annum on a compounded basis on their Net Invested Capital. The rights attached to the Management Shares may be exercised by Management in the period from 14 August 2018 to 14 August 2020. Management are required to exercise all their rights at a single time during this period. The rights may be exercised prior to that period under certain specific conditions, including a takeover or change of control of the Company, as originally described in the Prospectus.

After an exercise of Management Shares, the Management incentive mechanism will be renewed on a similar basis such that Management will continue to have rights to 15 per cent. of the future growth in value of the Company, subject to Shareholders achieving their Preferred Return of five per cent. per annum. On renewal, Shareholders' Preferred Return will be calculated from a starting baseline of the market capitalisation of the Company on the last date the Management Shares were exercised (provided this is not below the Net Shareholder Invested Capital). Renewal of the Management incentive mechanism is subject to Shareholder approval at the annual general meeting immediately following the date of renewal.

Further details of the Management incentive arrangements are set out in the Prospectus.

5.2 Core Investor incentive arrangements

In recognition of the Core Investor's significant capital commitment to the Company at 19 March 2015, MLTI was issued Core Investor Shares in Zegona Limited shortly after the Company's formation. These shares give MLTI the right, subject to certain provisions, to receive upon exercise up to a maximum of five per cent. of the growth in value of the Company.

The Core Investor incentive arrangements are subject to Shareholders achieving a Preferred Return of 5 per cent. per annum on a compounded basis on their Net Invested Capital. Like the rights attaching to the Management Shares, the rights attached to the Core Investor Shares may be exercised by MLTI in the period from 14 August 2018 to 14 August 2020. The rights may be exercised within the first three years under certain specific conditions, including a takeover or change of control of the Company.

If, on the date that MLTI exercises its Core Investor Shares, the Core Investor holds an Equity Interest in which it has invested in aggregate an amount less than five times the investment cost of the Equity Interest it held at 19 March 2015 (ignoring the effects of the Tender Offer), MLTI will only be entitled to a maximum of three per cent. of the growth in value of the Company.

Further details of the Core Investor incentive arrangements are set out in the Prospectus.

6. SIGNIFICANT CHANGE

Save as set out below, there has been no significant change in the financial or trading position of the Group since 31 December 2016, being the date to which the Company's last audited consolidated financial statements were prepared:

- 6.1** on 17 March 2017 the Company paid an interim dividend of 2.25p on the Shares to holders of Shares on the register on 24 February 2017; and

- 6.2** on 26 July 2017 the Company completed the sale of Telecable to Euskaltel for a cash consideration of €186.5 million⁶ and a 15 per cent. stake in the enlarged Euskaltel group (comprising 26.8 million Euskaltel Shares). The sale resulted in surplus cash on the Company's balance sheet of approximately £140 million (after allowances for ongoing operating costs and working capital). Further details of the terms of the Telecable sale are set out in paragraph 4.4 of this Part VI.

7. WORKING CAPITAL

- 7.1** In order to pay the consideration to which Shareholders are entitled pursuant to valid tenders of Shares accepted by Liberum (and which the Company will then be obliged to Repurchase from Liberum) under the Non-US Tender Offer, or by the Company under the US Tender Offer, the Company will use a significant amount of its available cash and other liquid funds.
- 7.2** Notwithstanding paragraph 7.1 above, the Company is of the opinion that, on the assumption that the Tender Offer results in the full £140 million being returned to Shareholders, the Company has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Circular.

8. TAKEOVER CODE

Under Rule 9 of the Takeover Code, any person or group of persons deemed to be acting in concert who acquires 30 per cent. or more of the voting shares of a company to which the Takeover Code applies is normally required by the Panel to make a general offer to shareholders of that company to acquire their shares. Rule 9 of the Takeover Code also provides that any person or group of persons deemed to be acting in concert who own between 30 per cent. and 50 per cent. of the voting shares of a company to which the Takeover Code applies will be unable, without the Panel's consent, to acquire, either individually or together, any further voting rights in the company without being required to make a general offer to shareholders of that company to acquire their shares.

Under Rule 37.1 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by shareholdings of the Directors and persons acting in concert with them is treated as an acquisition for the purpose of Rule 9. A shareholder not acting in concert with the Directors will not normally incur an obligation to make a general offer under Rule 9, if, as a result of the purchase of its own shares by a company, he comes to exceed the percentage limits set out in Rule 9. However, this exception will not apply when a shareholder not acting in concert with the Directors has purchased shares at a time when he had reason to believe that such a purchase of its own shares by the company would take place.

A Shareholder of the Company not acting in concert with the Directors may, therefore, incur an obligation under Rule 9 to make a general offer to Shareholders to acquire their Shares if, as a result of the purchase by the Company of its own Shares from other Shareholders, he comes to hold or acquire 30 per cent. or more of the Shares in issue following the Tender Offer and he has purchased Shares after 26 July 2017, being the date when he had reason to believe that the Company would purchase its own Shares under the Tender Offer.

Under the Non-US Tender Offer, Liberum will purchase, as principal and not as agent, nominee or trustee, voting shares in the Company which could result in Liberum coming to have an interest in such Shares carrying 30 per cent. or more of the voting rights of the Company. Liberum has indicated its intention that, promptly following such purchase, it will sell all those Shares, acquired pursuant to the Non-US Tender Offer, to the Company for cancellation, and the Company has agreed to buy all such Shares, in both cases on the terms of the Put and Call Option Agreement. Accordingly, a waiver has been obtained from the Panel in respect of the application of Rule 9 of the Takeover Code to the purchase by Liberum of the Shares under the Non-US Tender Offer.

