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The 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 FSA pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the Financial Conduct Authority (“FCA”) pursuant to section 85 of FSMA.

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## **AFC ENERGY PLC**

*(incorporated and registered in England and Wales with Company number 5668788)*

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### **Offer for Subscription of 5,631,551 new Ordinary Shares at 20 pence per share**

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Zeus Capital Limited (“Zeus”) which is authorised and regulated in the United Kingdom by the FSA, 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 Zeus will not be responsible to anyone other than the Company for providing the protections afforded to clients of Zeus or for advising any other person on the arrangements described in this document. Zeus has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Zeus 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 Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and dealings for normal settlement in the Offer Shares will commence, at 8.00 a.m. on 21 January 2016. The Offer Shares will not be admitted to trading on, any other investment exchange. The Offer 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 FSA 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 and payment under the Offer is 11.00 a.m. on 15 January 2016. 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 Offer 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 or the Republic of Ireland or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, the Offer 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 or the Republic of Ireland or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Offer 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 or the Republic of Ireland and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan or the Republic of Ireland or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Japan or the Republic of Ireland or to any US person (within the definition of Regulation S made under the US Securities Act 1933 (as amended)).

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## Expected Timetable of Principal Events

Announcement of the Subscription and the Offer	17 December 2015
Record Date for the Offer	5.00 p.m. on 14 December 2015
Ex-entitlement Date	15 December 2015
Posting of Application Form to Qualifying Shareholders	by 23 December 2015
Latest time and date for acceptance of the Offer and receipt of completed Application Forms and payment in full under the Offer	11 a.m. on 15 January 2016
Admission and commencement of dealings in the Offer Shares on AIM	8.00 a.m. on 21 January 2016

**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.**

## Definitions

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

<b>“Act”</b>	Companies Act 2006 (as amended)
<b>“Admission”</b>	the admission of the Offer Shares to trading on AIM
<b>“AFC Group” or “Group”</b>	AFC Group Plc and its subsidiaries
<b>“AIM”</b>	the AIM market operated by London Stock Exchange
<b>“AIM Rules for Companies”</b>	the AIM Rules for Companies and guidance notes as published by the London Stock Exchange from time to time
<b>“Application Form”</b>	the application form on which Qualifying Shareholders may apply for Offer Shares under the offer
<b>“Board” or “Directors”</b>	the directors of the Company as at the date of this document
<b>“Company” or “AFC Energy”</b>	AFC Energy Plc
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
<b>“CREST Regulations”</b>	the Uncertified Securities Regulations 2001 (SI 2001 No. 3755), as amended
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“Ex-entitlement Date”</b>	the date on which the Existing Ordinary Shares are marked “ex” for entitlement under the Offer, being 15 December 2015
<b>“Existing Ordinary Shares”</b>	the 289,903,943 Ordinary Shares in issue on 14 December 2015
<b>“FCA”</b>	the Financial Conduct Authority of the UK
<b>“FSMA”</b>	Financial Services and Market Act 2000 (as amended)
<b>“Issue Price”</b>	20 pence per New Ordinary Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Money Laundering Regulations”</b>	Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA (together with the provisions of the Money Laundering Sourcebook of the FSA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms), the Terrorism Act 2000, the Anti Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006;

<b>“New Ordinary Shares”</b>	the Subscription Shares and the Offer Shares
<b>“Offer Shares”</b>	the 5,631,551 New Ordinary Shares being made available to Qualifying Shareholders pursuant to the Offer
<b>“Offer”</b>	the conditional invitation made to Qualifying Shareholders to apply to subscribe for the Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part 2 of this document and in the Application Form
<b>“Ordinary Shares”</b>	ordinary shares of 1p each in the capital of the Company
<b>“Overseas Shareholders”</b>	a Shareholder with a registered address outside the United Kingdom
<b>“Qualifying Shareholders”</b>	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date (but excluding any Overseas Shareholder who has a registered address in the United States of America or any Restricted Jurisdiction)
<b>“Record Date”</b>	5.00 p.m. on 14 December 2015
<b>“Registrars” or “Computershare”</b>	Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol, BS99 6ZY
<b>“Regulatory Information Service”</b>	has the meaning given in the AIM Rules for Companies
<b>“Restricted Jurisdiction”</b>	Canada, Australia, Japan, the Republic of Ireland or any other jurisdiction in which the Offer is unlawful or requires the Offer to be approved by, or registered with a regulatory body
<b>“Securities Act”</b>	US Securities Act of 1933 (as amended)
<b>“Shareholders”</b>	the holders of Existing Ordinary Shares
<b>“Subscription”</b>	the Subscription by certain investors and existing Shareholders (or their associated investment vehicles), for the Subscription Shares at the Issue Price
<b>“Subscription Shares”</b>	up to 12,368,449 New Ordinary Shares the subject of the Subscription
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“United States”, “United States of America” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction

