

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this Circular or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser. Shareholders are advised to consult their independent professional advisers regarding their personal tax position.

This Circular relates to the proposed Tender Offer. If you sell or have sold or otherwise transferred all of your Ordinary Shares please forward this Circular (but not the accompanying Tender Form) as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this Circular and the Tender Form, and you should consult with the bank, stockbroker or other agent through whom the sale or transfer was effected. Ordinary Shares may not be tendered in the Tender Offer by guaranteed delivery.

Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this Circular to any jurisdiction outside the United Kingdom should seek appropriate advice before taking any action. The distribution of this Circular and the Tender Form into jurisdictions other than the United Kingdom may be restricted by law. Any person not in the United Kingdom into whose possession this Circular and the Tender Form come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, email, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction. Copies of this Circular and the Tender Form are not being and must not be mailed or otherwise distributed or sent in or into a Restricted Jurisdiction or any other jurisdiction where the mailing of this Circular into or inside such jurisdiction would constitute violation of the laws of such jurisdiction, including to Shareholders with registered addresses in these jurisdictions or to persons whom the Company or Peel Hunt know to be trustees, nominees or custodians holding Ordinary Shares for such persons.

Telecom Plus PLC

(incorporated and registered in England and Wales, No. 03263464)

Proposed return of cash to Shareholders of Telecom Plus PLC by way of a Tender Offer to purchase Ordinary Shares up to a maximum value of £25 million

The return of cash to Shareholders is being implemented by way of a Tender Offer for the Ordinary Shares to be made by Peel Hunt acting as principal and on the terms and subject to the conditions referred to in this Circular. Peel Hunt and the Company have entered into the Option Agreement pursuant to which Peel Hunt has the right to require the Company to purchase from Peel Hunt the Ordinary Shares purchased by it under the Tender Offer at the Tender Offer Price. If Peel Hunt does not exercise its right to require the Company to purchase such Ordinary Shares, the Company has the right to require Peel Hunt to sell such Ordinary Shares to it at the Tender Offer Price.

This document is a circular relating to the Tender Offer which has been prepared in accordance with the Listing Rules. Holders of Ordinary Shares should review this Circular carefully.

The Tender Offer will open on 20 June 2017. The Tender Offer will close at 1 p.m. (UK time) on 30 June 2017, unless extended by means of an announcement made through a Regulatory Information Service. Shareholders who hold their Ordinary Shares in certificated form wishing to tender Ordinary Shares for purchase under the Tender Offer should ensure that their completed Tender Forms are returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 1 p.m. (UK time) on 30 June 2017. Shareholders who hold their Ordinary Shares in certificated form should also return their share

certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered. Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) wishing to tender Ordinary Shares for purchase by Peel Hunt under the Tender Offer should ensure that a TTE Instruction settles by no later than 1 p.m. (UK time) on 30 June 2017.

Ordinary Shares may not be tendered in the Tender Offer by guaranteed delivery.

Your attention is drawn to the letter to Shareholders from the Chairman of the Company, which is set out in Part II of this Circular.

No person has been authorised to give any information or make any representations other than those contained in this Circular and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this Circular shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Circular or that the information in it is correct as of any subsequent time.

Peel Hunt, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as broker in connection with the Tender Offer and the production of this Circular and is not advising, or acting for, any other person and will not be responsible to any person other than the Company for providing the protections afforded to the clients of Peel Hunt or for providing advice in relation to the Tender Offer or any other matters or arrangements referred to or contained in this Circular.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt by FSMA or the regulatory regime established thereunder, Peel Hunt does not accept any responsibility or liability whatsoever for the contents of this Circular, and no representation or warranty, express or implied, is made by Peel Hunt in relation to 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 or the Tender Offer. To the fullest extent permissible Peel Hunt 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 the contents of this Circular or any such statement.

If you have questions on the Tender Offer, please contact the Shareholder Helpline on 0371 664 0321. The Shareholder Helpline is available from 9.00 a.m. to 5.30 p.m. (UK time) Monday to Friday (except UK public holidays). Please note that calls to these numbers may be monitored or recorded for security and training purposes. 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. Different charges may apply to calls made from mobile telephones. Please note that for legal reasons the Shareholder Helpline will only be able to provide information contained in this Circular and Tender Form and will be unable to give advice on the merits of the Tender Offer or to provide legal, financial, investment or taxation advice.

Capitalised terms have the meaning ascribed to them in Part VI of this Circular.

The failure of any person to receive a copy of this Circular or the Tender Form shall not invalidate any aspect of the Tender Offer.

Dated 20 June 2017

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Where to find help

You will find answers to some of the questions most often asked by shareholders about tender offers and the procedure for participating in the Tender Offer in Part III of this Circular.

If you have questions on the Tender Offer, please contact the Shareholder Helpline on 0371 664 0321. The Shareholder Helpline is available from 9.00 a.m. to 5.30 p.m. (UK time) Monday to Friday (except UK public holidays). Please note that calls to these numbers may be monitored or recorded for security and training purposes. 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. Different charges may apply to calls made from mobile telephones.

Please note that for legal reasons the Shareholder Helpline will only be able to provide information contained in this Circular and Tender Form and will be unable to give advice on the merits of the Tender Offer or to provide legal, financial, investment or taxation advice.

Part I
Expected Timetable of Principal Events

Circular sent to Shareholders (together with Tender Forms for Shareholders holding certificated Ordinary Shares)	20 June 2017
Tender Offer opens	20 June 2017
Latest time and date for settlement of TTE Instructions for uncertificated Ordinary Shares	1 p.m. on 30 June 2017
Latest time and date for receipt of Tender Forms and share certificates or other documents of title for tendered certificated Ordinary Shares	1 p.m. on 30 June 2017
Tender Offer Record Date	5 p.m. on 30 June 2017
Announcement of Tender Offer Price and results of Tender Offer	by 7 a.m. on 3 July 2017
Purchase of Ordinary Shares under the Tender Offer	3 July 2017
CREST accounts credited with Tender Offer proceeds in respect of uncertificated Ordinary Shares	by 10 July 2017
CREST accounts credited for revised holdings of Ordinary Shares (or, in the case of unsuccessful tenders, for entire holdings of Ordinary Shares)	by 10 July 2017
Despatch of cheques for Tender Offer proceeds in respect of certificated Ordinary Shares	by 10 July 2017
Return of share certificates in respect of unsuccessful tenders in respect of certificated Ordinary Shares	by 10 July 2017
Despatch of balance share certificates in respect of unsold Ordinary Shares in certificated form	by 10 July 2017

Notes:

Future dates are indicative only and may be subject to change by the Company, in which event details of the new times and dates will be notified through a Regulatory Information Service.

References to times in this timetable are to UK time unless otherwise stated.

Part II
Letter from the Chairman of Telecom Plus PLC
*(incorporated and registered in England and Wales with
Registered No. 03263464)*

Network HQ
508 Edgware Road, The Hyde
London, NW9 5AB

Directors

Charles Wigoder (Executive Chairman)
Andrew Lindsay MBE (Chief Executive Officer)
Nick Schoenfeld (Chief Financial Officer)
Julian Schild (Deputy Chairman and Senior Non-Executive Director)
Andrew Blowers OBE (Non-Executive Director)
Beatrice Hollond (Non-Executive Director)
Melvin Lawson (Non-Executive Director)

20 June 2017

To all Shareholders

Dear Shareholder

TENDER OFFER TO PURCHASE ORDINARY SHARES

1. Introduction

On 13 June 2017, the Company announced that it intends to return up to £25 million to Shareholders by way of a tender offer (and subsequent repurchase) of Ordinary Shares.

This Circular sets out additional information on the details of the Tender Offer and the procedure that should be followed by those Shareholders who wish to participate in the Tender Offer.

