

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART 2 OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT. The Scheme, if implemented, will result in the cancellation of the admission to trading of the Ordinary Shares on AIM. If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised financial adviser if you are taking advice in a territory outside the United Kingdom.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document together with the accompanying documents (but excluding the personalised Forms of Proxy) to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction. If you have sold or transferred part only of your Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. The accompanying Forms of Proxy are personalised. If you have recently purchased or been transferred Ordinary Shares, you should contact the Receiving Agent by telephoning the helpline, details of which are set out on page 7 of this document, to obtain replacements of these documents.

The release, publication or distribution of this document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves of, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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## **RECOMMENDED CASH ACQUISITION**

**OF**

## **RED24 PLC**

*(Incorporated in Scotland with registered number SC086069)*

**BY**

## **iJET INTERNATIONAL, INC.**

*(Incorporated in the State of Delaware, USA)*

to be effected by means of a scheme of arrangement under

Part 26 of the Companies Act 2006

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## **CIRCULAR TO RED24 PLC SHAREHOLDERS INCLUDING AN**

### **EXPLANATORY STATEMENT**

under section 897 of the Companies Act 2006

and

## **NOTICE OF COURT MEETING AND GENERAL MEETING**

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**red24 Shareholders should read carefully the whole of this document, any information incorporated by reference into this document and the accompanying Forms of Proxy. Your attention is drawn to the letter from the Chairman of red24 in Part 1 of this document, which contains the unanimous recommendation of the red24 Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting. A letter from finnCap explaining the Acquisition and the Scheme in greater detail appears in Part 2 of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.**

The Scheme will require the approval of the Scheme Shareholders at the Court Meeting to be held at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS at 10.00 a.m. on 21 November 2016. The Scheme will also require the approval by red24 Shareholders of the Special Resolution to be proposed at the General Meeting to be held at the same place at 10.15 a.m. on 21 November 2016 (or as soon thereafter as the Court Meeting has concluded or been adjourned). Notices of the Shareholder Meetings are set out in Part 9 and Part 10 respectively of this document.

**The action to be taken by red24 Shareholders in respect of the Shareholder Meetings is set out on pages 6 to 7 of this document. Please read this information carefully. It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. Scheme Shareholders are therefore strongly urged to complete, sign and return their Forms of Proxy as soon as possible.**

**Completing and returning the Forms of Proxy will not prevent you from attending and voting in person at either Shareholder Meeting, or any adjournment of either Shareholder Meeting, if you so wish and are so entitled.**

If you have any questions relating to this document (or any information incorporated by reference into this document), the Shareholder Meetings or the completion and return of the Forms of Proxy, please telephone the helpline, details of which are set out on page 7 of this document.

## **IMPORTANT NOTICES**

GCA Altium, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting for iJET and no one else in connection with the Acquisition and will not be responsible to anyone other than iJET for providing the protections afforded to clients of GCA Altium, or for giving advice in connection with the Acquisition or any matter referred to herein.

finnCap, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting exclusively for red24 and no one else in connection with the Acquisition and will not be responsible to anyone other than red24 for providing the protections afforded to clients of finnCap or for providing advice in connection with the Acquisition or any matter referred to herein.

### **Overseas Shareholders**

The ability of Overseas Shareholders to participate in the Acquisition and the distribution of this document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves of, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. If any Overseas Shareholder remains in any doubt, it should consult an appropriate independent professional adviser in its relevant jurisdiction without delay. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purposes of complying with the laws of Scotland, the AIM Rules and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this document and the accompanying documents had been prepared in accordance with the laws of jurisdictions outside of the United Kingdom.

Neither this document nor any of the accompanying documents are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

This document has not been, and will not be, registered with, or licensed or approved by, the UAE Central Bank, the Emirates Securities and Commodities Authority, the Dubai Financial Services Authority or any other regulatory authority in the United Arab Emirates.

### **Forward-looking statements**

This document (including any information incorporated by reference into this document) contains statements about iJET and red24 that are or may be forward-looking statements which are prospective in nature. All statements other than statements of historical facts may be forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “should”, “could”, “would”, “may”, “anticipates”, “estimates”, “synergy”, “cost-saving”, “projects”, “goal” or “strategy” or, words or terms of similar substance or the negative thereof. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of iJET’s or red24’s operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on iJET’s or red24’s business.

These forward-looking statements are not guarantees of future financial performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this document. All subsequent oral or written forward-looking statements attributable to iJET or red24 or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. iJET and red24 disclaim

any obligation to update any forward-looking or other statements contained in this document (or in the information incorporated by reference into this document), except as required by applicable law.

### **No profit forecasts or estimates**

No statement in this document (or any information incorporated by reference into this document) is intended as a profit forecast or estimate for any period and no statement should be interpreted to mean that earnings or earnings per share for iJET or red24, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for iJET or red24, as appropriate.

### **Disclosure requirements of the Takeover Code**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Information relating to red24 Shareholders**

Please be aware that addresses, electronic addresses and certain information provided by red24 Shareholders, persons with information rights and other relevant persons for the receipt of communications from red24

may be provided to iJET during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code.

### **Publication on website and availability of hard copies**

This document, together with any information incorporated by reference into this document, will be available free of charge (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions) on the following website during the course of the Acquisition: <http://www.red24plc.com>.

red24 Shareholders and any other person to whom this document has been sent, may request a hard copy of this document (and any information incorporated by reference in this document) by contacting finnCap during business hours on +44 (0) 20 7220 0500 or by submitting a request in writing to finnCap at 60 New Broad Street, London EC2M 1JJ. 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. Lines will be open between 9.00 a.m. to 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Unless such a person makes such a request, a hard copy of this document and any such information incorporated by reference in it will not be sent to that person. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition be in hard copy form.

### **Rounding**

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Definitions**

Certain words and terms used in this document are defined in Part 8 of this document.

### **Date**

This document is dated 26 October 2016.

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## ACTION TO BE TAKEN

### 1. Voting at the Shareholder Meetings

The Scheme will require the approval of the Scheme Shareholders at the Court Meeting to be held at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS at 10.00 a.m. on 21 November 2016. The Scheme will also require the approval by red24 Shareholders of the Special Resolution to be proposed at the General Meeting to be held at the same place at 10.15 a.m. on 21 November 2016 (or as soon thereafter as the Court Meeting has concluded or been adjourned). Notices of the Shareholder Meetings are set out in Part 9 and Part 10 respectively of this document.

### 2. Please check you have received with this document:

- (i) a WHITE Form of Proxy for use at the Court Meeting;
- (ii) a YELLOW Form of Proxy for use at the General Meeting; and
- (iii) a reply-paid envelope for use in the United Kingdom.

If you have not received these documents, please contact the Receiving Agent on the helpline, details of which are set out on page 7 of this document.

### 3. To vote at the Shareholder Meetings:

Whether or not you plan to attend the Shareholder Meetings, please complete the enclosed Forms of Proxy in accordance with the instructions printed on them and return them to: Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and, in any event, so as to be received by no later than:

- (i) **10.00 a.m. on 19 November 2016 in the case of the WHITE Form of Proxy for the Court Meeting; and**
- (ii) **10.15 a.m. on 19 November 2016 in the case of the YELLOW Form of Proxy for the General Meeting,**

**(or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). A reply-paid envelope is provided for use in the United Kingdom only. Forms of Proxy returned by fax will not be accepted.**

If the WHITE Form of Proxy for use at the Court Meeting is not received by the Registrars by 10.00 a.m. on 19 November 2016, it may be handed to the Registrars, on behalf of the chairman of the Court Meeting, before the start of the Court Meeting. However, if the YELLOW Form of Proxy for the General Meeting is not received by the Registrars by 10.15 a.m. on 19 November 2016, it will be invalid.

- 4. Completing and returning the Forms of Proxy will not prevent you from attending and voting in person at the Shareholder Meetings, or any adjournment of the Shareholder Meetings, if you so wish and are so entitled.

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. SCHEME SHAREHOLDERS ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN THEIR FORMS OF PROXY AS SOON AS POSSIBLE.**

#### **HELPLINE**

If you have any questions relating to this document (or any information incorporated by reference into this document), the Shareholder Meetings or the completion and return of the Forms of Proxy, please contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out the expected dates for implementation of the Scheme.