## **PART 1 – LETTER FROM THE CHAIRMAN**

### **AFC ENERGY PLC**

*(Incorporated and registered in England and Wales under the Companies Act 1985 with company number 5668788)*

#### **Directors**

Tim Yeo (Chairman)  
Adam Bond  
Chris Tawney  
Mitchell Field  
Eugene Shvidler  
Eugene Tenenbaum

#### **Registered Office**

Finsgate  
5-7 Cranwood Street  
London  
EC1V 9EE

23 December 2016

Dear Shareholder

### **Offer for Subscription of 5,631,551 new Ordinary Shares at 20 pence per share**

#### **1. Introduction**

The Board was pleased to announce on 17 December 2015 that the Company had received commitments to subscribe for 12,368,449 New Ordinary Shares at an issue price of 20 pence per share, raising up to £2.47 million. In addition, the Board announced that the Company intended to offer up to 5,631,551 New Ordinary Shares for subscription by Qualifying Shareholders at the Issue Price, potentially raising up to a further £1.13 million. The purpose of this Circular is to set out the terms of and invite Qualifying Shareholders to participate in the Offer.

#### **2. Background to the fundraising**

Due to the accelerated timetable towards achieving Milestone 11 and the first commercial scale operability of the KORE module, the Company has incurred a large number of project-related invoicing commitments in advance of funding being received from the EU's grant agency under the POWER-UP agreement. The Subscription and the Offer are therefore intended to address any potential shortfall during this period, as well as supporting AFC Energy's short-term working capital requirements.

#### **3. Subscription**

The Company proposes to issue up to 12,368,449 Subscription Shares (representing, in aggregate, approximately 4.27 per cent. of the existing share capital) on or around 23 December 2015. The Issue Price represents a discount of 28.6 per cent. to the closing mid-market price of 28 pence on 16 December 2015, being latest practicable date before the announcement of the Subscription.

#### **4. The Offer**

The Directors consider it important that Qualifying Shareholders have an opportunity to participate in the fundraising at the same price as the Subscription. Qualifying Shareholders are therefore being invited to subscribe for 5,631,551 Offer Shares, in aggregate, for up to approximately £1.13

million. The Directors will have the discretion to scale back applications to the extent that aggregate applications exceed this amount.

The maximum proceeds of the Subscription and the Offer are £3.6 million. At current exchange rates, £3.6 million equates to approximately €4.97 million, which avoids the requirement for the Company to produce a prospectus which would be time consuming and costly.

The Offer is not underwritten and is subject to take up by the Qualifying Shareholders. Therefore there is no certainty that it will be taken up in full or at all.

## **5. Dilution**

Assuming all of the Subscription Shares are issued and assuming no Offer Shares are issued, Qualifying Shareholders will be subject to a dilution of 4.09 per cent. to their interests in the Company because of the Subscription.

## **6. Use of funds and working capital**

The funds raised by the Subscription (not including any funds to be raised under the Offer) will provide the Company with working capital at least to complete the pre-commissioning activities in relation to Milestone 11. In addition, the Company expects to continue to receive additional funds during the first part of next year from its European Union grants and pursuant to the equity swap entered into by the Company with Lanstead, the final receipt in relation to which is due in April 2016, which will extend its working capital position. Full commercialisation of our technology may need additional funds in due course. If that turns out to be the case the Board will consider at the appropriate time how those funds should best be raised in the interests of all shareholders.

## **7. Principal Terms of the Offer**

The Company is proposing to raise up to £3.6 million before expenses by the issue of up to 18,000,000 New Ordinary Shares, of which up to £2.47 million has been raised from the Subscription, and the balance of up to £1.13 million will be raised from the Offer.