The Tender Offer is being made available to all Shareholders who are on the Register at 5 p.m. (UK time) on 30 June 2017 ("**Record Date**"), other than Shareholders in a Restricted Jurisdiction. The Tender Offer Price will be the lower of (i) £12.03 (being the closing price per Ordinary Share on 19 June 2017, the last practicable date prior to the date of this Circular) and (ii) the average market value of an Ordinary Share for the five Business Days prior to 3 July 2017 (being the date on which the Ordinary Shares are to be purchased).

Any Ordinary Shares successfully tendered will be purchased on 3 July 2017 and will not receive the Final Dividend.

Shareholders are not obliged to tender any of their Ordinary Shares if they do not wish to do so.

Each Director that holds Ordinary Shares (representing, in aggregate, approximately 23.3 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares) as at 19 June 2017) has confirmed that they will not participate in the Tender Offer (other than Andrew Lindsay, who has reserved the right to tender up to a maximum of 70,000 Ordinary Shares).

2. Tender Offer

2.1 Benefits of the Tender Offer

The Board has considered various options for returning cash to Shareholders and determined that the Tender Offer, together with the subsequent repurchase of Ordinary Shares, would be the most appropriate means of returning cash to Shareholders. In particular, the Tender Offer:

- (A) provides those Shareholders who wish to sell Ordinary Shares with the opportunity to do so;
- (B) enables those Shareholders who do not wish to receive cash at this time to maintain their full investment in the Company;
- (C) is available to all Shareholders regardless of the size of their shareholdings; and
- (D) allows the Company to broaden the scope of the return of capital to include Ordinary Shares held by those Shareholders whose Ordinary Shares might not be purchased by the Company through a share purchase programme in the market.

2.2 Existing Authority

By a resolution passed at the 2016 AGM, the Company was authorised to make one or more market purchases of fully paid Ordinary Shares, provided that:

- (A) the maximum aggregate number of Ordinary Shares that may be purchased is 8,025,835 Ordinary Shares (representing approximately 10 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares) as at 17 June 2016 (the last practicable date before publication of the 2016 AGM notice) and as at 19 June 2017 (the last practicable date prior to the date of this Circular));
- (B) the minimum price (exclusive of expenses payable by the Company) which may be paid for an Ordinary Share is 5 pence; and
- (C) the maximum price (exclusive of expenses payable by the Company) which may be paid for an Ordinary Share shall not be more than the higher of 105 per cent. of the average market value of an Ordinary Share for the five Business Days prior to the day on which the Ordinary Share is contracted to be

purchased, and the value of an Ordinary Share calculated on the basis of the higher of the last independent trade of, or the highest current independent bid for, any number of Ordinary Shares on the trading venue where the market purchase by the Company will be carried out.

2.3 *Structure of the Tender Offer*

The Tender Offer is being made available to all Shareholders who are on the Register at the Record Date, other than Shareholders in a Restricted Jurisdiction. **Shareholders can decide whether they want to tender all, some or none of their Ordinary Shares in the Tender Offer.**

The Tender Offer will be implemented on the basis of Peel Hunt acquiring, as principal, the successfully tendered Ordinary Shares at the Tender Offer Price. In turn, Peel Hunt has the right to require the Company to purchase such Ordinary Shares from it at the same price under the Option Agreement. If Peel Hunt does not exercise this right, the Company has the right to require Peel Hunt to sell such Ordinary Shares to it at the same price.

Any Ordinary Shares purchased by the Company from Peel Hunt following the purchase by Peel Hunt will be cancelled and will not rank for future dividends (including the Final Dividend). Any rights of Shareholders who choose not to tender their Ordinary Shares will be unaffected.

The maximum aggregate consideration to be paid by Peel Hunt in respect of the Tender Offer shall not exceed £25 million.

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.

2.4 *Calculating the Tender Offer Price*

The Tender Offer Price will be the lower of (i) £12.03 (being the closing price per Ordinary Share on 19 June 2017, the last practicable date prior to the date of this Circular) and (ii) the average market value of an Ordinary Share for the five Business Days prior to 3 July 2017 (being the date on which the Ordinary Shares are to be purchased).

The Tender Offer Price will be calculated at closing of the Tender Offer and will be announced on 3 July 2017.

2.5 *Calculating the number of Ordinary Shares to which the Tender Offer will apply*

Under the Existing Authority, the maximum number of Ordinary Shares that may be purchased under the Tender Offer is 8,025,835 Ordinary Shares (representing approximately 10 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares) as at 19 June 2017 (the last practicable date prior to the date of this Circular)).

The number of Ordinary Shares subject to the Tender Offer (and the subsequent repurchase) will be calculated by dividing the aggregate consideration to be paid by Peel Hunt in respect of the Tender Offer by the Tender Offer Price. This number, as a percentage of the Company's issued Ordinary Share capital (excluding treasury shares) at the Record Date, represents the "**Individual Basic Entitlement**" under the Tender Offer.

Each Shareholder is entitled to tender a percentage of that Shareholder's holding equal to (or less than, if they so choose) the Individual Basic Entitlement. Shareholders will also be entitled to apply to tender Ordinary Shares above their Individual Basic Entitlement and, to the extent that other Shareholders do not tender up to their Individual Basic Entitlement, such applications will be satisfied proportionately to other excess applications.

By way of example, based on a Tender Offer Price of £12.03 and the full £25 million being returned to Shareholders, 2,078,137 Ordinary Shares would be purchased (representing approximately 2.582 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares) as at 19 June 2017). On this basis, the Individual Basic Entitlement would be 2.582 per cent. and a Shareholder holding 1,000 Ordinary Shares would therefore be entitled to tender 25 Ordinary Shares (being 25.82 Ordinary Shares rounded down to the nearest whole number).

Please refer to Part III of this Circular for additional information, including worked examples of calculations of the Individual Basic Entitlement and treatment of excess applications.

2.6 *Circumstances in which the Tender Offer may not proceed*

The Tender Offer is conditional on receipt of valid tenders in respect of at least 80,482 Ordinary Shares (representing approximately 0.1 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares) as at 19 June 2017) by 1 p.m. (UK time) on 30 June 2017.

The Company has reserved the right at any time prior to the announcement of the results of the Tender Offer, with the prior consent of Peel Hunt, to extend the period during which the Tender Offer is open and/or vary the aggregate value of the Tender Offer, based on market conditions and/or other factors, subject to compliance with applicable legal and regulatory requirements. The Company has also reserved the right, in certain circumstances, to require Peel Hunt not to proceed with the Tender Offer. Any such decision will be announced by the Company through a Regulatory Information Service.

3. **Tax**

A guide to certain UK tax consequences of the Tender Offer for Shareholders under current UK law and HM Revenue & Customs practice is set out in Part V of this Circular.

Shareholders who are subject to tax in a jurisdiction other than the UK, or who are in any doubt as to the potential tax consequences of tendering their Ordinary Shares under the Tender Offer, are strongly recommended to consult their own

independent professional advisers before tendering their Ordinary Shares under the Tender Offer.

4. Overseas Shareholders

The attention of Overseas Shareholders (being Shareholders who are resident in, or who are nationals or citizens of, a jurisdiction outside the United Kingdom) is drawn to paragraph 6 of Part IV of this Circular.

5. Actions to be taken if you wish to participate in the Tender Offer

The Tender Offer will open on 20 June 2017 and close at 1 p.m. (UK time) on 30 June 2017. Shareholders are reminded that the Tender Offer is not being made to Shareholders in a Restricted Jurisdiction.

The procedure for tendering your Ordinary Shares depends on whether your Ordinary Shares are held in certificated form or uncertificated form. Please refer to paragraph 3 of Part IV of this Circular for details of the procedure relevant to your Ordinary Shares. If you have any questions about the procedure for tendering Ordinary Shares, making a TTE Instruction once the Tender Offer opens, or if you would like help filling in the Tender Form, please contact the Shareholder Helpline on 0371 664 0321, further details of which are set out on page 3 of this Circular.