<i>Event</i>	<i>Time and/or date</i>
Latest time for lodging Forms of Proxy for the:	
<b>Court Meeting (WHITE Form of Proxy)</b>	10.00 a.m. on 19 November 2016 <sup>1</sup>
<b>General Meeting (YELLOW Form of Proxy)</b>	10.15 a.m. on 19 November 2016 <sup>2</sup>
Voting Record Time	6.00 p.m. on 19 November 2016 <sup>3</sup>
<b>Court Meeting</b>	10.00 a.m. on 21 November 2016
<b>General Meeting</b>	10.15 a.m. on 21 November 2016 <sup>4</sup>
<i>Certain of the following dates are subject to change (please see note (5) below):</i>	
Court Hearing to sanction the Scheme	13 December 2016
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Ordinary Shares	14 December 2016
Scheme Record Time	6.00 p.m. on 14 December 2016
Dealings in Ordinary Shares suspended	7.30 a.m. on 15 December 2016
<b>Effective Date</b>	15 December 2016 <sup>6</sup>
Cancellation of admission to AIM of Ordinary Shares	7.00 a.m. on 16 December 2016
Settlement of the consideration payable under the Acquisition	Within 14 days after the Effective Date
Long-Stop Date	28 February 2017 <sup>7</sup>

**Notes:**

- 1 The WHITE Form of Proxy for the Court Meeting should be received by the Registrars before 10.00 a.m. on 19 November 2016, or, if the Court Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned Court Meeting. WHITE Forms of Proxy not so received may be handed to the Registrars, on behalf of the chairman of the Court Meeting, before the start of the Court Meeting.
- 2 The YELLOW Form of Proxy for the General Meeting must be lodged with the Registrars before 10.15 a.m. on 19 November 2016 in order for it to be valid, or, if the General Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned General Meeting. The YELLOW Form of Proxy cannot be handed to the Registrars or the chairman of the General Meeting at that meeting.
- 3 If a Shareholder Meeting is adjourned, only those Scheme Shareholders (in the case of the Court Meeting) and red24 Shareholders (in the case of the General Meeting) on the register of members of red24 at 6.00 p.m. on the day which is two days before the adjourned meeting will be entitled to attend and vote.
- 4 To commence at the time fixed or, if later, immediately after the conclusion or adjournment of the Court Meeting.
- 5 These times and dates are indicative only and will depend, among other things, on the dates on which: (i) the Conditions are either satisfied or (if capable of waiver) waived and (ii) the Court sanctions the Scheme. red24 will give notice of the change(s) by issuing an announcement through a Regulatory Information Service and, if required by the Panel, send notice of the change(s) to red24 Shareholders and, for information only, to participants in the red24 Share Schemes.
- 6 This date is indicative only and will depend on, among other things, the date upon which: (i) the Conditions are either satisfied or (if capable of waiver) waived and (ii) the Court sanctions the Scheme.
- 7 This is the last date on which the Scheme may become Effective unless iJET and red24, with the consent of the Panel and, if required, the approval of the Court, agree a later date.



# PART 1

## LETTER FROM THE CHAIRMAN OF RED24 PLC

*(Incorporated in Scotland with registered number SC086069)*

*Directors:*

Simon Richards (*Executive Chairman*)  
Maldwyn Worsley-Tonks (*Chief Executive Officer*)  
John Mocatta (*Non-Executive Director*)  
Lorraine Adlam (*Non-Executive Director*)  
J. Michael Brigg (*Non-Executive Director*)

*Registered office:*

Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
Scotland G2 6HG

26 October 2016

*To all holders of Ordinary Shares and, for information only, to the holders of options under the red24 Share Schemes*

Dear Shareholder,

### **Recommended cash acquisition of red24 by iJET**

#### **1. Introduction**

On 10 October 2016, the boards of red24 and iJET announced they had reached agreement on the terms of a recommended all cash acquisition under which iJET will acquire the entire issued and to be issued ordinary share capital of red24.

It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

I am writing to you today to set out the terms, and provide further details, of the Acquisition and the background to and reasons why the red24 Directors consider the terms of the Acquisition to be fair and reasonable and unanimously recommend that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, both of which will be held on 21 November 2016 at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS. The Court Meeting will start at 10.00 a.m. and the General Meeting will start at 10.15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned).

#### **2. Summary of the terms of the Acquisition**

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part 3 of this document, red24 Shareholders will be entitled to receive:

**for each Ordinary Share      26 pence in cash**

The Acquisition values the entire issued and to be issued ordinary share capital of red24 at approximately £13.1 million, which represents a premium of approximately:

- 25.3 per cent to the Closing Price of 20.75 pence on 29 July 2016 (being the last Business Day prior to the commencement of the Offer Period); and
- 54.6 per cent to the volume weighted average Closing Price of 16.8 pence for the three month period ended 29 July 2016 (being the last Business Day prior to the commencement of the Offer Period).

If any dividend, other distribution or return of value is proposed, declared, made, paid or becomes payable by red24 in respect of the Ordinary Shares on or after the Announcement Date and prior to the Effective Date, iJET reserves the right to reduce the value of the consideration payable for each Ordinary Share by up to the amount per Ordinary Share of such dividend, distribution or return of value.

### **3. Background to and reasons for the Acquisition**

iJET provides operational risk management systems and services on an international basis. iJET's owners and management are actively seeking to grow iJET to become a leader in its markets, and believe that such scale can best be achieved via a combination of organic and acquisition-led growth.

red24 was identified as a suitable acquisition for iJET as the iJET Directors believe that accessing and leveraging red24's brand, business, locations and employees will allow them to:

- expand iJET's presence in the insurance and financial services sectors;
- diversify iJET's sources of revenue into new but related service areas such as crisis response, product safety and corporate investigations;
- increase iJET's global footprint by creating a Regional Integrated Operations Centre (RIOC) at the red24 location in Cape Town, South Africa, adding to iJET's existing RIOC's in Singapore and London;
- add to iJET's capabilities in intelligence, technology and response; and
- combine elements of both companies' existing operations in London and Singapore thus creating a more effective, collaborative and integrated working environment in each location.

The benefits available from the Acquisition will, in the opinion of the iJET Directors, allow iJET to grow materially its revenue and profitability.

### **4. iJET's plans for red24 and its management, employees and locations**

The iJET Directors intend to continue to operate red24 as a separate business unit within iJET. The iJET Directors believe there will be substantial opportunities for collaboration and cross selling between the iJET and the red24 businesses and the iJET Directors intend to provide a working environment to encourage this.

As highlighted above, iJET intends to maintain the red24 operation in Cape Town, South Africa as its RIOC on the African continent (indeed the iJET Directors see the potential to incorporate some of iJET's existing operations into this Cape Town facility). The iJET Directors also intend to maintain the red24 operations in London and in Singapore. iJET has existing operations in London and Singapore and the iJET Directors believe that there may be opportunities to combine elements of these operations with those of red24. The iJET Directors believe, in any event, that the proximity of these operations should allow the employees of iJET and red24 to work together collaboratively.

iJET attaches great importance to the skills, knowledge and expertise of red24's existing management and employees. iJET does not anticipate that its strategic plans for red24 will have material adverse repercussions on the continued employment or conditions of employment of any of the red24's employees but recognises that any combination of the Enlarged Group's operations in London and Singapore may have an impact.

iJET has given assurances to the red24 Directors that, following the Scheme becoming Effective, the existing employment rights, including pension rights, of employees and management of red24 will be fully safeguarded.

iJET recognises that, in order to achieve some of the expected benefits of the Acquisition, it will be necessary to undertake a detailed review of how best to integrate red24 into iJET. The review will consider the combined operations and resources in order to optimise them for the Enlarged Group. It is expected that representatives from both iJET and red24 will contribute to these integration plans. A key priority for iJET will be to ensure that the clients of iJET and red24 will continue to receive the high level of service they have experienced to date.

Subject to the above, iJET has no intentions to change the location of red24's places of business or to redeploy any material fixed assets of red24 as a consequence of the Acquisition.

Each of the red24 Directors has agreed with iJET to resign from the board of directors of red24 conditional upon the Scheme becoming Effective and with effect from the Effective Date. In addition, as iJET will not require my services as chairman of the Enlarged Group, I have agreed to resign from my position as Executive Chairman of red24 conditional upon the Scheme becoming Effective and with effect from the Effective Date. The Enlarged Group will be led by Darryl Bruce McIndoe. iJET intends to procure the appointment of its own representatives to the board of red24 once the Scheme becomes Effective.

It is intended that Maldwyn Worsley-Tonks, Chief Executive Officer of red24, will continue in his operational role at red24 following the completion of the Acquisition and he has entered into a new employment agreement with red24, conditional on the Scheme becoming Effective, on substantially the same commercial terms as his current arrangements with red24 save that the new agreement includes a reduced notice period from 12 months to 6 months and non-compete restrictions. finnCap has advised the red24 Directors that the arrangements set out above as regards Mr Worsley-Tonks' on going arrangements are fair and reasonable. In providing its advice, finnCap has taken into account the commercial assessments of the red24 Directors.

The red24 Directors have given due consideration to iJET's intention for red24's management, employees and locations, noting in particular, iJET's intention to use red24's existing RIOC in Cape Town as the basis for the Enlarged Group's operations in South Africa, as well as its intention to maintain the Enlarged Group's presence in both Singapore and London. The red24 Directors welcome such proposals and believe that the Enlarged Group will have critical mass in all these locations which will not only enable the red24 business to better withstand the risks it faces from one business cycle to another, but will also provide for better job security and career prospects for remaining red24 employees in the context of the Enlarged Group. The red24 Directors further note and welcome the importance iJET places on the skills, knowledge and expertise of existing management and employees of red24 and iJET's commitment to safeguarding the existing employment rights of employees of the red24 Group.