A total of 5,631,551 Offer Shares are available to Qualifying Shareholders pursuant to the Offer at the Offer Price, payable in full on acceptance.

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

If applications are received for more than 5,631,551 Offer shares from Qualifying Shareholders, then the Board may scale back applications under the Offer on such basis as it considers to be appropriate.

The Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms is 11 a.m. on 15 January 2016.

**Qualifying Shareholders should note that the Offer is not a rights issue and therefore the Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.**

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

The Offer is conditional only on Admission of the Offer Shares occurring not later than 8.00 a.m. on 21 January 2016 (or such later time and/or date as the Company may agree being no later than 8.00 a.m. on 28 January 2016).

Accordingly, if this condition is not satisfied or waived (where capable of waiver), the Offer will not proceed and the Offer Shares will not be issued and all monies received by Computershare will be returned to the applicants (at the applicants' risk and without interest) as soon as possible thereafter.

The Subscription has now completed and the Subscription Shares have been admitted to trading on AIM. The Offer is therefore not conditional upon completion of the Subscription.

The 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 Offer Shares to trading on AIM. It is expected that Admission will occur and that dealings will commence at 8.00 a.m. on 21 January 2016.

## **8. Overseas Shareholders**

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document 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, Qualifying Shareholders 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 take up their entitlements under the Offer .

## **9. Risk Factors and Additional Information**

The attention of Shareholders is drawn to the risk factors set out in Part 2.

## **10. Authority to allot Offer Shares**

The Directors have the authority to allot all of the Offer Shares and, accordingly, the Board does not need to seek the approval of Shareholders to allot the Offer Shares.

## **11. Action to be taken**

Qualifying Shareholders wishing to apply for Offer Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3 of Part 3 of this document and

return it with the appropriate payment to Computershare Investor Services PLC at Corporate Actions Projects, Bristol, BS99 6AH, so as to arrive no later than 11 a.m. on 15 January 2016.

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

**Tim Yeo**  
*Chairman*  
22 December 2016

## **PART 2 - RISK FACTORS**

Before deciding whether to invest in the Offer Shares, Qualifying Shareholder should carefully consider the risk factors set out below in addition to the other information contained in this document. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not purport to comprise all those risks associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

The Company's performance may be materially and adversely affected by changes in the market and economic conditions and by changes in the laws and regulations (including tax law and regulations) relating to, or affecting, the Company or the interpretation of such laws and regulations. If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In this event, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective investors should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

### **1. BUSINESS RISKS**

#### **1.1 *Commercial risk***

Return on investment is not just dependent upon the successful technical development of the Company's alkaline fuel cell technology, but also upon the Company being able to scale up its production and thereby reduce the cost of its fuel cells. Unforeseen problems with the mass manufacture of the Company's alkaline fuel cell could adversely affect the commercial success of the Company and the return on investment. The Company also needs to secure suitable terms to license or outsource the manufacture of the balance of plant or 'spine' of its Kore product.

#### **1.2 *Technical risk***

New technology, changing commercial circumstances and new entrants to the markets in which the Company operates may adversely affect the Company's value. Unforeseen technical issues with the Company's alkaline fuel cell technology may arise which could affect adversely the Company's ongoing technical development, growth and business performance.

#### **1.3 *Competition***

The Company's technology may face competition from other fuel cell technologies, both alkaline based and other technologies. In addition, the Company faces competition from existing hydrocarbon based technologies, such as the gas turbine, which currently dominate some of the markets that the Company is targeting. Many of the Company's competitors have financial resources, customer bases, businesses or other resources, which may give them a competitive advantage over the Company.

#### 1.4 *Intellectual property protection*

The business of the Company is dependent on certain intellectual property rights. Many participants in the fuel cell industry have patents and patent applications and have demonstrated a readiness to pursue litigation based on allegations of patent or other intellectual property infringement. The Company could incur substantial costs in defending or bringing a claim, whether or not successful. A successful claim for infringement against the Company and its failure or inability to licence or develop the infringed intellectual property on acceptable terms and a timely basis, could harm the Company's business, operating results and/or financial performance.