Shareholders who do not wish to participate in the Tender Offer do not need to take any action, either in relation to the Tender Form or making a TTE Instruction.

The Board makes no recommendation to Shareholders in relation to participation in the Tender Offer. Whether or not Shareholders decide to tender all or any of their Ordinary Shares will depend, among other things, on their view of the Company's prospects and their own individual circumstances, including their tax position. Shareholders should make their own decision in respect of participation in the Tender Offer and are recommended to consult their independent professional advisers.

Each Director that holds Ordinary Shares (representing, in aggregate, approximately 23.3 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares) as at 19 June 2017) has confirmed that they will not participate in the Tender Offer (other than Andrew Lindsay, who has reserved the right to tender up to a maximum of 70,000 Ordinary Shares).

Yours faithfully

Charles Wigoder
Executive Chairman

Part III

Questions and Answers on the Tender Offer

*To help you understand what is involved in the Tender Offer we have 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.** Part IV of this Circular sets out the detailed terms and conditions of the Tender Offer. A list of defined terms is set out in Part VI of this Circular.*

In the event of any inconsistency between the contents of this Part III and the terms and conditions set out in Part IV of this Circular, the terms and conditions set out in Part IV of this Circular shall prevail.

Why am I receiving this Circular?

On 13 June 2017, the Company announced that it intends to return up to £25 million to Shareholders by way of a tender offer (and subsequent repurchase) of Ordinary Shares.

This Circular sets out information on the details of the Tender Offer and the procedure for participating, should you wish to do so.

What other documents should I have received?

All Shareholders (other than Shareholders in a Restricted Jurisdiction) should receive this Circular.

In addition, Shareholders who hold their Ordinary Shares in **certificated form** (and who are not in a Restricted Jurisdiction) should also receive a Tender Form and a prepaid envelope to return the Tender Form (for use in the UK) together with this Circular. If you hold your Ordinary Shares in certificated form and have not received the Tender Form, please call the Shareholder Helpline on 0371 664 0321, further details of which are set out on page 3 of this Circular.

Shareholders who hold their Ordinary Shares in **uncertificated form** (i.e. in **CREST**) will not receive a Tender Form.

What do I need to do next?

You should consider whether you want to tender all or any of your Ordinary Shares.

The procedure for tendering your Ordinary Shares depends on whether your Ordinary Shares are held in certificated form or uncertificated form. Please refer to paragraph 3 of Part IV of this Circular for details of the procedure relevant to your Ordinary Shares.

In summary, if you hold your Ordinary Shares in **certificated form** and you wish to tender some or all of your Ordinary Shares, you should complete the Tender Form in accordance with the instructions printed on it and as set out in paragraph 3 of Part IV of this Circular, and return it by post in the accompanying reply-paid envelope (for use in the UK only) or by hand to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, together with your share certificate(s) and/or document(s) of title in respect of the Ordinary Shares tendered.

If you hold your Ordinary Shares in **uncertificated form** and you wish to tender some or all of your Ordinary Shares, you should send a TTE Instruction and follow the procedures set out in paragraph 3 of Part IV of this Circular.

Completed Tender Forms and/or TTE Instructions (as appropriate) **must be received by Capita by no later than 1 p.m. (UK time) on 30 June 2017** after which time Tender Forms and/or TTE Instructions (as appropriate) will not be accepted (unless the Tender Offer is extended).

Why has the Company chosen a Tender Offer (and subsequent repurchase) as a way of returning money to Shareholders?

The Board considered various options for returning cash to Shareholders and determined that the Tender Offer, together with the subsequent repurchase of Ordinary Shares, would be the most appropriate means of returning cash to Shareholders. Shareholders should refer to paragraph 2.1 of Part II of this Circular where the benefits of the Tender Offer are considered.

Who is eligible to participate in the Tender Offer?

All Shareholders who are on the Register at the Record Date, other than Shareholders in a Restricted Jurisdiction, are eligible to participate in the Tender Offer.

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 Part IV of this Circular. For legal reasons, we are unable to offer Shareholders in a Restricted Jurisdiction the ability to participate in the Tender Offer.

What price will I receive if I tender my Ordinary Shares?

All Ordinary Shares successfully tendered in the Tender Offer will receive the same price per share, being the Tender Offer Price.

The Tender Offer Price will be the lower of (i) £12.03 (being the closing price per Ordinary Share on 19 June 2017, the last practicable date prior to the date of this Circular) and (ii) the average market value of an Ordinary Share for the five Business Days prior to 3 July 2017 (being the date on which the Ordinary Shares are to be purchased). The Tender Offer Price will be calculated at closing of the Tender Offer and will be announced on 3 July 2017.

Will I still be eligible for the Final Dividend if I tender my Ordinary Shares?

No. The ex-dividend date for the Final Dividend is 6 July 2017. Ordinary Shares will be purchased pursuant to the Tender Offer on 3 July 2017. As such, any Ordinary Shares tendered in the Tender Offer will not receive the Final Dividend.

Will all of the Ordinary Shares I tender be purchased?

Each Shareholder is entitled to tender a percentage of that Shareholder's holding equal to (or less than, if they so choose) the Individual Basic Entitlement. If a Shareholder validly tenders a number of Ordinary Shares less than or equal to the Individual Basic Entitlement, the tender will

be satisfied in full (subject to the Tender Offer not being terminated or lapsing prior to its completion and satisfaction of the other terms and conditions set out in Part IV of this Circular and (where relevant) the Tender Form).

Shareholders will also be entitled to apply to tender Ordinary Shares above their Individual Basic Entitlement and, to the extent that other Shareholders do not tender up to their Individual Basic Entitlement, such applications will be satisfied proportionately to other excess applications.

Worked examples of calculations of the Individual Basic Entitlement and satisfaction of excess applications respectively are set out below.

Example – Individual Basic Entitlement

By way of example, based on a Tender Offer Price of £12.03 and the full £25 million being returned to Shareholders, 2,078,137 Ordinary Shares would be purchased (representing approximately 2.582 per cent. of the Company's issued Ordinary Share capital (excluding treasury shares) as at 19 June 2017. On this basis, the Individual Basic Entitlement would be 2.582 per cent. and a Shareholder holding 1,000 Ordinary Shares would therefore be entitled to tender 25 Ordinary Shares (being 25.82 Ordinary Shares rounded down to the nearest whole number).

Example – excess applications

Consider the following scenario (in which, for illustrative purposes, there are three Shareholders each holding 1,000 Ordinary Shares and the Individual Basic Entitlement is 2.5%).

Shareholder X tenders 51 Ordinary Shares, Shareholder Y tenders 32 Ordinary Shares and Shareholder Z does not tender any Ordinary Shares.

Shareholder X and Shareholder Y have tendered a number of Ordinary Shares in **excess** of the Individual Basic Entitlement of 2.5% (being 25 Ordinary Shares each, based on a shareholding of 1,000 Ordinary Shares). Shareholder X has tendered 26 Ordinary Shares in excess of the Individual Basic Entitlement and Shareholder Y has tendered 7 Ordinary Shares in excess of the Individual Basic Entitlement. The number of "Total Excess Tenders" is therefore $26 + 7 = 33$ Ordinary Shares.

Shareholder Z has tendered **less than** the Individual Basic Entitlement of 2.5%. There is therefore an unused portion of 25 Ordinary Shares, which is the "Total Available Shares" to be allocated between the excess tenders by Shareholder X and Shareholder Y respectively.