The red24 Directors also acknowledge iJET's statements around integration and the intention to conduct a detailed review to assess how best to integrate the two businesses to which both red24 and iJET representatives will contribute. The red24 Directors believe this to be a worthwhile initiative and feel that the employees of red24 will make a valuable contribution to such deliberations.

## **5. Background to and reasons for the red24 Directors recommendation**

red24's growth strategy is now based firmly around development of its geographic footprint (as evidenced by the recent acquisition of RISQ), building on its key insurance client relationships, new product development and acquisitions. Whilst the Company has enjoyed some success in these areas the red24 Directors have faced a number of frustrations in their ability to properly execute this strategy.

The size and scale of the red24 Group, both in terms of its financial performance and its stock market presence, have mitigated against its ability to bring in meaningful growth capital on acceptable terms. At the same time, the stock market rating of the Ordinary Shares, as well as their volatility, has acted against the ability of the red24 Directors to use share-based equity as an attractive incentive for staff retention and recruitment. This was most evident following the announcement, in August 2014, of the loss of a significant amount of work with a major customer (occasioned by tightening regulation in the relevant customer's marketplace). The resulting damage to the price of the Ordinary Shares was severe and, whilst the red24 Directors have worked hard to rebuild confidence in the red24 Group, enjoying recent notable successes with new contract wins with customers such as Allianz, the rating of the Ordinary Shares on the stock market has continued to be disappointing.

The red24 Directors believe that a contributory factor in this has been the mix of red24's earnings, which are becoming more volatile as the level of recurring revenue derived from long term relationships with customers declines in favour of more episodic (or "one-off") projects which are less predictable and, consequently, less highly valued by the stock market. This has been particularly noticeable in the Company's crisis management activities which, whilst active in the last full financial year, have become more dependent on incident related revenue than in the past with a reduction in retainer income reflecting the number of insurers underwriting these types of risks. Similarly, the Company's emergency response activities, whilst

providing fair margins when they occur, do not provide the quality of earnings likely to drive a higher stock market rating.

The red24 Directors have made a number of significant investments into the red24 Group in recent years including, over the last two years, in the development of its 'TravelTracker' product, which has enhanced the technical platform to make it easier to interface with new clients and with new travel databases. Whilst this product has been well received by the market, set against a backdrop of an evolving client base demanding an increasingly tailored and personalised approach (often on a global basis), the Company recognises the importance of continued investment to keep its offering competitive. Similarly, in October 2015, the Company invested in a new Product Safety team in the United States, which had some notable client success. However, as previously reported, its growth did not meet budgeted expectations last year.

The Company has struggled to make acquisitions to complement its organic growth strategy, with the acquisition of RISQ in 2015 the only deal of note in the last 14 years. Whilst the red24 Directors have looked at a range of acquisition opportunities, many of these have failed to properly balance risk and reward. In addition, when more suitable targets have been identified, red24's equity, as an acquisition currency, has often lacked appeal for the vendors, or else the cash aspirations of vendors were far in excess of red24's resources.

Accordingly, the red24 Directors believe that:

- the needs of the red24 business, its employees and customers would be better served were red24 to be combined with a larger entity with the financial backing and appetite to invest properly into the business in the future;
- iJET and red24 have several areas of operations that are highly complementary to each other and consequently that the combination of the two businesses will provide a strong platform with the critical mass to grow in the United States, Europe and Asia, with an enhanced proposition for customer service solutions, broadening and improving red24's offerings;
- the Enlarged Group would have the critical mass and resilience to enable the red24 business to better withstand the risks it faces from one business cycle to another; and
- the Acquisition Price represents an attractive opportunity for red24 Shareholders to realise value for their holdings of Ordinary Shares at a recommendable premium to the Ordinary Share price prior to the commencement of the Offer Period.

The red24 Directors believe the Acquisition is in the best interests of both red24 and its Shareholders and, therefore, recommend that red24 Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting.

## **6. red24 financial and trading prospects**

For the full year ended 31 March 2016, red24 reported revenue of £6,614,524 (2015: £5,947,246) and adjusted fully diluted earnings per share before currency movements, the amortisation of acquired intangibles and provision for acquisition earn out payments of 1.77 pence (2015: 1.49 pence).

Since the announcement of red24's final results for the year ended 31 March 2016, red24 trading at the revenue level has continued broadly in line with management expectations, although there have been areas of both outperformance and underperformance. In particular, trading in red24 Pte Ltd. (formerly RISQ Worldwide Pte. Ltd) in Singapore has been disappointing, influenced mainly by local factors driving lower than expected levels of recruitment in the Asian market. This has impacted levels of employment background screening and reduced corporate activity which, in turn, has impacted the level of due diligence and investigative work undertaken by red24 Pte Ltd. On the positive side, trading within red24's special risks business has been robust, driven by two specific projects conducted in Turkey and Nigeria earlier in the 2016/17 financial year. red24's product safety business has also had a solid start to the 2016/17 financial year, despite slow business to business growth in the US market.

Management is beginning to see more success in red24's travel safety offering with opportunities now being generated as a result of the partnership arrangement with Allianz, agreed in June 2015, albeit significantly later than initially anticipated. red24 has also recently launched its new travel safety app which management believes offers some scope for optimism. However, red24 has also experienced one unexpected key client loss in this part of the business and one long running contract has now expired.

The changed sales mix, as referred to above has impacted overall margins during the current financial year as have adverse currency movements, in particular the strength of the South African Rand and the Singapore Dollar against sterling. A substantial proportion of red24 Group's overheads are incurred in these currencies which, when taken together, has more than offset any gains from the increased value of red24 Group's US Dollar and Euro revenues. Whilst it is difficult to envisage how long these currency variances will persist, the increase in monthly sterling costs is materially affecting red24's cost base. If this currency situation persists for the rest of the financial year, there will be a significant impact on red24's earnings.

The overall revenue mix of red24's business which is becoming more episodic and less based on long term customer relationships, coupled with an uncertain currency outlook provide grounds for caution as to the outlook of red24's financial performance for the full financial year to 31 March 2017.

## **7. Irrevocable undertakings**

In addition to the irrevocable undertakings received from red24 Directors and their connected parties referred to in paragraph 12 below, iJET has received irrevocable undertakings from certain other red24 Shareholders to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, in respect of a total of 5,774,056 Ordinary Shares, representing approximately 11.7 per cent. of the ordinary share capital of red24 in issue on 24 October 2016 (being the latest practicable date prior to the publication of this document).

iJET has therefore received irrevocable undertakings to vote (or procure the vote) in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting in respect of a total of 30,860,234 Ordinary Shares, representing approximately 62.4 per cent. of the Ordinary Shares in issue on 24 October 2016 (being the latest practicable date prior to the publication of this document).

Further details of these irrevocable undertakings are set out in paragraph 8 of Part 5 of this document.

## **8. red24 Share Schemes**

Further details in relation to the effect of the Acquisition on red24 Options can be found in paragraph 5 of Part 2 of this document. Participants in the red24 Share Schemes will receive separate letters explaining the effect of the Scheme on their red24 Options and the actions they may take in respect of such red24 Options.

## **9. Shareholder Meetings and action to be taken by red24 Shareholders**

Notices convening the Court Meeting and the General Meeting are set out in Parts 9 and 10, respectively, of this document.

Please refer to pages 6 to 7 of this document for details of the actions to be taken by red24 Shareholders in relation to voting at the Shareholder Meetings.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. Scheme Shareholders are therefore strongly urged to complete, sign and return their Forms of Proxy as soon as possible.**

**Further details of the Scheme and the Shareholder Meetings are set out in paragraph 9 of Part 2 of this document.**

## **10. Overseas Shareholders**

Persons resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom should refer to paragraph 14 of Part 2 of this document.

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

Details of the Shareholder Meetings to be held and the action to be taken in respect of the Scheme are set out on pages 6 to 7 of this document.

## **12. Recommendation**

The red24 Directors, who have been so advised by finnCap on the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the red24 Directors, finnCap has taken into account the commercial assessments of the red24 Directors. finnCap is providing independent financial advice to the red24 Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the red24 Directors recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and red24 Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting, as all of the red24 Directors who are interested in Ordinary Shares and their connected parties have irrevocably undertaken to do so in respect of their holdings of, in aggregate, 25,086,178 Ordinary Shares, (representing approximately 50.7 per cent. of the ordinary share capital of red24 in issue on 24 October 2016 (being the latest practicable date prior to this document)).

In addition, Maldwyn Worsley-Tonks has given an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting in respect of 750,000 Ordinary Shares which may be issued to him on the exercise of his red24 Option under the red24 Share Schemes to the extent such Ordinary Shares are acquired by him.

