

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

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

GUSBOURNE PLC

(Incorporated and registered in England and Wales with Company number 08225727)

Offer to apply the Conversion Value of Deep Discount Bonds in subscribing for new Ordinary Shares at 40 pence per share

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

The Company's Ordinary Shares are currently admitted to trading on AIM. Application will be made to the London Stock Exchange for the new Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and dealings for normal settlement in the Conversion Offer Shares will commence, at 8.00 a.m. on 2 August 2017. No application has been made for the new Ordinary Shares to be admitted to trading on any other investment exchange. The new Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part V of FSMA) ("UKLA"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Existing Ordinary Shares or the new Ordinary Shares to the Official List of the UKLA.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and to the Risk Factors in Part 2 of this document.

The latest time for acceptance under the Conversion Offer is 11.00 a.m. on 31 July 2017. The procedure for application is set out in Part 3 of this document and the Application Form.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy new Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the new Ordinary Shares may not, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan, the Republic of Ireland or South Africa or in or into any other country, territory or possession where to do so may contravene local securities laws or regulations. The new Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan, the Republic of Ireland or South Africa and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan, the Republic of Ireland, or South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Japan, the Republic of Ireland, or South Africa or to any US person (within the definition of Regulation S made under the US Securities Act 1933 (as amended)).

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

CONTENTS

	Page
Expected Timetable of Principal Events	3
Key Statistics	4
Definitions	5
Part 1 - Letter from the Chairman	7
Part 2 - Risk Factors	10
Part 3 - Terms and Conditions of the Conversion Offer	12
Part 4 - Additional Information	20

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record date	5.30 p.m on 28 June 2017
Announcement of the Conversion Offer	29 June 2017
Posting of this document and Application Form to Bondholders	30 June 2017
Latest time and date for acceptance of the Conversion Offer and receipt of completed Application Forms and Bond certificates	11.00 a.m. on 31 July 2017
Conversion date	31 July 2017
Announcement of result of Conversion Offer	1 August 2017
Admission and commencement of dealings in the Conversion Offer Shares on AIM	8.00 a.m. on 2 August 2017
Conversion Offer Shares credited to CREST members' accounts (if applicable)	8.00 a.m. on 2 August 2017
Despatch of definitive share certificates for Conversion Offer Shares in certificated form	by 16 August 2017
Despatch of replacement Bond certificates (if applicable)	by 16 August 2017

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

All references are to London time unless stated otherwise.

KEY STATISTICS

Number of Conversion Offer Shares*	11,189,710
Issue Price	40 pence
Enlarged issued share capital following the Conversion Offer*	45,336,032*
Conversion Offer Shares as a percentage of the Enlarged Share Capital*	24.68%
Market capitalisation of the Company immediately following the Conversion Offer at the Issue Price*	£18,134,412.80

*On the assumption that the maximum number of Conversion Offer Shares is taken up and that this takes place at the Conversion Value of Bonds at 31 July 2017

DEFINITIONS

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

“Act”	Companies Act 2006 (as amended)
“Admission”	to the extent that Bondholders apply some or all of the Conversion Value of Bonds held in subscribing for Conversion Offer Shares under the Conversion Offer, the admission of the Conversion Offer Shares subscribed under the Conversion Offer to trading on AIM
“AIM”	the AIM market operated by London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time
“Application Form”	the personalised application form on which Bondholders may apply for new Ordinary Shares under the Conversion Offer, which accompanies this document
“Board” or “Directors”	the directors of the Company as at the date of this document
“Bonds”	bonds issued pursuant to the Deep Discount Bond
“Bondholders”	holders of Bonds on the register of bondholders of the Company at the Record Date (but excluding any Overseas Bondholder who has a registered address in the United States of America or any other Restricted Jurisdiction)
“Cenkos Securities”	Cenkos Securities plc
“Company” or “Gusbourne”	Gusbourne plc
“Conversion Offer”	the invitation made to Bondholders to apply for Conversion Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part 3 of this document and in the Application Form
“Conversion Offer Election”	the number of Conversion Offer Shares to which each Bondholder applies some (subject to the minimum value provisions in paragraph 4.5 of Part 3 of this document) or all of the Conversion Value of Bonds they hold in subscribing pursuant to the Conversion Offer
“Conversion Offer Shares”	such Ordinary Shares for which in aggregate Bondholders could accept the Conversion Offer
“Conversion Value”	the Subscription Price of the Bonds together with accrued discount on the Bonds calculated up to 31 July 2017
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“Deep Discount Bond”	the deep discount bond issued by the Company on 2 September 2016 with a final redemption date of 15 August 2021
“Enlarged Share Capital”	the entire issued share capital of the Company following completion of the Conversion Offer at Admission
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited

“Existing Ordinary Shares”	the 34,146,322 Ordinary Shares in issue on the date of this document
“FCA”	the Financial Conduct Authority of the UK
“FSMA”	Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company which took place at the offices of Cenkos Securities at 10.30a.m on 29 June 2017
“Group”	the Company and all of its subsidiary undertakings (“subsidiary undertakings” having the same meaning as set out in the Act)
“Issue Price”	40 pence per new Ordinary Share being the price applied in the course of the Open Offer and applying to the Conversion Offer
“London Stock Exchange”	London Stock Exchange plc
“Open Offer”	the open offer to Shareholders to subscribe for Ordinary Shares announced by the Company on 6 June 2017 and announced as complete on 29 June 2017
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Overseas Bondholder”	a Bondholder with a registered address outside the United Kingdom
“Record Date”	5.30 p.m. on 28 June 2017
“Regulatory Information Service”	has the meaning given in the AIM Rules for Companies
“Restricted Jurisdiction”	United States of America, Canada, Australia, Japan, the Republic of Ireland, South Africa and any other jurisdiction where the making of the Conversion Offer would breach any applicable law or regulation
“Securities Act”	US Securities Act of 1933 (as amended)
“Shareholders”	the holders of Existing Ordinary Shares
“Subscription Price”	in relation to any Bond, the discounted subscription price for which that Bond was issued
“UK”	the United Kingdom of Great Britain and Northern Ireland
“United States”, “United States of America” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

PART 1

LETTER FROM THE CHAIRMAN

GUSBOURNE PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with company number 08225727)

Directors:

Andrew Weeber *(Non-Executive Chairman)*
Mike Paul *(Non-Executive Deputy Chairman)*
Charlie Holland *(Chief Executive Officer)*
Jon Pollard *(Chief Operating Officer)*
Lord Arbuthnot PC *(Non-Executive Director)*
Paul Bentham *(Non-Executive Director)*
Matthew Clapp *(Non-Executive Director)*
Ian Robinson *(Non-Executive Director)*

Registered Office:

7 Cowley Street
London
SW1P 3NB

30 June 2017

Dear Bondholder

Offer to apply the Conversion Value of Deep Discount Bonds in subscribing for new Ordinary Shares at 40 pence per share

1. Introduction

This circular is sent to you in your capacity as a Bondholder and not, insofar as you are a Shareholder, as a Shareholder.

On 29 June 2017 the Company announced the results of the Open Offer, which had given Shareholders the opportunity to subscribe for 10,506,560 new Ordinary Shares to raise £4,202,624 before expenses. Shareholders were offered a basic entitlement of 4 new Ordinary Shares for every 9 Existing Ordinary Shares at 40 pence per share.

The Board is now pleased to announce that the Company is providing all Bondholders with the opportunity to apply the Conversion Value of some (subject to the minimum value provisions in paragraph 4.5 of Part 3 of this document), or all of their Bonds at the Issue Price into new Ordinary Shares. The Company has chosen to offer Bondholders the ability to apply for Conversion Offer Shares so that they have the opportunity to acquire new Ordinary Shares at the same price as in the recently completed Open Offer whilst simultaneously strengthening the Company's balance sheet.

The Issue Price is at a discount of 22.3 per cent. to the closing middle market price of 51.5 pence per Existing Ordinary Share on 28 June 2017 (being the last practicable date before the announcement of the Conversion Offer).

Admission is expected to occur no later than 8.00 a.m. on 2 August 2017 (or such later time and/or date as Cenkos Securities and the Company may agree but not later than 31 August 2017).

The purpose of this document is to explain the background to the Conversion Offer.

2. Reasons for the Conversion Offer

Gusbourne is one of England's premier sparkling wine businesses and the Company's development plans include the further expansion of production and sales of its award winning English sparkling wine products. The production of premium sparkling wine from new vineyards is by its very nature a long term project and requires funding to support the investment in new vineyards, additional winery capacity and stocks.