Given that the Total Excess Tenders (33 Ordinary Shares) exceeds Total Available Shares (25 Ordinary Shares), the excess tenders by Shareholder X and Shareholder Y cannot be satisfied in full. Instead, the excess tenders will be scaled-back using the following ratio:

$$\frac{\text{Total Available Shares}}{\text{Total Excess Tenders}} = \frac{25}{33} = 0.758$$

Excess tenders calculated using the ratio above will be rounded down to the nearest whole number of Ordinary Shares (and fractional entitlements will not be allocated and will be

disregarded). As such, in addition to the Individual Basic Entitlement of 25 Ordinary Shares for each of Shareholder X and Shareholder Y, Shareholder X will also receive $0.758 \times 26 = 19.71$ Ordinary Shares (being 19.7 Ordinary Shares rounded down to the nearest whole number) and Shareholder Y will also receive $0.758 \times 7 = 5$ Ordinary Shares (being 5.31 Ordinary Shares rounded down to the nearest whole number).

For further information, please see the formula set out in paragraph 2.13 of Part IV of this Circular.

What is the maximum number of Ordinary Shares that I can tender?

You can tender all of the Ordinary Shares which are held by you at the Record Date. If you tender more Ordinary Shares than you hold at the Record Date, you will be deemed to have tendered the number of Ordinary Shares you actually own on the Record Date.

You should note, however, that Peel Hunt has absolute discretion in determining the validity of tenders. The decision of Peel Hunt as to which Ordinary Shares have been validly tendered will be final and binding on all Shareholders.

Please note that even if you tender the maximum number of Ordinary Shares possible, the amount to be purchased from you may be scaled-back as described above.

Can I tender some, but not all, of my Ordinary Shares?

Yes. You can tender some, rather than all, of your Ordinary Shares.

Do I have to tender my Ordinary Shares?

No. You are not obliged to tender any of your Ordinary Shares. If you choose not to tender any Ordinary Shares, you will not receive any proceeds under the Tender Offer.

If you choose not to tender any Ordinary Shares and the Tender Offer and the subsequent repurchase of Ordinary Shares successfully takes place, the issued Ordinary Share capital of the Company will decrease. You will therefore end up owning a greater percentage of the issued Ordinary Share capital of the Company.

Can I tender my Ordinary Shares by guaranteed delivery?

No. Ordinary Shares may not be tendered by guaranteed delivery.

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

The Tender Offer is being made by Peel Hunt acting as principal. Peel Hunt and the Company have entered into the Option Agreement pursuant to which Peel Hunt has the right to require the Company to purchase from Peel Hunt the Ordinary Shares purchased by it under the Tender Offer, and the Company has the right to require Peel Hunt to sell the Ordinary Shares purchased by it under the Tender Offer, in each case at the Tender Offer Price.

It is the Company's intention that the Ordinary Shares that are successfully tendered to Peel Hunt and subsequently purchased by the Company pursuant to the Option Agreement will be cancelled.

When will I receive payment for any Ordinary Shares I have tendered?

If you hold shares in certificated form and successfully submit a Tender Form, it is expected that a cheque will be posted to you on 10 July 2017. If you hold shares in uncertificated form, it is expected that your CREST account will be credited on 10 July 2017.

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, in accordance with the instructions on the Tender Form. You should then phone the Shareholder Helpline on 0371 664 0321, further details of which are set out on page 3 of this Circular, or write to Capita 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 immediately.

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

You should follow the directions provided by your broker or other nominee regarding how to instruct them to tender your Ordinary Shares.

Can I withdraw my tender?

No. Once you have tendered your Ordinary Shares the instruction to do so is irrevocable.

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

The Tender Offer is subject to the terms and conditions set out in Part IV of this Circular. If the Conditions described in paragraph 2.1 of Part IV of this Circular are not satisfied or waived, the Tender Offer will not proceed. The Company has also reserved the right, at any time prior to the announcement of the results of the Tender Offer, to require Peel Hunt not to proceed with the Tender Offer if it concludes that the implementation of the Tender Offer is no longer in the best interests of the Company and/or the Shareholders as a whole.

Any such decision will be announced by the Company through a Regulatory Information Service.

Do I have to pay any costs and expenses?

No. None of the Company, Peel Hunt or Capita is imposing any fees in connection with the Tender Offer. If you own your Ordinary Shares through a bank, broker, dealer, trust company or other nominee and such person tenders your Ordinary Shares on your behalf, they 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.

What is the tax treatment for Shareholders?

For information on certain UK tax 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, you should consult your independent professional adviser.

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

You may trade your Ordinary Shares in the normal way after you receive this Circular, including during the Tender Offer period. If you have sold or otherwise transferred all of your Ordinary Shares, please forward this Circular 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 in a Restricted Jurisdiction). If you have sold part of your holding of Ordinary 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.

Do not forward your personalised Tender Form.

Please note that you are only able to participate in the Tender Offer in respect of the number of Ordinary Shares registered in your name on the Record Date. Therefore, if you sell your Ordinary Shares prior to the Record Date, you will not be able to participate in the Tender Offer (and will not receive any Tender Offer proceeds) in respect of those Ordinary Shares.

What if I have any more questions?

If you have read this Circular and still have questions, we have set up a Shareholder Helpline on 0371 664 0321, further details of which are set out on page 3 of this Circular.

Part IV
Details of the Tender Offer

1. INTRODUCTION

- 1.1 Shareholders on the Register on the Record Date (other than Shareholders in a Restricted Jurisdiction) are hereby invited to tender Ordinary Shares for purchase by Peel Hunt on the terms and subject to the conditions set out in this Circular and, in the case of Shareholders holding certificated Ordinary Shares, the Tender Form.
- 1.2 Shareholders do not have to tender any Ordinary Shares if they do not wish to do so. The rights of Shareholders who choose not to tender their Ordinary Shares will be unaffected.
- 1.3 Under the Option Agreement, the Company has granted to Peel Hunt a put option, pursuant to which, if exercised, the Company is obliged to purchase from Peel Hunt, at the Tender Offer Price, the Ordinary Shares purchased by Peel Hunt pursuant to the Tender Offer. Peel Hunt has granted a call option to the Company under the Option Agreement, exercisable if Peel Hunt does not exercise its put option, which, on exercise, obliges Peel Hunt to sell to the Company, at the Tender Offer Price, the Ordinary Shares purchased by Peel Hunt pursuant to the Tender Offer.
- 1.4 All of the Ordinary Shares purchased by the Company under the Option Agreement will be cancelled.

2. TERMS AND CONDITIONS OF THE TENDER OFFER

- 2.1 The Tender Offer is conditional on the following conditions (each a “**Condition**” and together the “**Conditions**”):
- (A) the receipt of valid tenders in respect of at least 80,482 Ordinary Shares (representing approximately 0.1 per cent. of the Company’s issued Ordinary Share capital (excluding treasury shares) as at 19 June 2017, the last practicable date prior to the date of this Circular) by 1 p.m. (UK time) on 30 June 2017 (unless the Tender Offer is extended);
- (B) the Tender Offer not having been terminated in accordance with paragraph 2.22 of this Part IV; and
- (C) Peel Hunt being satisfied, acting reasonably, that, at all times up to the time immediately prior to the announcement of the results of the Tender Offer, the Company has complied with its obligations in all material respects and is not in breach of any of the warranties or representations given by it under the Option Agreement in connection with the Tender Offer.