## **13. Further information**

Please read carefully the remainder of this document (and the information incorporated by reference into this document), in particular the letter from finnCap set out in Part 2 of this document, being the explanatory statement made in compliance with section 897 of the Companies Act. The information in this letter is not a substitute for reading the remainder of this document.

On behalf of all red24 Shareholders, I would like to thank the non-executive directors of red24 for their advice and support during their respective terms of office and during this transaction.

Yours faithfully

**Simon Richards**

*Executive Chairman*

**red24 plc**

## PART 2

### EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act)



60 New Broad Street  
London  
EC2M 1JJ

26 October 2016

*To all holders of Ordinary Shares and, for information only, to the holders of options under the red24 Share Schemes*

Dear red24 Shareholder,

#### **Recommended cash acquisition of red24 by iJET**

##### **1. Introduction**

On 10 October 2016, the boards of red24 and iJET announced they had reached agreement on the terms of a recommended all cash acquisition under which iJET will acquire the entire issued and to be issued ordinary share capital of red24.

**Your attention is drawn to the letter from the Chairman of red24 set out in Part 1 of this document, which forms part of this explanatory statement. The Chairman's letter contains, among other things, (a) information on the background to and reasons for the Acquisition and (b) the unanimous recommendation of the red24 Directors that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and red24 Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting.**

The Chairman's letter also states that the red24 Directors, who have been so advised by finnCap on the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the red24 Directors, finnCap has taken into account the commercial assessments of the red24 Directors.

We have been authorised by the red24 Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information.

##### **2. Summary of the terms of the Acquisition**

The Acquisition, which is subject to the Conditions and further terms set out in Part 3 of this document, will be effected by means of the Scheme.

Under the terms of the Acquisition, red24 Shareholders will be entitled to receive:

**for each Ordinary Share      26 pence in cash**

The Acquisition values the entire issued and to be issued ordinary share capital of red24 at approximately £13.1 million, which represents a premium of approximately:

- 25.3 per cent to the Closing Price of 20.75 pence on 29 July 2016 (being the last Business Day prior to the commencement of the Offer Period); and

- 54.6 per cent to the volume weighted average Closing Price of 16.8 pence for the three month period ended 29 July 2016 (being the last Business Day prior to the commencement of the Offer Period).

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by red24 in respect of the Ordinary Shares on or after the Announcement Date and prior to the Effective Date, iJET will have the right to reduce the value of the consideration payable for each Ordinary Share by up to the amount per Ordinary Share of such dividend, distribution or return of value. If any such dividend, distribution or return of value is paid or made after the Announcement Date and iJET exercises its rights described above, any reference in this document to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by iJET of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

The Ordinary Shares will be acquired by iJET with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing now or hereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Effective Date in respect of the Ordinary Shares.

### **3. Information on iJET and LLR**

#### ***iJET***

Founded in 1999, iJET is a privately owned company incorporated in the US State of Delaware, headquartered in Annapolis, Maryland and with regional offices in London and Singapore. iJET provides operational risk management solutions to organisations.

iJET is the principal operating company of the iJET Group. As at 30 September 2016, iJET serviced in excess of 600 clients and had approximately 220 employees worldwide.

The iJET Group is not required to have and does not have any publicly available financial information.

The LLR Funds hold 83.4 per cent. of the equity in iJET Partnership Holdings LLC (the ultimate holding company of iJET). Funds under the management of Egis Capital Partners LLC, a private equity firm focused on investments in the security and homeland defence sector, hold a 9.8 per cent. stake.

The names of the iJET Directors are set out at paragraph 2.2 of Part 5 of this document. iJET's registered office is at Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, USA.

#### ***LLR***

LLR is an independent middle-market private equity firm, based in Philadelphia, Pennsylvania, which provides capital and strategic guidance to growth companies, predominantly in North America. LLR manages and invests the LLR Funds in software and technology-enabled service industries with a focus in healthcare, financial services, education and security. LLR was established in 1999 and, to date, has raised in excess of US\$2 billion across four funds.

LLR has appointed David Stienes as a non-executive director of iJET.

### **4. Information on red24**

red24 is a risk management group that provides a range of business support services, offering preventative and reactive advice to help organisations and individuals to avoid or manage security, employment and business risks to themselves, their families and their businesses. Its products and services are either sold business to business or distributed through leading international financial services companies.

red24 has a reputation for assisting clients in minimising risks to their personnel, operations and profitability. It has offices in London, New York, Cape Town, Munich and Singapore with an operational footprint in most



regions of the world. red24's products and services are divided into revenue streams comprising the following services:

- travel assistance including advice, support and response (including 'TravelTracker' which allows clients to track and monitor travelling employees);
- special risks including kidnap, ransom and extortion support and assistance;
- consultancy services including training, contingency planning, close protection;
- product safety, with particular focus on food safety and product recall; and
- corporate investigations, due diligence and employment background screening.

red24 clients are supported by a 24 hour Crisis Response Management (CRM) centre, staffed by a dedicated team of customer services representatives, political risk analysts and experienced crisis support specialists, coordinating activities across the world. The CRM centre is based in Cape Town, South Africa and is equipped with around the clock intelligence feed capability enabling analysts and crisis support specialists to provide accurate, impartial and timely information and advice to clients. The corporate investigations capability was added to the red24 Group in 2015 with the acquisition of Singapore based RISQ. As well as adding new services to red24, RISQ's presence in the Asian market was seen as providing a platform for red24 to support its clients in the region. red24 sells its products direct to businesses, as well as to financial intermediaries such as banks and insurance companies.

## **5. The effect of the Acquisition on the red24 Share Schemes**

The Acquisition will extend to any Ordinary Shares which are unconditionally allotted, issued or transferred, on or prior to the Scheme Record Time, to satisfy the exercise of the red24 Options on or prior to the Scheme Record Time. Any Ordinary Shares allotted, issued or transferred after the Scheme Record Time to satisfy such red24 Options will, subject to the Scheme becoming Effective, be immediately transferred to iJET (or its nominee) in exchange for the same consideration as red24 Shareholders will be entitled to receive under the terms of the Acquisition. The terms of this exchange are to be set out in the proposed amendments to the red24 Articles which will be considered at the General Meeting.

Participants in the red24 Share Schemes will be contacted separately regarding the effect of the Acquisition on their red24 Options under the red24 Share Schemes and the actions they may take in respect of those red24 Options. The proposals to be made to such participants will comprise a proposal to exercise their red24 Options with effect from the sanction of the Scheme by the Court.

## **6. The effect of the Acquisition on the red24 Directors**

Details of the interests of the red24 Directors in the relevant securities of red24 are set out in paragraph 5.2 of Part 5 of this document. Particulars of the red24 Directors' current letters of appointment are set out in paragraph 6 of Part 5 of this document.

Each of the red24 Directors has agreed with iJET to resign from the board of directors of red24 conditional upon the Scheme becoming Effective and with effect from the Effective Date. In addition, Simon Richards has agreed to resign from his position as Executive Chairman of red24 conditional upon the Scheme becoming Effective and with effect from the Effective Date. Simon Richards and each of the Non-Executive red24 Directors have agreed to reduced severance or termination payments in respect of the termination of their directorship (and in the case of Simon Richards, in respect of his employment relationship). Particulars of these arrangements are set out in paragraphs 6.3 and 6.4 of Part 5 of this document.

Maldwyn Worsley-Tonks has entered into a new employment agreement with red24, conditional on the Scheme becoming Effective, on substantially the same commercial terms as his current arrangements with red24 save that the new agreement includes a reduced notice period from 12 months to 6 months and non-compete restrictions. Further particulars of Mr Worsley-Tonks' new employment agreement are set out in paragraph 6.5 of Part 5 of this document.

Maldwyn Worsley-Tonks is entitled to exercise the red24 Option held by him and, in accordance with the proposals being put to participants in the red24 Share Schemes, has undertaken to do so before the Scheme Record Time conditional on sanction of the Scheme by the Court.

Save as set out above and at paragraph 5.2.1 of Part 5, the effect of the Scheme on the interests of the red24 Directors does not differ from its effect on the interests of any other holder of Ordinary Shares.

## **7. Financing of the Acquisition**

The cash consideration payable under the terms of the Acquisition will be made available to iJET pursuant to an irrevocable standby letter of credit dated 6 October 2016 (“LoC”) from MUFG Union Bank, N.A. (an indirect, wholly-owned subsidiary of The Bank of Tokyo-Mitsubishi UFJ) applied for by LLR in favour of iJET, as beneficiary. In consideration for the provision of the LoC, iJET and LLR have agreed that prior to the Scheme becoming Effective, iJET shall issue to LLR (or as it shall direct) a convertible loan note for a principal amount of no less than the aggregate consideration payable pursuant to the terms of the Acquisition.