In order to strengthen the Company's balance sheet and increase the funding options available to it in the future, the Company is offering Bondholders the opportunity to apply all or part of the Conversion Value of their Bonds in subscribing for Ordinary Shares at a conversion price of 40 pence per Ordinary Share, the same price as that offered to Shareholders in the Open Offer.

3. Current Trading and Prospects

The Group's trading in 2017 remains in line with management's expectations and its long term strategic development plan. Gusbourne's luxury sparkling wines continue to win new sales orders from an expanding base of valued customers both in the UK and overseas. We look forward in particular to the opening of our cellar door operations during the summer of 2017 and welcoming visitors to it.

The growing season in 2017 has started well although there has been some minor frost damage to our vines in both Kent and West Sussex because of an unusually cold spell at the beginning of the season. The vines will remain subject to the normal seasonal climatic and disease risks throughout the remaining part of the growing season.

4. Principal Terms of the Conversion Offer

On 2 September 2016 the Company issued Bonds at an aggregate subscription price of £4,073,034 and share warrants at a rate of one warrant for every £2 of the Bonds ("Warrants"). Bondholders have the option to apply the Conversion Value of none, some (subject to the minimum value provisions in paragraph 4.5 of Part 3 of this document), or all of their Bonds in subscribing for Conversion Offer Shares.

All Warrants issued to Bondholders on 2 September 2016 will be unaffected by any conversion of Bonds pursuant to the Conversion Offer and will remain as they were when issued.

Any Bonds that Bondholders opt to apply the Conversion Value of in subscribing for Conversion Offer Shares will be converted into Ordinary Shares on the basis that such Ordinary Shares are for the purposes of the Conversion Offer valued at the Issue Price.

Bondholders will exercise their option to apply the Conversion Value of Bonds held in subscribing for Conversion Offer Shares by completing the Application Form which accompanies this circular and sending it with their Bond certificate (if they have a certificate) to the Company to be received by the Company by 11.00 a.m. on 31 July 2017.

On receipt of any such application, validly completed and accompanied by the relevant Bond certificate (if produced), the Company will apply the Conversion Value (which will have been inserted in Box 3 prior to the Application Form being sent to the Bondholder) in converting such amount into Ordinary Shares to be allotted forthwith subject only to Admission.

The Application Form is not a document of title and cannot be traded or otherwise transferred.

If the conversion of Bonds at the Issue Price results in a fractional number of Ordinary Shares, numbers of Ordinary Shares will be rounded down to the nearest whole number.

Not all Bondholders will be eligible to opt to accept the Conversion Offer. Bondholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Conversion Offer. The attention of Overseas Bondholders is drawn to paragraph 6 of Part 3 of this document.

Further details of the Conversion Offer and the terms and conditions on which it is being made, including the procedure for application, are contained in Part 3 of this document and on the accompanying Application Form.

The Conversion Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Application will be made to the London Stock Exchange for the admission of the Conversion Offer Shares in respect of which the Conversion Offer is validly accepted to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 2 August 2017 at which time it is also expected that the Conversion Offer Shares will be enabled for settlement in CREST.

5. Related Party Transaction: Lord Ashcroft KCMG PC

Lord Ashcroft KCMG PC currently has a beneficial interest in 64.4% per cent. of the Bonds. The Company has received a letter of intent from Lord Ashcroft KCMG PC stating that, in subscribing for Conversion Offer Shares, he will apply the Conversion Value of such number of his Bonds as

will leave him holding at least 50.1% of the Bonds remaining in issue following the Conversion Offer. Depending on the level of participation of other bondholders, this commitment may constitute a related party transaction under Rule 13 of the AIM Rules for Companies. The Company's independent directors, being those not involved in the Conversion Offer as a related party, having consulted with the Company's nominated adviser, consider that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

6. Overseas Bondholders

The attention of Bondholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Bonds for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part 3 of this document.

In particular, Bondholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation the United States of America), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to opt to accept the Conversion Offer.

7. Risk Factors and Additional Information

The attention of Bondholders is drawn to the risk factors set out in Part 2 and the information contained in Parts 3 and 4 of this document, which provide additional information on the Conversion Offer and the Company.