Peel Hunt will not purchase the Ordinary Shares pursuant to the Tender Offer unless all of the Conditions have been satisfied or, as provided below, waived. In the event that the Condition set out in paragraph 2.1(A) is not satisfied, the Company shall be entitled in its sole discretion to waive such Condition and to elect to proceed with the implementation of the Tender Offer. In the event that the Condition set out in paragraph

- 2.1(C) is not satisfied, Peel Hunt shall be entitled in its sole discretion to waive such Condition and to elect to proceed with the implementation of the Tender Offer. If the Conditions are not satisfied or waived by 7 a.m. (UK time) on 3 July 2017 (unless the Tender Offer is extended), the Tender Offer will lapse.
- 2.2 All Ordinary Shares tendered by Shareholders under the Tender Offer will be tendered at the Tender Offer Price. For the purposes of calculating the Tender Offer Price, the “average market value” of an Ordinary Share shall be the average closing middle market price per Ordinary Share as derived from the Daily Official List of the London Stock Exchange, rounded down to the nearest whole penny. Ordinary Shares may not be tendered at any price other than the Tender Offer Price.
- 2.3 The maximum aggregate consideration to be paid by Peel Hunt in respect of the Tender Offer shall not exceed £25 million.
- 2.4 The maximum number of Ordinary Shares that may be purchased under the Tender Offer shall be 8,025,835 Ordinary Shares (representing approximately 10 per cent. of the Company’s issued Ordinary Share capital (excluding treasury shares) as at 19 June 2017 (being the last practicable date prior to the date of this Circular)).
- 2.5 The number of Ordinary Shares subject to the Tender Offer (and the subsequent repurchase) will be calculated by dividing the aggregate consideration to be paid by Peel Hunt in respect of the Tender Offer by the Tender Offer Price. This number, as a percentage of the Company’s issued Ordinary Share capital (excluding treasury shares) at the Record Date, represents the “**Individual Basic Entitlement**” under the Tender Offer.
- 2.6 The Tender Offer is available only to Shareholders on the Register on the Record Date (other than Shareholders in a Restricted Jurisdiction) and in respect of the number of Ordinary Shares registered in those Shareholders’ names at such time. The total number of Ordinary Shares tendered by any Shareholder must not exceed the total number of Ordinary Shares held by that Shareholder on the Record Date.
- 2.7 Tenders in respect of certificated or uncertificated Ordinary Shares are irrevocable and may not be withdrawn in any circumstances.
- 2.8 Subject to paragraph 2.24 of this Part IV, the Tender Offer will close at 1 p.m. (UK time) on 30 June 2017 and no tenders received after that time will be accepted.
- 2.9 All or any part of a holding of Ordinary Shares may be tendered. Only whole numbers of Ordinary Shares may be tendered.
- 2.10 Ordinary Shares successfully tendered will be sold to Peel Hunt fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same. Upon exercise by Peel Hunt of the put option, or the exercise by the Company of the call option, in each case in accordance with the terms and subject to the conditions of the Option Agreement, Ordinary Shares successfully tendered under the Tender Offer (or a corresponding number of Ordinary Shares) will be sold by Peel Hunt to the Company through the facilities of the London Stock Exchange and will subsequently be cancelled and will not rank for any dividends (including the Final

Dividend), distribution or other equity related rights declared by the Company after that date.

2.11 Tenders in respect of Ordinary Shares must be made in the following ways:

- (A) tenders in respect of Ordinary Shares held in **certificated form** must be made on the Tender Form, duly completed in accordance with the instructions set out below and on the Tender Form itself which together constitute part of the terms of the Tender Offer. Such tenders will be valid only if the procedures contained in this Circular and in the Tender Form are complied with; and
- (B) tenders in respect of Ordinary Shares held in **uncertificated form** (that is, in CREST) must be made by the input and settlement of a TTE Instruction in CREST in accordance with the instructions set out in this Part IV and the relevant procedures in the CREST Manual which together constitute part of the terms of the Tender Offer. Such tenders will be valid only if the procedures contained in this Circular and in the relevant parts of the CREST Manual are complied with.

The Tender Offer and all tenders will be governed by, and construed in accordance with, English law. Delivery of a Tender Form or the input of a TTE Instruction in CREST, as applicable, will constitute submission to the jurisdiction of the English courts in respect of all matters arising out of or in connection with the Tender Offer (including the Tender Form).

2.12 Subject to paragraph 2.24 of this Part IV, the results of the Tender Offer and, if applicable, any entitlement to tender more than the Individual Basic Entitlement, will be announced on 3 July 2017.

2.13 Under the Tender Offer and subject to the terms and conditions set out in this Part IV, and (where relevant) the Tender Form, Shareholders will be entitled to sell to Peel Hunt a percentage of their Ordinary Shares equal to their Individual Basic Entitlement. Shareholders may tender a number of Ordinary Shares representing more or less than their Individual Basic Entitlement. The Individual Basic Entitlement will depend on the Tender Offer Price, as described in paragraph 2.5 above.

If a Shareholder validly tenders a number of Ordinary Shares less than or equal to the Individual Basic Entitlement, the tender will be satisfied in full (subject to the Tender Offer not being terminated or lapsing prior to its completion and satisfaction of the other terms and conditions set out in Part IV of this Circular and (where relevant) the Tender Form).

If:

- (A) any Shareholder validly tenders a number of Ordinary Shares in excess of the Individual Basic Entitlement (each, an “**Individual Excess Tender**” and, in aggregate, the “**Total Excess Tenders**”); and
- (B) any Shareholder validly tenders a number of Ordinary Shares less than the Individual Basic Entitlement or has not validly tendered any Ordinary Shares,

which, upon aggregation of all the unused portions of Individual Basic Entitlements, results in a pool of Ordinary Shares available to be allocated between the Individual Excess Tenders (in aggregate, the “**Total Available Shares**”),

then the Total Available Shares shall be allocated between the Individual Excess Tenders as follows:

- (C) if the Total Excess Tenders exceed the Total Available Shares, all Individual Excess Tenders will be scaled-back by application of the following ratio, provided that the number of Total Available Shares shall be capped such that the total number of Ordinary Shares purchased pursuant to the Tender Offer does not exceed 8,025,835 Ordinary Shares:

$$\frac{\text{Total Available Shares}}{\text{Total Excess Tenders}}$$

- (D) if the Total Excess Tenders are less than or equal to the Total Available Shares, all Individual Excess Tenders will be satisfied in full.

2.14 Should any fractions arise from any scaling back, the number of Ordinary Shares accepted shall be rounded down to the nearest whole number of Ordinary Shares (and fractional entitlements will not be allocated and will be disregarded).

2.15 All Ordinary Shares successfully tendered will be purchased by Peel Hunt, as principal and not as agent, nominee or trustee, at the Tender Offer Price.

2.16 All documents and remittances sent by or to Shareholders and all instructions made by or on behalf of a Shareholder in CREST will be sent or made (as the case may be) at the risk of the person entitled thereto. If the Tender Offer does not become unconditional, or does not proceed, and lapses:

(A) in respect of Ordinary Shares held in certificated form, Tender Forms, share certificates and other documents of title will be returned by post promptly after the date of such lapse; or

(B) in respect of Ordinary Shares held in uncertificated form (that is, in CREST), the escrow agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow balances by TFE Instruction to the original available balances to which those Ordinary Shares relate.

2.17 If only part of a holding of Ordinary Shares is successfully tendered pursuant to the Tender Offer, the relevant Shareholder will be entitled to receive the following:

(A) for Ordinary Shares held in certificated form, a balance share certificate in respect of the unsold Ordinary Shares; or

(B) for Ordinary Shares held in uncertificated form (that is, in CREST), the transfer by the escrow agent by TFE Instruction to the original available balances of the

unsold Ordinary Shares or the credit of the balance of the unsold Ordinary Shares by the escrow agent by an ARAN message.