GCA Altium, financial adviser to iJET, is satisfied that sufficient resources are available to satisfy in full the aggregate cash consideration payable to red24 Shareholders under the terms of the Acquisition.

## **8. Acquisition-related arrangements**

### ***Confidentiality agreement***

iJET and red24 entered into a confidentiality agreement dated 4 May 2016 pursuant to which each of iJET and red24 have agreed to keep confidential information about the other party and not to disclose to third parties (other than permitted recipients) confidential information exchanged by them unless required by law or regulation. These confidential obligations remain in force for a period of three years from the date the agreement was countersigned by red24 expiring on 9 May 2019.

## **9. The Scheme and the Shareholder Meetings**

### **9.1 *Structure of the Scheme***

The Acquisition is being effected by means of the Scheme, although iJET reserves the right to elect to implement the offer by means of a Takeover Offer (subject to Panel consent).

The purpose of the Scheme is to provide for iJET to become the holder of the entire issued and to be issued ordinary share capital of red24. Following the Scheme becoming Effective, the Scheme Shares will be transferred to iJET, in consideration for which Scheme Shareholders whose names appear on the register of members of red24 at the Scheme Record Time will receive 26 pence per Scheme Share in cash.

To become Effective, the Scheme requires, among other things, the approval of the requisite majorities of Scheme Shareholders at the Court Meeting and the passing of the Special Resolution by red24 Shareholders at the General Meeting.

Following the Shareholder Meetings and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court. The Scheme will become Effective only upon a certified copy of the Court Order being delivered to the Registrar of Companies.

It is expected that the Scheme will become Effective on 15 December 2016, subject to the satisfaction or (where applicable) waiver of the Conditions.

Any adjournment of a Shareholder Meeting or the Court Hearing, or a decision by red24 to propose such an adjournment, will be announced promptly by red24 through a Regulatory Information Service. If the meeting or hearing is adjourned to a specified date, the announcement will set out the relevant details of the adjourned meeting or hearing. If no such date is specified the adjourned date will be announced separately.

Further details of the Shareholder Meetings and the Conditions are set out in paragraphs 9.2 to 9.7 below.

## 9.2 *The Shareholder Meetings*

The Scheme will require the approval of the Scheme Shareholders at the Court Meeting to be held at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS at 10.00 a.m. on 21 November 2016. The Scheme will also require the approval by red24 Shareholders of the Special Resolution to be proposed at the General Meeting to be held at the same place at 10.15 a.m. on 21 November 2016 (or as soon thereafter as the Court Meeting has concluded or been adjourned). Notices of the Shareholder Meetings are set out in Part 9 and Part 10 respectively of this document.

Whether or not you vote in favour of the resolutions to be proposed at the Shareholder Meetings, if the Scheme becomes Effective, your Scheme Shares will be transferred to iJET and you will be entitled to receive the consideration due under the terms of the Acquisition.

As soon as practicable and, in any event, by no later than 8.00 a.m. on the Business Day following the Shareholder Meetings, red24 shall make an announcement through a Regulatory Information Service stating whether or not the resolutions proposed at the Shareholder Meetings were passed by the requisite majorities (and, if not, whether or not the Scheme has lapsed) and giving voting results in relation to the Shareholder Meetings.

## 9.3 *Court Meeting*

The Court Meeting is being held at the direction of the Court and has been convened to enable the Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each Scheme Shareholder present (in person or by proxy) will be entitled to one vote for each Scheme Share held by him.

The approval required at the Court Meeting is the approval of a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting (or any adjournment thereof), representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. Scheme Shareholders are therefore strongly urged to complete, sign and return their Forms of Proxy as soon as possible.**

## 9.4 *General Meeting*

The General Meeting has been convened to enable all red24 Shareholders to consider and, if thought fit, approve the Special Resolution to authorise:

- (i) the red24 Directors to effect the Scheme; and
- (ii) certain amendments to the red24 Articles (as described below).

The Special Resolution will require votes in favour of not less than 75 per cent. of the votes cast by red24 Shareholders voting in person or by proxy at the General Meeting in order to be passed.

The Special Resolution, if passed, will authorise certain amendments to the red24 Articles required in connection with the Scheme. The proposed amendments will provide, among other things, that subject to the implementation of the Scheme, any Ordinary Shares issued to any person (other than iJET or its nominee(s)) on or after the Scheme Record Time will be immediately transferred to iJET, in consideration of the payment of the same consideration per Ordinary Share as was due to a holder of Scheme Shares under the Scheme. This will avoid any person (other than iJET or its nominee(s)) being left with Ordinary Shares after dealings in such shares have ceased trading on AIM, which is

expected to occur by 7.30 a.m. on 15 December 2016. The proposed changes to the red24 Articles are contained in the notice of the General Meeting set out in Part 10 of this document.

#### 9.5 *Entitlement to vote at the Shareholder Meetings*

Each holder of Scheme Shares whose name appears on the register of members of red24 at the Voting Record Time will be entitled to attend and vote at the Court Meeting. Each holder of Ordinary Shares whose name appears on the register of members of red24 at the Voting Record Time will be entitled to attend and vote at the General Meeting. If either Shareholder Meeting is adjourned, only those Scheme Shareholders (in the case of the Court Meeting) and red24 Shareholders (in the case of the General Meeting) on the register of members of red24 at 6.00 p.m. on the day which is two days before the adjourned meeting will be entitled to attend and vote.

Each Scheme Shareholder (in the case of the Court Meeting) and each red24 Shareholder (in the case of the General Meeting) is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not, in the case of the Court Meeting, be a Scheme Shareholder, or, in the case of the General Meeting, be a red24 Shareholder. A Scheme Shareholder or a red24 Shareholder which is a company may appoint a corporate representative by resolution of its directors to attend and, on a poll, vote on its behalf at the relevant Shareholder Meeting. Please see paragraph 10 of this Part 2 of this document for further information on actions to be taken in order to vote at the Shareholder Meetings and to appoint proxies.

#### 9.6 *Sanction of the Scheme by the Court*

Under the Companies Act, the Scheme also requires the sanction of the Court.

The Court Hearing is expected to be held on 13 December 2016 at the Court of Session, Parliament House, Parliament Square, Edinburgh EH1 1RQ.

Any Scheme Shareholder or other person who considers that he or she has an interest in the Scheme (each an “**Interested Party**”) and who is concerned that the Scheme may adversely affect him or her is entitled to be heard by the Court, as explained below.

If an Interested Party wishes to raise concerns in relation to the Scheme with the Court or to appear at the Court Hearing, he or she should seek independent legal advice and should lodge written answers to the Petition with the Court at Parliament House, Parliament Square, Edinburgh EH1 1RQ within the period of time specified in the advertisement of the Petition (which is currently expected to be published on or around 25 November 2016) and pay the required fee. Written answers are a formal Court document which must comply with the rules of the Court and are normally prepared by Scottish counsel.

The usual practice of the Court is to consider written objections to a scheme of arrangement which are not in the form of written answers and/or to allow a person who has not lodged written answers to appear at a hearing on that scheme. Each Interested Party should note that, despite that practice, the Court might require an Interested Party to lodge written answers in order to raise objections to the Scheme and/or appear at the Court Hearing.

iJET has confirmed that it will be represented by counsel at the Court Hearing to sanction the Scheme, so as to consent to the Scheme and to undertake to the Court to be bound thereby.

If the Court sanctions the Scheme at the Court Hearing, a certified copy of the Court Order will be delivered to the Registrar of Companies. The Scheme will only become Effective after this delivery.

As soon as possible following the Court Hearing, red24 shall make an announcement through a Regulatory Information Service stating the decision of the Court and details of whether the Scheme will proceed or has lapsed.

iJET shall undertake to the Court to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme.

#### 9.7 *Conditions*

The Conditions to the Acquisition and the Scheme are set out in Part 3 of this document. The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, on or before the Long-Stop Date or such later date (if any) as iJET and red24 may agree and the Panel and the Court may allow. In summary, the Acquisition is conditional, among other things, upon:

- (i) the approval of the Scheme by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting (or any adjournment thereof), representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders and such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting set out in this document (or such later date (if any) as may be agreed by iJET and red24);
- (ii) the passing of the Special Resolution by the requisite majority of red24 Shareholders at the General Meeting (or at any adjournment thereof) and such General Meeting being held on or before the 22nd day after the expected date of the General Meeting set out in this document (or such later date (if any) as may be agreed by iJET and red24);
- (iii) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to red24 and iJET) on or before the 22nd day after the expected date of the Court Hearing set out in this document (or such later date (if any) as may be agreed by iJET and red24) and the delivery of a certified copy of the Court Order to the Registrar of Companies; and
- (iv) the other conditions not otherwise identified above (but set out in this document) either being satisfied or, with the exception of certain conditions which are not capable of waiver, waived.