⁶ Prior to adjustments at completion of the transaction. A cash payment was made on completion which represents €176.7 million after initial net debt adjustments, other permitted leakage and certain transactional costs.

9. LEGAL PROCEEDINGS

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) relating to the Company or the Tender Offer.

10. CONSENT

Liberum has given, and not withdrawn, its consent to the inclusion in this Circular of the references to its name in the form and context in which they are included.

PART VII
NOTICE OF GENERAL MEETING
ZEGONA COMMUNICATIONS PLC

Incorporated and registered in England and Wales under number 09395163 (the “Company”)

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL on 22 September 2017 at 11.00 a.m.. You will be asked to consider and, if thought fit, to pass the following resolutions, which will be proposed as special resolutions:

Special Resolutions:

1. THAT, the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006, as amended (the “**Act**”), to make one or more market purchases (as defined by section 693(4) of the Act) of ordinary shares of £0.01 each in the capital of the Company (“**Shares**”), in connection with the Tender Offer as described in the Circular to the Company’s Shareholders dated 30 August 2017 (a copy of which is produced to the meeting and signed for identification purposes by the chairman of the meeting) provided that:
 - (a) the maximum aggregate number of Shares that may be purchased under this authority is 70 million;
 - (b) the Shares will be purchased at a maximum price of £4 per Share; and
 - (c) the authority conferred by this resolution shall expire at the close of business on 21 September 2018.
2. THAT, pursuant to section 21(1) of the Companies Act 2006, the articles of association of the Company be amended by deleting Article 119 in its entirety and inserting the following in its place:

“119. DIVIDENDS NOT IN CASH

119.1 The Company may by ordinary resolution in a general meeting, upon the recommendation of the Directors, direct, that payment of any dividend declared (including interim dividends) may be satisfied wholly or partly by the distribution of non-cash assets of equivalent value, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.

119.2 Notwithstanding Article 119.1 above, to the extent that a distribution consists solely of shares held by the Company in Euskaltel, S.A. or any successor entity of Euskaltel, S.A. from time to time, the Board shall have the power to direct that payment may be satisfied wholly or partly by the distribution of non-cash assets of equivalent value, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.”

119.3 Where any difficulty arises regarding such distribution, the Board may settle it as it thinks fit. In particular, the Board may:

 - 119.3.1 issue fractional certificates (or ignore fractions);
 - 119.3.2 fix the value for distribution of such assets or any part of them and determine that cash payments may be made to any members on the footing of the values so fixed, in order to adjust the rights of members, and
 - 119.3.3 vest any such assets in trustees on trust for the person entitled to the dividend.

BY ORDER OF THE BOARD

Date: 30 August 2017

Company Secretary: Axio Capital Solutions Limited

Registered Office: 20 Buckingham Street, London WC2N 6EF

EXPLANATORY NOTES

Rights to appoint a proxy

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company.
2. A green Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Procedure for appointing a proxy

3. To be valid, the Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand to Capita Asset Services at PSX, 34 Beckenham Road, Beckenham, BR3 4TU no later than 11.00 a.m. on 20 September 2017. It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a copy certified by a notary of such power or authority.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in Note 11 below) will not prevent a Shareholder attending the General Meeting and voting in person if he/she wishes to do so.

Changing or revoking proxy instructions

5. To change your proxy instructions, simply submit a new proxy appointment. Any amended proxy appointment must be received no later than the time referred to in Note 3 above.
6. If you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
7. If you submit more than one valid proxy appointment in respect of the same share for the purposes of the same meeting, the appointment last validly delivered shall prevail in conferring authority on the person named in it to attend the General Meeting and speak and vote. If the Company is unable to determine which instrument was last validly delivered, none of them shall be treated as valid in respect of that share.
8. In order to revoke a proxy instruction you will need to inform the Company by sending notice in writing clearly stating your intention to revoke your proxy appointment to the address referred to in Note 3 (accompanied by the power of attorney or other authority (if any) under which the revocation notice is signed or a copy certified by a notary of such power or authority). The revocation notice must be received no later than 11.00 a.m. on 20 September 2017.
9. If you attempt to revoke your proxy appointment but the revocation is received after the time specified above then your proxy appointment will remain valid.

CREST proxy appointments

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) by 11.00 a.m. on 20 September 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to Euroclear in the manner prescribed by Euroclear. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com/CREST.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

Corporate representatives

14. Any corporation which is a Shareholder can, by resolution of its directors or other governing body, appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder. The corporate representative may be required to produce a certified copy of the resolution so authorising him or such other evidence of his authority before he is permitted to exercise his powers.

Nominated persons

15. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a “**Nominated Person**”) may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy entitled to attend and speak and vote at the General Meeting. Nominated Persons are advised to contact the Shareholder who nominated them for further information on this and the procedure for appointing any such proxy.
16. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the Shareholders who nominated them for further information on this.

Record Date

17. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the register of members of the Company at close of business on 20 September 2017. If the General Meeting is adjourned, the time by which a person must be entered on the

register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is 48 hours before the time fixed for the adjourned General Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

Total voting rights

18. As at 29 August 2017 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 196,044,960 Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 29 August 2017 was 196,044,960. As at 29 August 2017, the Company held no Shares in treasury.

Publication on website

19. A copy of this notice, and other information required by section 311A of the Act, can be found on the Investors section of the Company's website at <http://www.zegona.com/investor-relations/regulatory-news.aspx>.

Communications

20. Except as provided above, members who have general enquiries about the General Meeting should telephone Capita 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. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