- 2.18 Additional copies of the Tender Form will be available on request from the Shareholder Helpline on 0371 664 0321, further details of which are set out on page 3 of this Circular, or from Capita at Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
- 2.19 All questions as to the number of Ordinary Shares tendered, the price to be paid therefor and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares will be determined by Peel Hunt, in its sole discretion, which determination shall be final and binding on all of the parties (except as otherwise required under applicable law). Peel Hunt reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance or payment for which may, in the opinion of Peel Hunt, be unlawful. Peel Hunt also reserves the absolute right to waive any defect or irregularity in the tender of any particular Ordinary Share or any particular holder thereof. Unless Peel Hunt determines otherwise, no tender of Ordinary 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 Tender Offer will not be despatched (in respect of certificated Ordinary Shares) or made by way of a CREST payment (in respect of uncertificated Ordinary Shares) to the relevant Shareholder until after (in the case of certificated Ordinary Shares) the Tender Form is complete in all respects and the share certificates and/or other document(s) of title satisfactory to Peel Hunt have been received or (in the case of uncertificated Ordinary Shares) the relevant TTE Instruction has settled. None of the Company, Peel Hunt, Capita or any other person is or will be obliged to give notice of any defects or irregularities in tenders, and none of them will incur any liability for failure to give any such notice.
- 2.20 Ordinary Shares will be purchased pursuant to the Tender Offer free of commissions and dealing charges.
- 2.21 The failure of any person to receive a copy of this Circular or the Tender Form shall not invalidate any aspect of the Tender Offer.
- 2.22 The Company has reserved the right, at any time prior to the announcement of the results of the Tender Offer and following prior consultation with Peel Hunt, to require Peel Hunt not to proceed with the Tender Offer if it concludes that the implementation of the Tender Offer and the subsequent repurchase is no longer in the best interests of the Company and/or the Shareholders as a whole or if the purchase of Ordinary Shares by Peel Hunt and the subsequent repurchase may have adverse fiscal consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company and/or the Shareholders as a whole which were previously unexpected. Any such decision will be announced by the Company through a Regulatory Information Service.
- 2.23 The Company reserves the right, at any time prior to the announcement of the results of the Tender Offer, with the prior written consent of Peel Hunt, to amend the terms and conditions of the Tender Offer in order to comply with any applicable rules and

regulations. Any such decision will be announced by the Company through a Regulatory Information Service.

- 2.24 The Company reserves the right at any time prior to the announcement of the results of the Tender Offer, with the prior written consent of Peel Hunt, to extend the period during which the Tender Offer is open, and/or vary the aggregate value of the Tender Offer, based on market conditions and/or other factors, subject to compliance with applicable legal and regulatory requirements. In the event that the Company extends the period during which the Tender Offer is open, any references to the date on which the Tender Offer shall close shall mean the latest time and date at which the Tender Offer applicable to Ordinary Shares, as so extended, shall close. The Company shall notify Shareholders of any extension or variation under this paragraph promptly by public announcement. The Company will make such announcement through a Regulatory Information Service not later than 8.00 a.m. (UK time) on the Business Day after the extension or variation.

3. PROCEDURE FOR TENDERING

3.1 Different procedures for Ordinary Shares in certificated and uncertificated form

If you hold Ordinary Shares in certificated form, you may tender such Ordinary Shares only by completing and returning the Tender Form in accordance with the instructions set out in paragraph 3.2 below and the instructions printed on the form itself.

If you hold Ordinary Shares in certificated form, but under different designations, you should complete a separate Tender Form in respect of each designation. Additional copies of the Tender Form will be available on request from the Shareholder Helpline on 0371 664 0321, further details of which are set out on page 3 of this Circular, or from Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

If you hold Ordinary Shares in uncertificated form (that is, in CREST) you may tender such Ordinary Shares by TTE Instruction only in accordance with the procedures set out in paragraph 3.3 below and, if those Ordinary Shares are held under different member account IDs, you should send a separate TTE Instruction for each member account ID.

No Ordinary Shares may be tendered in the Tender Offer by guaranteed delivery.

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

To tender your Ordinary Shares held in certificated form, you must complete, sign and have witnessed and return the Tender Form in accordance with these instructions and the instructions on the Tender Form.

The completed, signed and witnessed Tender Form, 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 by hand during normal business hours to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU **as soon as possible and, in any event, so as to be received not later than 1 p.m. (UK time) on 30 June 2017. No**

tenders received after that time will be accepted (unless the Tender Offer is extended). No acknowledgement of receipt of documents will be given.

The completed and signed 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 Tender Form should nevertheless be completed, signed and returned as described above so as to be received by Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 1 p.m. (UK time) on 30 June 2017 together with any share certificate(s) and/or document(s) of title that you may have available.

In respect of those Ordinary Shares for which your share certificate(s) is/are unavailable and you have been sent a Tender Form, a letter of indemnity can be obtained by writing to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or calling them on the Shareholder Helpline on 0371 664 0321, further details of which are set out on page 3 of this Circular. 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 Capita not later than 1 p.m. (UK time) on 30 June 2017.

Where you have completed and returned a letter of indemnity in respect of unavailable share certificates and you subsequently find or obtain the relevant share certificates, you should immediately send the certificate by hand or by post to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

3.3 Ordinary Shares held in uncertificated form (that is, in CREST)

If your Ordinary Shares are in uncertificated form, to tender such shares you should take (or procure the taking of) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which you wish to tender under the Tender Offer to the appropriate escrow account, specifying Capita (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 p.m. (UK time) on 30 June 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 3.3 shall constitute an offer to Peel Hunt to sell to it the number of Ordinary Shares at the price indicated on the terms of the Tender Offer, by transferring such shares to the relevant escrow account as detailed below (an “**Electronic Tender**”).

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 Ordinary Shares are held. In addition, only your CREST Sponsor will be able to send the TTE Instruction to

Euroclear in relation to the Ordinary 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 a TTE Instruction, you will not be able to access in CREST for any transaction or charging purposes the Ordinary Shares which are the subject of such TTE Instruction, notwithstanding that they will be held by Capita as the escrow agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional by 7 a.m. (UK time) on 3 July 2017, Capita will transfer the successfully tendered Ordinary Shares to itself as the agent of Peel Hunt, returning any Ordinary Shares not successful in the Tender Offer to you.

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 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 your CREST Sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1 p.m. (UK time) on 30 June 2017.** In this regard you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Electronic Tenders

To tender Ordinary Shares in uncertificated form you should send (or if you are a CREST Sponsored Member, procure your CREST Sponsor sends) to Euroclear a TTE Instruction in relation to such Ordinary Shares. The TTE Instruction will differ depending on whether you elect to tender your Individual Basic Entitlement or a specific number of Ordinary Shares representing more or less than your Individual Basic Entitlement.

A TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following additional details:

- (A) the number of Ordinary Shares in respect of which you wish to tender and be transferred to the relevant escrow account;
- (B) your member account ID;
- (C) your participant ID;
- (D) the participant ID of Capita, in its capacity as a CREST receiving agent, which is RA10;
- (E) the member account ID of Capita, in its capacity as escrow agent, which is 29198TEL;
- (F) the corporate action ISIN, which is GB0008794710;

- (G) the intended settlement date. This should be as soon as possible and, in any event, not later than 1 p.m. (UK time) on 30 June 2017;
- (H) input with standard delivery instruction of priority 80;
- (I) the corporate action number for the Tender Offer, which is allocated by Euroclear and can be found by viewing the corporate action details in CREST; and
- (J) the contact name and telephone number inserted in the shared note field.

An appropriate announcement through a Regulatory Information Service will be made if any of the details contained in this paragraph relating to settlement in CREST are materially altered.

3.4 Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 1 p.m. (UK time) on 30 June 2017.

3.5 Validity of tenders

(A) Tender Forms

Peel Hunt reserves the right to treat as valid only Tender Forms which are received entirely in order by 1 p.m. (UK time) on 30 June 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 Ordinary Shares tendered.

An appropriate announcement will be made through a Regulatory Information Service if any of the details contained in this paragraph 3.5(A) are altered.

(B) Validity of Electronic Tenders

A Tender Form which is received in respect of Ordinary Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Holders of Ordinary Shares in uncertificated form who wish to tender such shares should note that a TTE Instruction will be a valid tender as at 30 June 2017 only if it has settled on or before 1 p.m. (UK time) on that date.

An appropriate announcement will be made through a Regulatory Information Service if any of the details contained in this paragraph 3.5(B) are altered.

(C) General

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

The decision of Peel Hunt as to which Ordinary Shares have been validly tendered shall be final and binding on all Shareholders.