If the Condition that the Scheme must become unconditional and Effective on or before the Long-Stop Date or any Condition referred to above, is not capable of being satisfied by the date specified therein, iJET shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 8.00 a.m. on the Business Day following the date so specified, stating whether iJET has invoked that Condition, waived that Condition or, with the agreement of red24, specified a new date by which that Condition must be satisfied.

#### 9.8 *Effective Date*

The Scheme will become effective upon the delivery of a certified copy of the Scheme Court Order to the Registrar of Companies. This is expected to occur on 15 December 2016.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and, if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of red24 Shares will cease to be valid and entitlements to red24 Shares held within the CREST system will be cancelled.

As soon as practicable on the Effective Date, red24 or iJET shall make an announcement through a Regulatory Information Service stating that the Scheme has become Effective.

**Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and, if they attended and voted, whether or not they voted in favour).**

If the Scheme is not Effective by the Long-Stop Date (or such later date (if any) as red24 and iJET may, with the consent of the Panel, agree and (if required) the Court may allow), the Scheme will not be implemented and the Acquisition will not proceed.

#### 9.9 *Modifications and revision*

The Scheme contains a provision for iJET and red24 jointly to consent on behalf of all persons affected to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or additions to, or impose a condition to the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances.

iJET reserves the right to elect, with the agreement of red24 and consent of the Panel (where necessary), to implement the Acquisition by means of a Takeover Offer as it may determine in its absolute discretion. In such event, the Acquisition will be implemented on substantially the same terms subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. of the shares to which such offer relates (or such less percentage, being more than 50 per cent. of the red24 shares carrying voting rights, as iJET in its sole discretion may decide), so far as applicable, as those which would apply to the Scheme. The Panel will determine the offer timetable that will apply following any switch to a Takeover Offer to which it consents. iJET must announce a switch to a Takeover Offer through a Regulatory Information Service. Any such announcement must include:

- (i) details of all changes in terms and conditions of the Acquisition;
- (ii) details of any material changes to other details of the Acquisition;
- (iii) an explanation of the offer timetable following the switch to a Takeover Offer; and
- (iv) an explanation of whether irrevocable undertakings or letters of intent will remain valid following the switch to a Takeover Offer.

Any modification or revision to the Scheme shall be made no later than the date which is 14 days prior to the date of the Shareholder Meetings (or any later date to which such meetings are adjourned). The consent of the Panel must be obtained if it is proposed to make any revision the Scheme (i) less than 14 days prior to the date of the Shareholder Meetings (or any later date to which such meetings are adjourned) or (ii) following the Shareholder Meetings.

#### **10. Action to be taken**

The Scheme will require the approval of the Scheme Shareholders at the Court Meeting to be held at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS at 10.00 a.m. on 21 November 2016. The Scheme will also require the approval of red24 Shareholders of the Special Resolution to be proposed at the General Meeting to be held at the same place at 10.15 a.m. on 21 November 2016 (or as soon thereafter as the Court Meeting has concluded or been adjourned). Notices of the Shareholder Meetings are set out in Part 9 and Part 10 respectively of this document.

You will also find enclosed with this document:

- (i) a WHITE Form of Proxy for use at the Court Meeting;
- (ii) a YELLOW Form of Proxy for use at the General Meeting; and
- (iii) a reply-paid envelope for use in the United Kingdom.

Whether or not you plan to attend the Shareholder Meetings, please complete the Forms of Proxy in accordance with the instructions printed on them and to return them to: Capita Asset Services, PXS1,

34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and, in any event, so as to be received by no later than:

- **10.00 a.m. on 19 November 2016 in the case of the WHITE Form of Proxy for the Court Meeting; and**
- **10.15 a.m. on 19 November 2016 in the case of the YELLOW Form of Proxy for the General Meeting,**

(or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). A reply-paid envelope has been provided for use in the United Kingdom only. Forms of Proxy returned by fax will not be accepted.

If the WHITE Form of Proxy for the Court Meeting is not received by the Registrars by 10.00 a.m. on 19 November 2016, it may be handed to the Registrars, on behalf of the chairman of the Court Meeting, before the start of the Court Meeting. However, if the YELLOW Form of Proxy for the General Meeting is not received by the Registrars by 10.15 a.m. on 19 November 2016, it will be invalid.

Completing and returning the Forms of Proxy will not prevent you from attending and voting in person at the Shareholder Meetings, or any adjournment of the Shareholder Meetings, if you so wish and are so entitled.

**It is particularly important that as many votes as possible are cast at the Court Meeting so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. Scheme Shareholders are therefore strongly urged to return their Forms of Proxy as soon as possible.**

## **11. Settlement and share certificates**

Subject to the Scheme becoming Effective, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be effected within 14 days of the Effective Date in the manner set out below.

Settlement of consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which iJET may otherwise be, or claim to be, entitled against such Scheme Shareholder. This is without prejudice to iJET's right to reduce the amount of consideration payable by an amount equivalent to any dividend declared or paid on or after the Announcement Date and prior to the Effective Date and retained by any red24 Shareholder.

### **11.1 Consideration where Scheme Shares are held in uncertificated form (that is, in CREST)**

A Scheme Shareholder who holds Scheme Shares at the Scheme Record Time in uncertificated form will receive any consideration to which it is entitled under the Scheme through CREST by iJET procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds such uncertificated Scheme Shares in respect of the consideration due to him.

As at the close of trading on the last day of dealings in Ordinary Shares prior to the Effective Date, there may be unsettled, open trades for the sale and purchase of Ordinary Shares within CREST. Scheme Shares that are the subject of such unsettled trades will be treated under the Scheme in the same way as any other Scheme Share registered in the name of the relevant seller under that trade. Consequently, those Scheme Shares will be transferred under the Scheme and the seller will receive the appropriate consideration in accordance with the terms of the Scheme.

As from the Effective Date, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course thereafter.

iJET reserves the right to pay all or any part of the consideration referred to above to all or any Scheme Shareholder(s) who hold(s) Scheme Shares in uncertificated form at the Scheme Record Time

in the manner referred to in paragraph 11.2 of this Part 2 if, for reasons outside its reasonable control, it is not able to effect settlement in uncertificated form in accordance with this paragraph 11.1.

#### **11.2 *Consideration where Scheme Shares are held in certificated form***

Settlement of the consideration in respect of Scheme Shares held in certificated form at the Scheme Record Time shall be despatched by first-class post (or international standard post, if overseas) to the Scheme Shareholder or its appointed agents. All such cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

Payments made by cheque shall be payable to the Scheme Shareholders concerned. Cheques shall be despatched as soon as practicable and within 14 days after the Effective Date to the persons entitled thereto at their respective addresses as appearing in the register of members of red24 at the Scheme Record Time, or in the case of joint holders, at the address of that member which stands first in the register of members in respect of that holding. None of red24, iJET or any of their respective nominees or agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person entitled thereto.

On the Effective Date, each certificate representing a holding of Ordinary Shares in the name of someone other than iJET will cease to be valid. Following settlement of the consideration to which Scheme Shareholders are entitled under the Scheme, such Scheme Shareholder will be bound on the request of red24 either (i) to destroy such certificate(s); or (ii) return such certificate(s) to red24, or to any person appointed by red24 for cancellation.

Scheme Shareholders who hold their Scheme Shares in certificated form and who would prefer to receive settlement of their consideration through CREST in accordance with paragraph 11.1 of this Part 2 and not by cheque should contact their stockbroker or such other independent duly authorised financial adviser to consider whether they are able to dematerialise their Scheme Shares prior to the Effective Date.

#### **11.3 *Consideration where Scheme Shares acquired by directors or employees of the red24 Group pursuant to the exercise of the red24 Options***

In the case of Scheme Shares acquired by directors or employees of the red24 Group on the exercise of the red24 Options, settlement of the consideration shall be made directly into the relevant director or employee bank account within 14 days after the Effective Date, subject to the deduction of the aggregate exercise price payable on the exercise of the red24 Option concerned and applicable income tax and national insurance contributions, in each case, in accordance with the terms of the Optionholder Letters.

## **12. Delisting and re-registration**

An indicative timetable of principal events setting out, among other things, the expected date of the last day of dealings in, and cancellation of admission to trading on AIM of, Ordinary Shares is on page 8 of this document.

The last day of dealings in, and for registration of transfers of, and disablement in CREST of, Ordinary Shares on AIM is expected to be the Business Day immediately following the Court Hearing and no transfers will be registered after 6.00 p.m. on that date (other than the registration of Ordinary Shares released, transferred or issued under the red24 Share Schemes).

Prior to the Effective Date, red24 will make an application to the London Stock Exchange for the cancellation of the admission to trading of the Ordinary Shares on AIM with effect from 7.00 a.m. on the next Business Day after the Effective Date.

On the Effective Date, red24 will become a wholly-owned subsidiary of iJET and share certificates in respect of red24 Shares shall cease to be valid and Scheme Shareholders should, if so requested by red24, send their red24 share certificates to red24 following receipt of the consideration due under the terms of the offer or



destroy them. Entitlements to red24 Shares held within the CREST system will be cancelled on the Effective Date.