8. Action to be Taken

Bondholders wishing to apply for Conversion Offer Shares must complete the Application Form which accompanies this document in accordance with the instructions set out in paragraph 4 of Part 3 of this document and on the Application Form and return it with the Bond certificate (if they have a certificate) to the Company c/o Brabners LLP, ref: DNB, Fifth Floor, 55 King Street Manchester, M2 4LQ, so as to arrive no later than 11.00 a.m. on 31 July 2017.

If you do not wish to apply for any Conversion Offer Shares under the Conversion Offer, you should not complete or return the Application Form.

Andrew Weeber
Chairman

PART 2

RISK FACTORS

An investment in the Company involves a high degree of risk. Accordingly, in relation to any investment decision concerning Ordinary Shares you are advised to consult an investment adviser authorised under FSMA who specialises in the acquisition of shares and other securities. In addition to the other information contained in this document, the following risk factors affecting the Group's business should be considered carefully.

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

1. Risks relating to the Company and its business

Financing

The Company plans to raise further equity funds in the future to fund the Group's development strategy over the coming years, through the issue of Ordinary Shares. Such funding may not be achieved and additional shares may have a dilutive effect on existing shareholders.

Climate change

The Directors believe that climatic conditions in the South of England in recent years have generally been favourable to the growing of grapes used in sparkling wine production. However grape yields can be affected by certain adverse weather patterns such as late frosts and lack of sunshine during the flowering period. These climatic impacts can be quite localised. Please also refer to the paragraph ("Crop disease") below.

Crop disease

Commercial viticulture is a farming system prone to disease pressures. The relatively cool climate of the UK can exacerbate these pressures. While there is no significant pressure from fatal diseases threatening vine growing in the UK at present, there are certain diseases which may reduce yield under adverse climatic circumstances.

Competition

With the anticipated continuing growth in vineyard plantings in the South of England, the supply of English sparkling wine is likely to continue to increase and provide increased competition from other suppliers. This may adversely affect retail prices of English sparkling wine and the assumed levels of pricing in the Group's development strategy may not be achieved. The English sparkling wine industry may also face stronger competition from similar overseas products, which could also adversely affect the retail prices of the Gusbourne wines.

Management

The operations of the Group are dependent upon the continuing employment of a few key people in the management team. The future results of the Company depend significantly upon the efforts and expertise of such individuals. The loss of the services of any of these key people could have a material adverse effect on the Group's business.

Political

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

Social Change

The demand for sparkling wine could be adversely affected by the social acceptability of alcoholic drinks, generally combined with further medical evidence of the adverse health impacts. This could adversely affect the Group's business.

Litigation Risks

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

Significant Shareholders

71.2 per cent of the Company's share capital is beneficially owned by Lord Ashcroft KCMG PC. Accordingly, Lord Ashcroft KCMG PC is able to exercise influence over all matters requiring shareholder approval, including the election and removal of directors and approval of corporate transactions, including for example a sale of the Company or its assets, for the foreseeable future. This concentration of ownership could have the effect of delaying or preventing a change in control of the Company or otherwise discouraging a potential acquirer from attempting to obtain control of the Company, which in turn could have a material adverse effect on the market price of the Ordinary Shares.

The Group's development plan

The Group is not expecting to reach production maturity in terms of grapes harvested from its vineyards until 2019. Future success will depend on the Directors' ability to implement their strategy and generate cash flow in accordance with the Group's development plan. Whilst the Directors are optimistic about the Group's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved.

Taxation

This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Any change in the Company's tax status or the tax applicable to a holding of the Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to shareholders and/or alter the post-tax returns to shareholders. It should be noted that the taxation of an investment in the Company depends on the individual circumstances of investors.

EU Referendum

Following the result of the EU referendum there is some general uncertainty regarding the impact of this result on companies operating in the UK.

2. Risks relating to the Ordinary Shares

Trading on AIM and Liquidity

The share prices of publicly quoted companies can be volatile. The price of shares is dependent upon a number of factors, some of which are general or market specific, others which are sector specific and others which are specific to the Group. It may be the case that the market price of the Ordinary Shares does not fully reflect the underlying net asset value of the Company.

Although the Ordinary Shares will be traded on AIM, this should not be taken as implying that there will always be a liquid market in the Ordinary Shares. In addition, the market for shares in smaller public companies is less liquid than for larger public companies and the fact that a significant proportion of the Ordinary Shares will be held by a small number of persons may also affect the liquidity of the market for the Ordinary Shares. Therefore an investment in the Ordinary Shares may be difficult to realise and the share price may be subject to greater fluctuations than might otherwise be the case.