If you have any questions about the procedure for tendering Ordinary Shares or making a TTE Instruction, or you want help filling in the Tender Form, please telephone the Shareholder Helpline on 0371 664 0321, further details of which are set out on page 3 of this Circular. 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 their Ordinary Shares are tendered, they may not be sold, transferred, charged or otherwise disposed of.

3.6 Settlement

Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Peel Hunt will be made as follows:

(A) Ordinary Shares held in certificated form

Where an accepted tender relates to Ordinary Shares held in certificated form, cheques for the consideration due will be despatched by or on 10 July 2017 by Capita (acting on behalf of Peel Hunt) by first class post to the person or agent whose name and address is set out in section 1 or section 3 of the Tender Form, or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the 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.

(B) Ordinary Shares held in uncertificated form (that is, in CREST)

Where an accepted tender relates to Ordinary Shares held in uncertificated form, the consideration due will be paid by or on 10 July 2017 through CREST by Capita (acting on behalf of Peel Hunt) procuring that a CREST payment is made in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

4. TENDER FORMS

Each Shareholder by whom, or on whose behalf, a Tender Form is executed and lodged, irrevocably undertakes, represents, warrants and agrees to and with Peel Hunt (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (A) the execution of the Tender Form shall constitute an offer to sell to Peel Hunt such number of Ordinary Shares as are inserted in either Box 1A of the Tender Form (being the Individual Basic Entitlement) or Box 1B of the Tender Form or deemed to be tendered, as applicable, in each case on and subject to the terms and conditions set out or referred to in this Circular and the Tender Form, as applicable and that, once lodged, such tender shall be irrevocable;
- (B) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Peel Hunt, Peel Hunt will acquire such Ordinary 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;
- (C) the execution and lodgement of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Peel Hunt as such Shareholder's attorney and/or agent (the "**Attorney**"), and an irrevocable instruction to the Attorney to (i) complete and execute all or any instruments of transfer and/or other documents at the Attorney's discretion in relation to the Ordinary Shares referred to in paragraph 4(A) above in favour of Peel Hunt or such other person or persons as Peel Hunt may direct, and (ii) deliver such instrument(s) of transfer and/or other documents at the discretion of the Attorney, together with the share certificate(s) and/or other document(s) relating to such Ordinary Shares, for registration within six months of the 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 Tender Offer and to vest in Peel Hunt or its nominee(s) or such other person(s) as Peel Hunt may direct such Ordinary Shares;
- (D) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Peel Hunt and/or Capita or any of their respective directors or officers or any person nominated by Peel Hunt or Capita or any of their respective directors or officers in the proper exercise of their respective powers and/or authorities hereunder;
- (E) such Shareholder holding Ordinary Shares in certificated form will deliver to Capita his share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares referred to in paragraph 4(A) above, or an indemnity acceptable to Peel Hunt in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event,

no later than 1 p.m. (UK time) on 30 June 2017 (unless the Tender Offer is extended);

- (F) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (G) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Peel Hunt to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (H) 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 Tender Offer may be made to him under the laws of the relevant jurisdiction, and has not taken or omitted to take any action which would otherwise result in Peel Hunt or the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase by Peel Hunt of the Ordinary Shares tendered by that Shareholder under the Tender Offer and the subsequent repurchase;
- (I) such Shareholder has not received or sent copies or originals of this Circular, the Tender Form or any related documents in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile, transmission, telex, telephone and emails) of interstate or foreign commerce of, or of any facility of a national securities exchange of, a Restricted Jurisdiction; that neither this Circular nor the Tender Form has been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such Shareholder is accepting the Tender Offer from outside a Restricted Jurisdiction;
- (J) the despatch of a cheque to a Shareholder as referred to in paragraph 3.6 above will discharge fully any obligation of Peel Hunt to pay such Shareholder the consideration to which he is entitled under the Tender Offer;
- (K) on execution the Tender Form takes effect as a deed;
- (L) the execution of the Tender Form constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form; and
- (M) if the appointment of attorney and/or agent provision under paragraph 4(C) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Peel Hunt 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 Peel Hunt to secure the full benefits of paragraph 4(C) above.

Each Shareholder to which this paragraph 4 applies hereby consents to the assignment by Peel Hunt of all such benefit as Peel Hunt may have in any covenants,

representations and warranties in respect of the Ordinary Shares which are successfully tendered under the Tender Offer.

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

5. ELECTRONIC TENDERS

Each Shareholder by whom, or on whose behalf, an Electronic Tender is made irrevocably undertakes, represents, warrants and agrees to and with Peel Hunt (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (A) the input of the TTE Instruction shall constitute an offer to sell to Peel Hunt such number of Ordinary Shares as are specified in the TTE Instruction, 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;
- (B) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Peel Hunt, Peel Hunt will acquire such Ordinary 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;
- (C) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Peel Hunt as such Shareholder's agent ("**Agent**"), and an irrevocable instruction to the Agent (i) to complete and execute all or any instruments of transfer and/or other documents or input any instructions into Euroclear at the Agent's discretion in relation to the Ordinary Shares referred to in paragraph 5(A) above in favour of Peel Hunt or such other person or persons as Peel Hunt may direct and (ii) to deliver any documents or input any instructions into Euroclear relating to such Ordinary Shares, for registration within six months of the 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 Tender Offer and to vest in Peel Hunt or its nominee(s) or such other person(s) as Peel Hunt may direct such Ordinary Shares;
- (D) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Peel Hunt and/or Capita or any of their respective directors or officers or any person nominated by Peel Hunt or Capita or their respective directors or officers in the proper exercise of their powers and/or authorities hereunder;
- (E) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Peel Hunt to be

desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;

- (F) 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 Tender Offer may be made to him under the laws of the relevant jurisdiction and has not taken or omitted to take any action which would otherwise result in Peel Hunt or the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase by Peel Hunt of the Ordinary Shares tendered by that Shareholder under the Tender Offer and the subsequent repurchase;
- (G) such Shareholder has not received or sent copies or originals of this Circular, or any related documents in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile, transmission, telex, telephone and emails) of interstate or foreign commerce of, 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 Tender Offer from outside a Restricted Jurisdiction;
- (H) the input of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 3.6 above will discharge fully any obligation of Peel Hunt to pay to such Shareholder the consideration to which he is entitled under the Tender Offer;
- (I) the input of the TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer;
- (J) if, for any reason, any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to 1 p.m. (UK time) on 30 June 2017, converted into certificated form, the Electronic Tender in respect of such Ordinary Shares shall cease to be valid and the Shareholder will need to comply with the procedures for tendering Ordinary Shares in certificated form as set out in this Part IV in respect of the Ordinary Shares so converted, if he wishes to make a valid tender of such Ordinary Shares pursuant to the Tender Offer; and
- (K) if the appointment of agent provision under paragraph 5(C) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Peel Hunt 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 Peel Hunt to secure the full benefits of paragraph 5(C) above.

Each Shareholder to which this paragraph 5 applies hereby consents to the assignment by Peel Hunt of all such benefit as Peel Hunt may have in any covenants, representations and warranties in respect of the Ordinary Shares which are successfully tendered under the Tender Offer.

6. OVERSEAS SHAREHOLDERS

- 6.1 The making of the Tender Offer in or to persons who are resident in, or who are nationals or citizens of, jurisdictions outside the United Kingdom or custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Shareholder wishing to tender Ordinary Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control 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. The Company will pay, or cause to be paid, all transfer taxes, if any, on the purchase of the Ordinary Shares, except as otherwise described herein. Any such Shareholder will be responsible for payment of any such other taxes or other requisite payments due by whomsoever payable and Peel Hunt and the Company 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 other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Form in any territory outside the United Kingdom.
- 6.2 In particular, the Tender Offer is not being made directly or indirectly in or into or by use of the mails or by any means or instrumentality (including, without limitation, facsimile transmission, email, telex, and telephone) of interstate or foreign commerce, or any facility of a national securities exchange of, a Restricted Jurisdiction and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction.
- 6.3 Accordingly, copies of this Circular or the Tender Form and any related documents 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 Ordinary Shares for persons in a Restricted Jurisdiction.
- 6.4 Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from a Restricted Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and doing so will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to acceptance of the Tender Offer. Envelopes containing a Tender Form should not be postmarked in or otherwise despatched from a Restricted Jurisdiction and all accepting Shareholders must provide addresses outside a Restricted Jurisdiction for the remittance of cash or return of Tender Forms and share certificates.
- 6.5 The provisions of this paragraph 6 and any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific

Shareholders or on a general basis by Peel Hunt in its absolute discretion but only if Peel Hunt is satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law.