No assurance is given that the Company will develop technology which is capable of being protected or that any protection gained will be sufficiently broad in its scope to protect the Company's intellectual property rights and exclude competitors from similar technology. Further, there can be no assurance that:

- patent applications now existing or made in the future will be granted;
- patents granted to the Company will be sufficiently broad in scope to provide protection for the Company's intellectual property rights against third parties;
- the validity or scope of any patents which may in the future be granted to the Company, or that claims in relation to the patents, will not be questioned or asserted by other parties; or
- a third party will not claim prior rights in relation to intellectual property used by the Company.

#### 1.5 *Force majeure*

The economics of the Company's projects may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities, sabotage, fires, floods, acts of God, explosions or other catastrophes or epidemics.

#### 1.6 *Uninsured risks*

Although the Company proposes to maintain insurance which the Directors consider to be appropriate, there may be circumstances where the Company's insurance will not cover or be adequate to cover the consequences of certain events. Moreover, there can be no assurance that the Company will be able to maintain adequate insurance in the future at rates the Directors consider reasonable. Thus, the Company may become subject to liability for hazards which cannot be insured against or against which it may elect not to be insured because of high premium costs or other commercial reasons. There can be no assurance that the Company will be able to obtain insurance at reasonable rates (or at all) or that any coverage it obtains will be adequate and available to cover any such claims.

#### 1.7 *Additional financing and future issues of shares may result in immediate dilution*

The Company may require further financing in addition to amounts proposed to be raised in the Subscription and the Offer. Any additional equity financing may be dilutive to Shareholders. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the Offer. In addition, the issue of additional Shares by the Company, or the possibility of such issue or exercise, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price.

Any debt financing, if available, may involve restrictions on other forms of financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be forced to reduce the scope of its operations, its anticipated expansion or ultimately cease to trade.

### **1.8 *Currency fluctuations could materially adversely affect the Company's results***

As the Company's revenue streams may come from abroad, exchange rate fluctuations could have a material adverse effect on the Company's profitability or the price competitiveness of its products. There can be no guarantee that the Company would be able to compensate for, or hedge against, such adverse effects and, therefore, adverse exchange rate movements could have a material adverse effect on the Company's business, results of operations and/or financial condition.

## **2. RISKS RELATING TO THE NEW ORDINARY SHARES**

### **2.1 *Investment risk and AIM***

The Offer Shares will be quoted on AIM rather than the Official List. The rules of AIM are less demanding than those of the Official List and an investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and the liquidity in the market for the Company's securities cannot be guaranteed. 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, therefore, not recover their original investment.

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. It could be subject to significant fluctuations due to a change in investor sentiment regarding the Company's shares or in response to various facts and events, including variations in the Company's interim or full year operating results and business developments of the Company and/or its competitors. The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may relate to the Company, and others of which are not specific to the Company. On any disposal investors may realise less than the original amount invested.

### **2.2 *No guarantee that the Company's Ordinary Shares will continue to be traded on AIM***

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded could decline.

**Investors should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.**

**These potential risks do not necessarily comprise all those faced by the Company and are not intended to be presented in any order of priority.**

## **PART 3 – TERMS AND CONDITIONS OF THE OFFER**

### **Introduction**

As explained in the letter from the Chairman set out in Part 1 of this document, the Company is proposing to raise up to £1.13 million by way of the Offer.

The purpose of this Part 3 is to set out the terms and conditions of the Offer. Up to 5,631,551 New Ordinary Shares will be issued through the Offer. Qualifying Shareholders are being offered the right to subscribe for Offer Shares in accordance with the terms of the Offer. The Offer has not been underwritten.

The Record Date for entitlements under the Offer is 5.00 p.m. on 14 December 2015. Application Forms are enclosed with this circular.

The latest time and date for receipt of a completed Application Form and payment in full under the Offer is expected to be 11.00 a.m. on 15 January 2016 with Admission and commencement of dealings in Offer Shares expected to take place at 8.00 a.m. on 21 January 2016.

This document and the Application Form contains the formal terms and conditions of the Offer. Your attention is drawn to paragraph 3 of this Part 2 “Terms and Conditions of the Offer” which gives details of the procedure for application and payment for the Offer Shares.