The Ordinary Shares are quoted on AIM rather than on the Official List of the UK Listing Authority. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List as the AIM Rules are less demanding than the rules of the Official List. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may not recover their original investment.

Future sales of the Ordinary Shares could adversely affect the price of these shares and there is a risk that substantial Shareholders will decide to sell a significant portion of their holdings. The sale of a significant amount of the Ordinary Shares in the public market could materially adversely affect the market price of the Ordinary Shares.

Unlike Bonds which have the benefit of security ranking behind the Company's first charge holder, Ordinary Shares by their nature are unsecured.

PART 3

TERMS AND CONDITIONS OF THE CONVERSION OFFER

1. Introduction

As explained in the letter from the Chairman set out in Part 1 of this document, the Company is giving Bondholders the option to apply the Conversion Value of none, some (subject to the minimum value provisions in paragraph 4.5 of this Part 3), or all of their Bonds in subscribing for Conversion Offer Shares.

The purpose of this Part 3 is to set out the terms and conditions of the Conversion Offer.

Any Bonds that Bondholders opt to apply the Conversion Value of in subscribing for Conversion Offer Shares will be converted into Ordinary Shares on the basis that such Ordinary Shares are for the purposes of the Conversion Offer valued at the Issue Price.

Bondholders will exercise their option to convert by completing the Application Form which accompanies this circular and sending it with their Bond certificate (if they have a certificate) to the Company c/o Brabners LLP to be received by Brabners LLP by 11.00 a.m. on 31 July 2017.

On receipt of any such application, validly completed and accompanied by the relevant Bond certificate (if produced), the Company will apply the Conversion Value (which will have been inserted in Box 3 prior to the Application Form being sent to the Bondholder) in converting such amount into Ordinary Shares to be allotted forthwith subject only to Admission.

The Application Form is not a document of title and cannot be traded or otherwise transferred.

If the conversion of Bonds at the Issue Price results in fractional numbers of Ordinary Shares, the numbers of Ordinary Shares will be rounded down.

Not all Bondholders will be eligible to opt to accept the Conversion Offer. Bondholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Conversion Offer. The attention of Overseas Bondholders is drawn to paragraph 6 of this Part 3.

The Conversion Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

The latest time and date for receipt of a completed Application Form and Bond certificate (if produced) under the Conversion Offer is expected to be 11.00 a.m. on 31 July 2017.

Application will be made to the London Stock Exchange for the admission of the Conversion Offer Shares in respect of which the Conversion Offer is accepted to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 2 August 2017 at which time it is also expected that the Conversion Offer Shares will be enabled for settlement in CREST.

This document and the Application Form contain the formal terms and conditions of the Conversion Offer. Your attention is drawn to paragraph 4 of this Part 3, which gives details of the procedure for application for the Conversion Offer Shares.

2. The Conversion Offer

Subject to the terms and conditions set out below, Bondholders are being given the opportunity under the Conversion Offer to subscribe for Conversion Offer Shares at the Issue Price in respect of none, some (subject to the minimum value provisions in paragraph 4.5 of this Part 3), or all of the number of Bonds they hold. The Issue Price represents a discount of 22.3 per cent. to the closing middle market price of 51.5 pence per Existing Ordinary Share on 28 June 2017 (being the last practicable date before announcement of the Conversion Offer).

Bondholders will be entitled to apply for **the number of Conversion Offer Shares equivalent to, at the Issue Price, the Conversion Value of Bonds** registered in their name on 31 July 2017. The number of shares applied for under the Conversion Offer will be rounded down to the nearest whole number of Conversion Offer Shares.

The Application Form shows the Conversion Value of the Bonds registered in your name on 31 July 2017 (in Box 3).

The attention of Overseas Bondholders is drawn to paragraph 6 of this Part 3.

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

3. Further terms of the Conversion Offer

No temporary documents of title will be issued in respect of Conversion Offer Shares held in uncertificated form. Definitive certificates in respect of Conversion Offer Shares taken up are expected to be posted to those Bondholders who have validly elected to hold their Conversion Offer Shares in certificated form by 16 August 2017.