6.6 Subject to paragraph 6.5 above, the provisions of this paragraph 6 supersede any terms of the Tender Offer inconsistent herewith.

6.7 A reference in this paragraph 6 to a Shareholder includes a reference to the person or persons executing the Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and severally.

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

Part V
Certain Taxation Considerations in relation to the Tender Offer

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 taxation treatment of Shareholders who are resident and, if individuals, domiciled, in (and only in) the United Kingdom for United Kingdom tax purposes, who are, and will be, the beneficial owners of their Ordinary Shares and who hold, and will hold, their Ordinary 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 Ordinary 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 Ordinary Shares pursuant to the Tender Offer.

1. Taxation of chargeable gains

The sale of Ordinary Shares by a Shareholder to Peel Hunt pursuant to the Tender Offer should be treated as a disposal of those shares 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 capital gains tax ("**CGT**") or corporation tax.

For a Shareholder who is an individual, the amount of CGT payable, if any, as a consequence of the sale of Ordinary Shares will depend on his or her own personal tax position. Broadly, a Shareholder whose total taxable gains and taxable income in a given year, including any gains made on the sale of Ordinary Shares ("**Total Taxable Gains and Income**"), are less than or equal to the upper limit of the income tax basic rate band applicable to that Shareholder in respect of that tax year (the "**Band Limit**") 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 Ordinary 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 per cent. in respect of any gain arising on the sale of his or her Ordinary Shares (to the extent that, when added to the Shareholder's other taxable gains and taxable 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 Ordinary Shares. However, no tax will be payable on any gain arising on the sale of Ordinary 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 the chargeable gain is realised.

2. Transactions in Securities

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies subject to corporation tax), 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.

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 are advised to take independent advice as to the potential application of the above provisions in light of their own particular motives and circumstances.**

3. Stamp duty and stamp duty reserve tax (“SDRT”)

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

Stamp duty at a rate of 0.5 per cent. on the Ordinary Shares purchased, rounded up to the nearest £5 if necessary, will be payable by the Company on its purchase of Ordinary Shares from Peel Hunt.

Part VI Definitions

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

2016 AGM	the annual general meeting of the Company held on 22 July 2016;
Agent	has the meaning given to it in paragraph 5 of Part IV of this Circular;
Attorney	has the meaning given to it in paragraph 4 of Part IV of this Circular;
ARAN message	a registrar's adjustment message (as defined in the CREST Manual);
Band Limit	has the meaning given to it in paragraph 1 of Part V of this Circular;
Board	the board of Directors of the Company;
Business Day	any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business;
Capita	Capita Asset Services (the trading name of Capita Registrars Limited), Corporate Actions, 34 Beckenham Road, Beckenham, Kent, BR3 4TU;
certificated form	Ordinary Shares that are not recorded on the Register as being in uncertificated form in CREST;
CGT	has the meaning given to it in paragraph 1 of Part V of this Circular;
Circular	this document;
Companies Act 2006	the Companies Act 2006, as amended from time to time;
Company	Telecom Plus PLC, a company incorporated in England and Wales with registered number 03263464, whose registered office is at Network HQ, 508 Edgware Road, The Hyde, London, NW9 5AB;
CREST	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
CREST Manual	the Manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof;

CREST member	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
CREST participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
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, whose names are set out in Part II of this Circular (or, where the context requires, the directors of the Company from time to time);
Disclosure Guidance and Transparency Rules	the Disclosure Guidance and Transparency Rules of the FCA;
Electronic Tender	the inputting and settlement of a TTE Instruction in accordance with the procedures set out in Part IV of this Circular which constitutes or is deemed to constitute a tender of Ordinary Shares pursuant to and on the terms of the Tender Offer as set out in this Circular;
ESA instruction	an escrow account adjustment input (AESN), transaction type “ESA” (as defined by the CREST Manual issued by Euroclear);
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST;
Existing Authority	the general authority to buy back Ordinary Shares granted by Shareholders under resolution 14 of the annual general meeting of the Company held on 22 July 2016;
Final Dividend	the final dividend of 25.0 pence per Ordinary Share proposed on 13 June 2017 and payable to Shareholders on the Register at close of business on 7 July 2017;
FCA	the Financial Conduct Authority of the UK or any successor authority or authorities;
FSMA	the Financial Services and Markets Act 2000 (as amended from time to time);
Individual Basic Entitlement	has the meaning given to it in paragraph 2.5 of Part IV of this Circular;
Individual Excess Tender	has the meaning given to it in paragraph 2.13 of Part IV of this

	Circular;
Listing Rules	the Listing Rules of the UK Listing Authority;
London Stock Exchange	the London Stock Exchange PLC;
member account ID	the identification code or number attached to any member account in CREST;
Option Agreement	the option agreement between Peel Hunt and the Company dated 20 June 2017;
Ordinary Shares	the ordinary shares of 5 pence each in the share capital of the Company;
Overseas Shareholder	a Shareholder who is a resident in, or a national or a citizen of, a jurisdiction outside the United Kingdom;
participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
Peel Hunt	Peel Hunt LLP of 120 London Wall, London, EC2Y 5ET;
pounds sterling, £ or pence	pounds sterling, the lawful currency of the UK;
Register	the Register of members of Telecom Plus PLC;
Record Date	5 p.m. (UK time) on 30 June 2017;
Regulatory Information Service	any of the services set out in appendix 1 of the Listing Rules;
Restricted Jurisdiction	each of Australia, New Zealand, the United States of America and any other jurisdiction where the mailing of this Circular or the Tender Form into or inside such jurisdiction, or the extension of the Tender Offer into such jurisdiction, would constitute a violation of the laws of such jurisdiction;
SDRT	UK stamp duty reserve tax;
Shareholders	the holders of Ordinary Shares from time to time;
Shareholder Helpline	the helpline available to Shareholders in connection with the Tender Offer in respect of Ordinary Shares, details of which are set out on page 3 of this Circular;
Tender Form	the form for use by Shareholders who hold Ordinary Shares in certificated form in connection with the Tender Offer;

Tender Offer	the invitation by Peel Hunt to Shareholders (other than Shareholders in a Restricted Jurisdiction) to tender Ordinary Shares to Peel Hunt on the terms and conditions set out in this Circular and also, in the case of certificated Ordinary Shares only, the Tender Form;
Tender Offer Price	the lower of (i) £12.03 (being the closing price per Ordinary Share on 19 June 2017, the last practicable date prior to the date of this Circular) and (ii) the average market value of an Ordinary Share for the five Business Days prior to 3 July 2017 (being the date on which the Ordinary Shares are to be purchased);
TFE Instruction	a transfer from escrow instruction (as defined by the CREST Manual issued by Euroclear);
Total Available Shares	has the meaning given to it in paragraph 2.13 of Part IV of this Circular;
Total Excess Tenders	has the meaning given to it in paragraph 2.13 of Part IV of this Circular;
Total Taxable Gains and Income	has the meaning given to it in paragraph 1 of Part V of this Circular;
TTE Instruction	a transfer to escrow instruction (as defined by the CREST Manual issued by Euroclear);
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;
UK Listing Authority	the FCA acting in its capacity as the competent authority for the purposes of FSMA; and
uncertificated form	Ordinary Shares that are 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.