Following the Scheme becoming Effective, it is also proposed that red24 be re-registered as a private limited company.

### **13. United Kingdom taxation**

Your attention is drawn to Part 7 of this document relating to United Kingdom taxation. red24 Shareholders who are in any doubt about their taxation position or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom are strongly advised to contact an appropriate independent professional tax adviser immediately.

### **14. Overseas Shareholders**

The ability of Overseas Shareholders to participate in the Acquisition and the distribution of this document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves of, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. If any Overseas Shareholder remains in any doubt, it should consult an appropriate independent professional adviser in its relevant jurisdiction without delay. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purposes of complying with the laws of Scotland, the AIM Rules and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this document and the accompanying documents have been prepared in accordance with the laws of jurisdictions outside of the United Kingdom.

Neither this document nor any of the accompanying documents are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

This document has not been, and will not be, registered with, or licensed or approved by, the UAE Central Bank, the Emirates Securities and Commodities Authority, the Dubai Financial Services Authority or any other regulatory authority in the United Arab Emirates.

### **15. Further information**

Your attention is drawn to the full text of the Scheme as set out in Part 6 (The Scheme of Arrangement) of this document.

Your attention is also drawn to the following parts of this document, which are deemed to form part of this explanatory statement: Part 3 (Conditions and certain further terms of the Scheme and the Acquisition); Part 4 (Financial and ratings information); Part 5 (Additional Information); Part 9 (Notice of Court Meeting); and Part 10 (Notice of General Meeting).

Yours faithfully

**finnCap Ltd**

## PART 3

### CONDITIONS AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

#### Part A: Conditions of the Acquisition and the Scheme

1. The Acquisition will be conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, on or before 6.00 p.m. on the Long-Stop Date or such later date (if any) as iJET and red24 may, with the consent of the Panel, agree and (if required) the Court may approve.
2. The Acquisition will be subject to the following conditions:
  - 2.1 the approval of the Scheme by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders present and voting (and entitled to vote), in person or by proxy, at the Court Meeting and at any separate class meeting which the Court may require (or, in either case, any adjournment thereof) and such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting set out in this document (or such later date (if any) as may be agreed by iJET and red24);
  - 2.2 the passing of the Special Resolution by the requisite majority at the General Meeting (or any adjournment thereof) and such General Meeting being held on or before the 22nd day after the expected date of the General Meeting set out in this document (or such later date (if any) as may be agreed by iJET and red24); and
  - 2.3 the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to red24 and iJET) on or before the 22nd day after the expected date of the Court Hearing set out in this document (or such later date (if any) as may be agreed by iJET and red24) and the delivery of a certified copy of the Court Order to the Registrar of Companies.
3. Subject as stated in Part B below and to the requirements of the Panel, the Acquisition will be conditional upon the following Conditions and, accordingly, the Court Order will not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied (where capable of satisfaction) and continue to be satisfied or, where relevant, waived prior to the Scheme being sanctioned by the Court:

#### *Notifications, waiting periods and authorisations*

- 3.1 all material notifications, filings or applications which are necessary having been made in connection with the Acquisition and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all applicable statutory and regulatory obligations in any jurisdiction having been complied with in respect of the Acquisition and the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, red24 or any other member of the Wider red24 Group by any member of the Wider iJET Group, in each case where the absence of such notification, filing or application would have a material adverse effect on the Wider iJET Group or the Wider red24 Group in each case taken as a whole, and all Authorisations necessary in respect thereof having been obtained in terms and in a form reasonably satisfactory to iJET from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider red24 Group or the Wider iJET Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider red24 Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes Effective and there being no notice of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations in each case to an extent or in a manner which is material in the context of the Acquisition;

### *Antitrust and regulatory*

- 3.2 no antitrust regulator or Third Party having decided, threatened or given notice in writing of a decision to take, institute, implement any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to (in any case to an extent or in a manner which is material in the context of the Wider red24 Group or the Wider iJET Group taken as a whole or material in the context of the Acquisition):
- 3.2.1 require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider iJET Group or by any member of the Wider red24 Group of all or any material part of its businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their material assets or material properties (or any part thereof) (in any case to an extent or in a manner which is material in the context of the Wider red24 Group or the Wider iJET Group taken as a whole or material in the context of the Acquisition);
  - 3.2.2 except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider iJET Group or the Wider red24 Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider red24 Group (other than in connection with the implementation of the Acquisition);
  - 3.2.3 impose any material limitation on, or result in a material delay in, the ability of any member of the Wider iJET Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in or loans to red24 or on the ability of any member of the Wider red24 Group or any member of the Wider iJET Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities or (or the equivalent) in, or to exercise voting or management control over, any member of the Wider red24 Group (in any case to an extent or in a manner which is material in the context of the Wider red24 Group or the Wider iJET Group taken as a whole or material in the context of the Acquisition);
  - 3.2.4 otherwise materially adversely affect any or all of the business, assets or profits of any member of the Wider red24 Group;
  - 3.2.5 result in any member of the Wider red24 Group ceasing to be able to carry on business under any name under which it presently carries on business (in any case to an extent which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition) (as the case may be);
  - 3.2.6 require any member of the Wider red24 Group to relinquish, terminate or amend in any material way any material contract to which any member of the Wider red24 Group is a party;
  - 3.2.7 make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, red24 by any member of the Wider iJET Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain or delay to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere with or require material adverse amendment of the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, red24 by any member of the Wider iJET Group;

- 3.2.8 require, prevent or materially delay a divestiture by any member of the Wider iJET Group of any shares or other securities (or the equivalent) in any member of the Wider red24 Group; or
- 3.2.9 impose any material limitation on the ability of any member of the Wider iJET Group or of any member of the Wider red24 Group to integrate all or any part of its business with all or any part of the business of any other member of the Wider iJET Group and/or the Wider red24 Group (in any case to an extent which is material in the context of the Wider red24 Group or the Wider iJET Group, as the case may be, taken as a whole or in the context of the Acquisition) (as the case may be),

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any applicable jurisdiction in respect of the Acquisition having expired, lapsed or been terminated;

***Certain matters arising as a result of any arrangement, agreement, etc.***

- 3.3 save as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider red24 Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance, which, as a consequence of the Acquisition or the acquisition or the proposed acquisition of any shares in red24 or because of a change in the control or management of any member of the Wider red24 Group or otherwise, would or might reasonably be expected to result in, to an extent in any such case which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition:
  - 3.3.1 any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider red24 Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - 3.3.2 the creation, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider red24 Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable or being enforced;
  - 3.3.3 any material assets of any member of the Wider red24 Group being disposed of or charged, or any right arising under which any such material asset could be required to be disposed of or charged, in each case otherwise than in the ordinary course of business;
  - 3.3.4 any obligation on any member of the Wider red24 Group to obtain or acquire any license, permission, approval, clearance, permit, notice, consent, authorisation, waiver, grant, concession, agreement, certificate, exemption, order or registration from any Third Party;
  - 3.3.5 any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider red24 Group being adversely modified or adversely affected or any onerous obligation or liability arising or any adverse action occurring thereunder;
  - 3.3.6 any material liability of any member of the Wider red24 Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
  - 3.3.7 the rights, liabilities, obligations, interests or business of any member of the Wider red24 Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider red24 Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to such interests or business) being or

becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

- 3.3.8 any requirement on any member of the Wider red24 Group to acquire, subscribe, pay up or repay any shares or other securities;
- 3.3.9 any member of the Wider red24 Group ceasing to be able to carry on business under any name under which it presently carries on business;
- 3.3.10 the value of, or the financial or trading position of any member of the Wider red24 Group being prejudiced or adversely affected; or
- 3.3.11 the creation or acceleration of any liability (actual or contingent) by any member of the Wider red24 Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider red24 Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in Conditions 3.3.1 to 3.3.11;

***Certain events occurring since 31 March 2016***

- 3.4 since 31 March 2016, save as Disclosed, no member of the Wider red24 Group having:
  - 3.4.1 issued or agreed to issue or authorised or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Ordinary Shares out of treasury (except, in each case, where relevant, as between red24 and wholly owned subsidiaries of red24 or between the wholly owned subsidiaries of red24 and except for the issue or transfer out of treasury of Ordinary Shares on the exercise of employee share options under the red24 Share Schemes);
  - 3.4.2 recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of red24 to red24 or any of its wholly owned subsidiaries and excluding, for the avoidance of doubt the final dividend of 0.30 pence per Ordinary Share in respect of the financial year ended 31 March 2016;
  - 3.4.3 other than pursuant to the Acquisition and except for transactions between red24 and its wholly owned subsidiaries or between the wholly owned subsidiaries of red24, proposed, implemented, effected, authorised or announced its intention to implement, effect or authorise any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal or transfer of assets or shares or loan capital (or the equivalent thereof) or any right, title or interest in any assets or shares or loan capital (or the equivalent thereof) or other transaction or arrangement in respect of itself or any member of the Wider red24 Group;
  - 3.4.4 except for transactions between red24 and its wholly owned subsidiaries or between the wholly owned subsidiaries of red24, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised or announced any intention to do so;
  - 3.4.5 except for transactions between red24 and its wholly owned subsidiaries or between the wholly owned subsidiaries of red24, effected, authorised, proposed or announced its intention to propose any change in its loan capital which in any case is material and adverse in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;