In respect of those Bondholders who have validly elected to hold their Conversion Offer Shares in uncertificated form, the Conversion Offer Shares are expected to be credited to their stock accounts maintained in CREST on 2 August 2017.

Application will be made for the Conversion Offer Shares to be admitted to trading on AIM, and Admission is expected to occur at 8.00 a.m. on 2 August 2017, when dealings in the Conversion Offer Shares are expected to begin.

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

4. Procedure for application

Bondholders will receive the Application Form which accompanies this document. The Application Form will show the number of Bonds held at the Record Date and the Conversion Value of the Bonds held as at 31 July 2017. Bondholders can set out their Conversion Offer Election in Box 4 of the Application Form.

Bondholders will be allotted Conversion Offer Shares for which they subscribe in certificated form unless they choose to receive them in uncertificated form in CREST by completing Box 7 on the Application Form.

Bondholders who do not want to apply for the Conversion Offer Shares under the Conversion Offer should take no action and should not complete or return the Application Form.

4.1. General

Subject to paragraph 6 of this Part 3 in relation to Overseas Bondholders, Bondholders will receive an Application Form. The Application Form shows the Conversion Value of the Bonds registered in their name on the Record Date in Box 3. Bondholders can set out their Conversion Offer Election in Box 4. The number of Conversion Offer Shares allocated pursuant to each Conversion Offer Election are rounded down to the nearest whole number. Bondholders may apply for less than their entitlement should they wish to do so, (subject to the minimum value provisions in paragraph 4.5 of this Part 3.

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

Applications to acquire Conversion Offer Shares may only be made on the Application Form and may only be made by the Bondholder named in it. Application Forms may not be sold, assigned, transferred or split.

4.2. Application procedures

Bondholders wishing to apply for Conversion Offer Shares should complete the Application Form in accordance with the instructions printed on it.

Completed Application Forms should be posted to the Company c/o Brabners LLP, ref: DNB, Fifth Floor, 55 King Street Manchester, M2 4LQ, or returned by hand (during normal business hours only)

so as to be received by Brabners LLP by no later than 11.00 a.m. on 31 July 2017. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept Application Forms and accompanying documents received after 11.00 a.m. on 31 July 2017. Bondholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Bondholders are recommended to allow at least four working days for delivery.

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

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

Where a Bondholder has elected to convert some but not all of their Bonds into Conversion Offer Shares but continues to hold Bonds after the Conversion Offer, the Company or its agents will send that Bondholder a new Bond certificate.

4.3. Effect of application

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

- (i) represents and warrants to the Company and Cenkos Securities that he has the right, power and authority, and has taken all action necessary, to make the application under the Conversion Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Conversion Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and Cenkos Securities that all applications under the Conversion Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company and Cenkos Securities that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);
- (iv) represents and warrants to the Company and Cenkos Securities that he is the Bondholder originally entitled to make the Conversion Offer Election;
- (v) requests that the Conversion Offer Shares to which he will become entitled, be issued to him on the terms set out in this document and the Application Form, subject to the memorandum of association and articles of association of the Company from time to time;
- (vi) represents and warrants to the Company and Cenkos Securities that he is not in, nor is he applying on behalf of any person who is in, the United States, or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America, or any other Restricted Jurisdiction or any other jurisdiction in which the application for Conversion Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Conversion Offer Shares which are the subject of his application in the United States or to, or for the benefit of any person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any other Restricted Jurisdiction or any other jurisdiction in which the application for Conversion Offer Shares is

prevented by law (except where proof satisfactory to the Company has been provided to the Company that it may accept the application free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Conversion Offer Shares under the Conversion Offer;

(vii) represents and warrants to the Company and Cenkos Securities that he is not, and he is not applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and

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

If you have any questions relating to this document and the completion of and return of the Application Form, please contact the Company on 0207 7889239. 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.

4.4. Action to take

Bondholders who do not want to take up or apply for the Conversion Offer Shares under the Conversion Offer should take no action and should not complete or return the Application Form.

Bondholders will be allotted Conversion Offer Shares for which they subscribe in certificated form unless they choose to receive them in uncertificated form in CREST by validly completing the relevant boxes on the Application Form.