### **1. The Offer**

Subject to the terms and conditions set out below and the Application Form, Qualifying Shareholders are being given the opportunity under the Offer to subscribe for up to 5,361,551 Offer Shares at the Offer Price.

If applications under the Offer are received for more than the total number of Offer Shares available, such applications may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

### **The attention of Overseas Shareholders is drawn to paragraph 6 of this Part 3.**

The 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 Offer Shares are not being made available in whole or in part to the public except under the terms of the Offer.

### **2. Conditions and further terms of the Offer**

The Offer is conditional on Admission by 8.00 a.m. on 21 January 2016.

Accordingly, if this condition is not satisfied or waived (where capable of waiver), the Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant’s sole risk), without payment of interest, as soon as practicable thereafter.

Definitive certificates in respect of Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Offer Shares in certificated form by 28 January 2016.

In respect of those Qualifying Shareholders who have validly elected to hold their Offer Shares in uncertificated form, the Offer Shares are expected to be credited to their stock accounts maintained in CREST by 21 January 2016.

Applications will be made for the Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 21 January 2016, when dealings in the Offer Shares are expected to begin.

All monies received by Computershare in respect of Offer Shares will be credited to a non-interest bearing account by the Registrars.

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.

### **3. Procedure for application and payment**

#### *(a) General*

Subject to paragraph 6 of Part 3 “Terms and Conditions of the Offer” in relation to Overseas Shareholders, Qualifying Shareholders will receive an Application Form.

Applications to acquire Offer Shares may only be made on the Application Form and may only be made by the Qualifying Shareholder. Application Forms may not be sold, assigned, transferred or split. The Application Form is not a negotiable document and cannot be separately traded.

Qualifying Shareholders wishing to apply to acquire Offer Shares should complete the Application Form in accordance with the instructions printed on it.

Completed Application Forms should be posted to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or returned by hand (during normal business hours only) to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS13 8AE (who will act as Receiving Agent in relation to the Offer) so as to be received by Computershare by no later than 11 a.m. on 15 January 2016. 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 either Application Forms or remittances received after 15 January 2016. Qualifying Shareholders 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, Qualifying Shareholders are recommended to allow at least four Business 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 Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 15 January 2016; or
- (ii) applications in respect of which remittances are received before 11 a.m. on 15 January 2016 from authorised persons (as defined in FSMA) specifying the Offer Shares

applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances 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.

(b) *Payments*

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Computershare RE. AFC Energy and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If cheques or banker's drafts are presented for payment before the conditions of the Offer are fulfilled, the application monies will be credited to a non-interest bearing account by Computershare. If the Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Offer.

If Offer Shares have already been allotted to a Qualifying Shareholder and such Qualifying Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Shareholder's application is subsequently otherwise deemed to be invalid, Computershare shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Shareholder's Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Computershare or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Shareholders.

(c) *Incorrect Sums*

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

- (i) to reject the application in full and return the cheque or banker's draft or refund the payment to the Qualifying Shareholder in question, without payment of interest; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the Qualifying Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Shareholder in question, without payment of interest, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Computershare in respect of Offer Shares will be held in a separate account by Computershare.

*(d) Applications for in excess of 5,631,551 Offer Shares*

If applications are received for in excess of 5,631,551 Offer Shares and the Directors exercise their rights to scale back applications accordingly, each applicant whose application has been scaled back will be refunded the amount they have paid for any Offer Shares they are not issued, without payment of interest and at the applicant's own risk.

*(e) Effect of application*

All documents and remittances 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 that he has the right, power and authority, and has taken all action necessary, to make the application under the 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 Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company that all applications under the 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 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 that he is the Qualifying Shareholder originally entitled to participate in the Offer;

- (v) requests that the Offer Shares, to which he will become entitled to have issued to him on the terms set out in this document and the Application Form;
- (vi) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for 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 Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Offer;
- (vii) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to 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 any person affiliated with the Company in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare Corporate Actions Projects, Bristol, BS99 6AH, or you can contact Computershare on 0370 707 1302 or +44(0)870 370 707 1302 if calling from outside of the United Kingdom. Calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note Computershare cannot provide advice on the merits of the Offer or as to whether applicants should take up their Offer Entitlements or give any financial, legal or tax advice.