4.5. Minimum Value

Pursuant to the terms of the Deep Discount Bond, each Bondholder cannot hold Bonds with a subscription value of less than £10,000 (this equates to a Conversion Value at 31 July 2017 of £10,989) ("Minimum Value"). If an application includes a Conversion Offer Election that, if accepted, would leave a Bondholder with Bonds comprising less than the Minimum Value, the Conversion Offer Election will only be accepted to the extent that the Bondholder is left with Bonds that comprise the Minimum Value and the number of Conversion Offer Shares allocated to the Bondholder will be reduced accordingly.

For the avoidance of doubt, the provisions of this paragraph 4.5 do not apply to Bondholders who opt to apply the Conversion Value of all of their Bonds in subscribing for Conversion Offer Shares.

5. Admission, settlement and dealings

The result of the Conversion Offer is expected to be announced on 1 August 2017. Applications will be made to the London Stock Exchange for the Conversion Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Conversion Offer Shares, fully paid, will commence at 8.00 a.m. on 2 August 2017.

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

Conversion Offer Shares may be issued in uncertificated form to those persons who submit a valid application for Conversion Offer Shares and validly complete the relevant CREST details on the Application Form.

Notwithstanding any other provision of this document, the Company reserves the right to allot and/or issue any Conversion Offer Shares in certificated form.

No temporary documents of title will be issued and transfers will be certified against the UK share register of the Company. All documents sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Bondholders are referred to paragraph 4 of this document and their respective Application Form.

6. Overseas Bondholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Bondholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1. General

The distribution of this document and the making or acceptance of the Conversion Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Conversion Offer Shares under the Conversion Offer.

No action has been or will be taken by the Company, Cenkos Securities, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Conversion Offer Shares) in any jurisdiction where action for that purpose may be required. Receipt of this document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in any jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to persons with registered addresses in the United States or any other Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form could lawfully be used and/or made (as the case may be), and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or Conversion Offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Conversion Offer Shares under the Conversion Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Cenkos Securities, nor any of their respective representatives, is making any representation to any offeree of the Conversion Offer Shares regarding the legality of an investment in the Conversion Offer Shares by such offeree under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form, in connection with the Conversion Offer or otherwise, should not distribute or send either of those documents nor transfer Conversion Offer Elections in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Conversion Offer Shares in respect of the Conversion Offer unless the Company and Cenkos Securities determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Conversion Offer

Elections into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Conversion Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Conversion Offer Shares in the United States or any other Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Notwithstanding any other provision of this document or the Application Form, the Company and Cenkos Securities reserve the right to permit any person to apply for Conversion Offer Shares in respect of the Conversion Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Due to restrictions under the securities laws of the United States and the other Restricted Jurisdictions, and subject to certain exceptions, Bondholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Conversion Offer and will not be sent an Application Form. No public offer of Conversion Offer Shares is being made by virtue of this document or the Application Forms into the United States or any other Restricted Jurisdiction. Receipt of this document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2. United States

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

Accordingly, the Company is not making or extending the Conversion Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any new Ordinary Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to any Bondholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring new Ordinary Shares and wishing to hold such new Ordinary Shares in registered form must provide an address for registration of the new Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires new Ordinary Shares pursuant to the Open Offer will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the new Ordinary Shares, that they are not, and that at the time of acquiring the new Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of new Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the new Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such new Ordinary Shares in the United States

or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any new Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any new Ordinary Shares may be transferred. In addition, until 45 days after the commencement of the Conversion Offer, an offer, sale or transfer of the new Ordinary Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the US Securities Act.

6.3. Other Restricted Jurisdictions

Due to restrictions under the securities laws of the other Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Conversion Offer and will not be sent an Application Form. The Conversion Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No Conversion Offer or invitation to apply for Conversion Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

6.4. Other overseas territories which are not Restricted Jurisdictions

Application Forms will be sent to Bondholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, overseas territories which are not or are not considered to be a Restricted Jurisdiction. Bondholders in jurisdictions other than the United States or another Restricted Jurisdiction may, subject to the laws of their relevant jurisdiction, apply for Conversion Offer Shares under the Conversion Offer in accordance with the instructions set out in this document and the Application Form. Bondholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Conversion Offer Shares in respect of the Conversion Offer.

6.5. Representations and warranties relating to Overseas Bondholders

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

- (i) such person is not requesting registration of the relevant Conversion Offer Shares from within the United States or any other Restricted Jurisdiction;
- (ii) such person is not in any territory in which it is unlawful to make or accept a Conversion Offer to acquire Conversion Offer Shares in respect of the Conversion Offer or to use the Application Form in any manner in which such person has used or will use it;
- (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and
- (iv) such person is not acquiring Conversion Offer Shares with a view to offering, selling, reselling, transferring, delivering or distributing, directly or indirectly, any such Conversion Offer Shares into any of the above territories.

The Company may treat as invalid any application for or an acceptance or purported acceptance of the allocation of Conversion Offer Shares comprised in an Application Form if it:

- (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or another Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or

- (ii) specifies an address in the United States or another Restricted Jurisdiction for delivery of the share certificates of Conversion Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or
- (iii) purports to exclude the warranty required by this sub-paragraph (a).

6.6. Waiver

The provisions of this paragraph 6 and of any other terms of the Conversion Offer relating to Overseas Bondholders may be waived, varied or modified as regards specific Bondholders or on a general basis by the Company and Cenkos Securities in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Conversion Offer inconsistent herewith. References in this paragraph 6 to Bondholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. Times and dates

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

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

8. Taxation

UK resident Bondholders who exercise their option to apply the Conversion Value of the Bonds held in subscribing for Conversion Offer Shares will be subject to UK income tax on any profit arising on the redemption of those Bonds (being the extent to which the Conversion Value of the Bonds as at 31 July 2017 exceeds the Subscription Price or acquisition price of such Bonds). Bondholders who are in any doubt as to their tax position in relation to opting to accept the Conversion Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

9. Further information

Your attention is drawn to the further information set out in this document and also to the terms, conditions and other information printed on the accompanying Application Form.

10. Governing law and jurisdiction

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

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

11. Miscellaneous

In this Part 3, throughout this document and in the Application Form, unless the context requires otherwise:

- (i) use of the singular includes the plural and vice versa;
- (ii) use of any gender includes the other genders; and
- (iii) any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts.

PART 4

ADDITIONAL INFORMATION

1. The Company

The Company was incorporated under the Companies Act 2006 and registered in England and Wales on 24 September 2012 with registered number 08225727 as a public limited company with the name Shellproof plc. The liability of the members of the Company is limited.

On 27 September 2013 the Company changed its name to Gusbourne plc.

The registered office of the Company is at 7 Cowley Street, London SW1P 3NB.

The principal place of business of the Company is at Gusbourne Estate, Kenardington Road, Ashford, Appledore, Kent TN26 2BE. Its telephone number is +44 (0)1233 758 666.

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

The Company is domiciled in England.

The Company's accounting reference date is 31 December.

The ISIN number of the Ordinary Shares is GB00B8TS4M09.

2. Share capital

The issued and fully paid up share capital of the Company as at 29 June 2017 (being the latest practicable date before publication of this document) was 34,146,322 Ordinary Shares.

The Conversion Offer may result in no further Ordinary Shares being issued or a maximum of a further 11,189,710 Ordinary Shares being issued. By ordinary and special resolutions passed at the General Meeting:

- a) The directors were generally and unconditionally authorised in addition to all existing authorities (and, for the avoidance of doubt, without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities) to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £111,897.10 (being 11,189,710 ordinary shares of 1 pence each), for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) on 31 August 2017, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offers or agreements as if the authority conferred by this resolution had not expired.
- b) The directors were empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) pursuant to the general authority conferred by the resolution above as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £111,897.10, and shall expire upon the expiry of the authority conferred by the resolution above, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offers or agreements as if the power conferred by this resolution had not expired.

The Company therefore does not require any further shareholder authority under the Act in order to be able to make and issue Ordinary Shares under the Conversion Offer.

3. General

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

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

The Ordinary Shares are in registered form and are capable of being held in uncertificated form. Settlement of the Conversion Offer Shares will, at the option of Bondholders, be within CREST and new Ordinary Shares will be delivered into the CREST account of Bondholders who opt to receive Conversion Offer Shares on 2 August 2017. No temporary documents of title will be issued. Definitive share certificates for Bondholders are expected to be despatched by no later than 16 August 2017. Prior to the despatch of such certificates, transfers will be certified against the register of members of the Company.

4. Availability of Document

Copies of this document are available free of charge at the Company's registered office, during normal business hours on any weekday (Saturdays and public holidays excepted), and shall remain available for at least one month after Admission.