#### **4. Money Laundering Regulations**

##### ***Holders of Application Forms***

To ensure compliance with the Money Laundering Regulations, Computershare may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Computershare. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to Computershare to be acting on behalf of some other person, accepts the Offer in respect of such number of Offer Shares as is referred to therein (for the purposes of this paragraph 4 the “relevant Offer Shares”) shall thereby be deemed to agree to provide Computershare with such information and other evidence as Computershare may require to satisfy the verification of identity requirements.

If Computershare determines that the verification of identity requirements apply to any acceptor or application, the relevant Offer Shares (notwithstanding any other term of the Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Computershare is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Computershare nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Computershare has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company and Computershare from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant’s name; or
- (iv) if the aggregate subscription price for the Offer Shares is less than €15,000 (approximately £13,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:-

- (a) if payment is made by cheque or banker’s draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to “Computershare RE: AFC Energy” in respect of an application by a Qualifying Shareholder and crossed “A/C Payee Only”. Third party cheques will not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker’s

draft to such effect. The account name should be the same as that shown on the Application Form; or

- (b) If the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Computershare. If the agent is not such an organisation, it should contact Computershare at Computershare Corporate Actions Projects, Bristol, BS99 6AH.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Computershare on 0370 707 1302 or +44(0) 0370 707 1302 if calling from outside of the United Kingdom. Calls may be recorded, and randomly monitored for security and training purposes. Please note Computershare cannot provide financial or taxation advice or comment on the merits of the Offer.

If the Application Form(s) is/are in respect of Offer Shares with an aggregate subscription price of £13,000 or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11 a.m. on 15 January 2016, Computershare has not received evidence satisfactory to it as aforesaid, Computershare may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## **5. Admission, settlement and dealings**

The result of the Offer is expected to be announced on 18 January 2016. Applications will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Offer Shares, fully paid, will commence at 8.00 a.m. on 21 January 2016.

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

No temporary documents of title will be issued and, transfers will be certified against the UK share register of the Company. All documents or remittances 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.

## 6. Overseas Shareholders

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

### (a) *General*

**The distribution of this document and the making or acceptance of the 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 should 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 Offer Shares under the Offer.**

No action has been or will be taken by the Company, 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 Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in whose 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 a 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 or her, nor should he or she in any event use any such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Offer Shares under the 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 nor any of their respective representatives, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the

Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form in connection with the Offer or otherwise, should not distribute or send either of those documents 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 or her custodian, agent, nominee or trustee, he or she must not seek to apply for Offer Shares in respect of the Offer unless the Company determines 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 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 “Terms and Conditions of the Offer” and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements.

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

Overseas Shareholders who wish, and are permitted, to apply for Offer Shares should note that payment must be made in sterling denominated cheques or banker’s drafts. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Offer and will not be sent an Application Form. No public offer of Offer Shares is being made by virtue of this document or the Application Forms into the United States or any 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.

(b) *United States*

The Offer Shares 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 extending the 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 Offer

Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to any Qualifying Shareholder 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 Offer Shares and wishing to hold such Offer Shares in registered form must provide an address for registration of the Offer Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Offer Shares, that they are not, and that at the time of acquiring the Offer 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 nondiscretionary 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 Offer 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 Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Offer 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 Offer 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 Offer Shares may be transferred. In addition, until 45 days after the commencement of the Offer, an offer, sale or transfer of the Offer Shares within the United States by a dealer (whether or not participating in the and Offer) may violate the registration requirements of the US Securities Act.

(c) *Restricted Jurisdictions*

Due to restrictions under the securities laws of the 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 Restricted Jurisdiction will not qualify to participate in the Offer and will not be sent an Application Form. The 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 offer or invitation to apply for Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

(d) *Other overseas territories*

Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Offer Shares in accordance with the instructions set out in this document and the Application Form. Qualifying Shareholders 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 Offer Shares in respect of the Offer.

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

Any person completing and returning an Application Form represents and warrants to the Company, and Computershare 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 Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Offer Shares in respect of the 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 Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Offer Shares into any of the above territories. The Company and/or Computershare may treat as invalid any acceptance or purported acceptance of the allotment of Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of 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).

(f) *Waiver*

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

## **7. Taxation**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

## **8. Governing law and jurisdiction**

The terms and conditions of the 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 Offer, this document or the Application Form. By taking up Offer Shares, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of

England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.