- 3.4.6 issued, authorised or announced an intention to authorise the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or (other than trade credit incurred in the ordinary course of business) incurred or increased any indebtedness except as between red24 and its wholly owned subsidiaries or between the wholly owned subsidiaries of red24 which in any case is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.4.7 entered into, terminated, varied or authorised or announced its intention, other than in the ordinary course of business, to enter into, terminate or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude to an extent in any such case which is material in the context of the Wider red24 Group taken as a whole or in the context of the Acquisition;
- 3.4.8 entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director of any member of the Wider red24 Group;
- 3.4.9 entered into any agreement, contract, transaction, arrangement or commitment or terminated or varied the terms of any agreement or arrangement (other than in the ordinary course of business) which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.4.10 entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing agreement, partnership or merger of business or corporate entities which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.4.11 proposed, agreed to provide or modified or announced any proposal to modify the terms of, any share option scheme, incentive scheme, pension scheme obligations, retirement, death or disability benefit or any other employment related benefit (including, but not limited to, bonuses, retention arrangements or share incentive schemes or other benefit relating to the employment or termination of employment of any director or employee of the Wider red24 Group) of or in respect of any of its directors, employees, former directors or former employees which are material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.4.12 entered into any contract, transaction or arrangement which would be materially restrictive on the business of any member of the Wider red24 Group or which could involve obligations which would or might reasonably be expected to be so restrictive;
- 3.4.13 except as between red24 and its wholly owned subsidiaries or between the wholly owned subsidiaries of red24, waived, compromised or settled any claim which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.4.14 terminated or varied the terms of any agreement or arrangement between any member of the Wider red24 Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.4.15 other than pursuant to the Acquisition, made any material alteration to its memorandum or articles of association or other incorporation documents;
- 3.4.16 except in relation to necessary and consequential changes made or agreed as a result of, or arising from, changes to legislation following the Announcement Date, made or agreed or consented to any material change or addition to the terms of the trust deeds and rules constituting the pension scheme(s) established for its directors or employees or former directors or employees or their respective dependants or to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual

or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to in a manner which, in any such case or together, is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;

- 3.4.17 been unable, or admitted in writing that it is unable, to pay its debts as they fall due or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business or proposed or entered into any composition or voluntary arrangement with its creditors (or any class of them) or the filing at court of documentation in order to obtain a moratorium prior to a voluntary arrangement or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- 3.4.18 other than in respect of a member of the Wider red24 Group which is dormant and was solvent at the relevant time, taken any steps, corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, striking-off, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- 3.4.19 taken, entered into or had started or threatened against it in a jurisdiction outside Scotland, any form of insolvency proceedings or event similar or analogous to any of the events referred to in Conditions 3.4.17 or 3.4.18;
- 3.4.20 entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3.4; or
- 3.4.21 taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of red24 Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

***No adverse change, litigation, regulatory enquiry or similar***

3.5 save as Disclosed, since 31 March 2016:

- 3.5.1 no material adverse change having occurred and no circumstances having arisen which would or might reasonably be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider red24 Group which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.5.2 no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider red24 Group or to which any member of the Wider red24 Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider red24 Group, in each case which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.5.3 no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider red24 Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider red24

Group, in each case which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;

- 3.5.4 no amendment or termination of any material joint venture or material partnership to which any member of the Wider red24 Group is a party having been agreed or permitted;
- 3.5.5 no contingent or other liability in respect of any member of the Wider red24 Group having arisen or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits of any member of the Wider red24 Group to an extent in any such case which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition; and
- 3.5.6 no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any Authorisation held by any member of the Wider red24 Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider red24 Group taken as a whole or material in the context of the Acquisition;

***No discovery of certain matters regarding information and liabilities***

3.6 save as Disclosed, iJET not having discovered:

- 3.6.1 that any financial, business or other information concerning the Wider red24 Group as contained in the information publicly announced prior to the date of the Announcement or disclosed at any time to any member of the Wider iJET Group by or on behalf of any member of the Wider red24 Group prior to the date of the Announcement is materially misleading, contains a misrepresentation of any material fact, or omits to state a fact necessary to make that information not misleading in any material respect and which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.6.2 that any member of the Wider red24 Group is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise and which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition;
- 3.6.3 that any past or present member of the Wider red24 Group has not complied with all applicable legislation, regulations of any jurisdiction or any notice or requirement of any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any liability including any penalty or non-compliance (whether actual or contingent) on the part of any member of the Wider red24 Group which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition; or
- 3.6.4 that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider red24 Group, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto which is material in the context of the Wider red24 Group taken as a whole or material in the context of the Acquisition; and



### ***Anti-corruption and criminal property***

3.7 save as Disclosed, iJET not having discovered:

- 3.7.1 any member of the Wider red24 Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation; or
- 3.7.2 any member of the Wider red24 Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other government or supranational body or authority in any jurisdiction; or
- 3.7.3 any asset of any member of the Wider red24 Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

### **Part B: Further terms of the Acquisition**

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

To the extent permitted by law and subject to the requirements of the Panel, iJET reserves the right to waive:

- the deadline set out in the Condition in paragraph 1 of Part A and any of the deadlines set out in the Conditions in paragraph 2 of Part A for the timing of the Court Meeting, the General Meeting and the Court Hearing. If any such deadline is not met, iJET will make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with red24 to extend the deadline in relation to the relevant Condition; and
- in whole or in part, all or any of the Conditions in paragraphs 3.1 to 3.7 (inclusive) of Part A.

iJET shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

If iJET is required by the Panel to make an offer for Ordinary Shares under the provisions of Rule 9 of the Takeover Code, iJET may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.

The Acquisition shall lapse (unless otherwise agreed with the Panel) and the Scheme shall not become Effective if:

- in so far as the Acquisition or any matter arising from or relating to the Scheme or the Acquisition constitutes a concentration with a Community dimension within the scope of the EC Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the EC Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the EC Regulation and there is then a CMA Phase 2 Reference; or
- in so far as the Acquisition or any matter arising from or relating to the Scheme or the Acquisition does not constitute a concentration with a Community dimension within the scope of the EC Regulation, the Scheme or Acquisition or any matter arising from or relating to the Acquisition becomes subject to a CMA Phase 2 Reference,

in either case, before the date of the Court Meeting or the General Meeting.

iJET reserves the right to elect, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Acquisition will be implemented on substantially the same terms as those which would apply to the Scheme, subject to appropriate amendments, so far as applicable, as those which would apply to the Scheme, including (without limitation) an acceptance condition set at 90 per cent. (or such lesser percentage, being more than 50 per cent., as iJET may decide) of the Ordinary Shares to which such offer relates (“**Takeover Offer Acceptance Condition**”).

The ability of Overseas Shareholders to participate in the Acquisition and the distribution of this document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves of, and observe, any such restrictions.

Unless otherwise determined by iJET or required by the Takeover Code and permitted by applicable law and regulation, the Acquisition is not being, and will not be, made, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or other forms of electronic transmission) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within any jurisdiction where to do so would violate the laws of that jurisdiction.

Under Rule 13.5(a) of the Takeover Code, iJET may not invoke a condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to iJET in the context of the Acquisition. Whether or not such Condition can be invoked would be determined by the Panel. The Conditions contained in paragraphs 1 and 2 of Part A and, if applicable, the Takeover Offer Acceptance Condition set out in this Part B are not subject to this provision of the Takeover Code.

iJET reserves the right, without prejudice to any right of iJET, with the consent of the Panel, to invoke Condition 3.4.2 of Part A, to reduce the consideration payable under the Acquisition by the amount of any dividend (or other distribution) which is paid or becomes payable by red24 to red24 Shareholders on or after the Announcement Date and prior to the Effective Date. If iJET exercises its right to reduce the offer consideration by all or part of the amount of a dividend (or other distribution) that has not been paid, red24 Shareholders will be entitled to receive and retain that dividend (or other distribution) (“**Subsequent Dividend**”). If any such dividend or distribution is paid or made before the Effective Date, if iJET exercises its rights described in this paragraph, any reference in this document to the consideration payable under the Scheme or pursuant to the Acquisition shall be deemed to be a reference to the consideration as so reduced. Any exercise by iJET of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

The Ordinary Shares which will be acquired under the Acquisition will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any), and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid on or after the Effective Date.

iJET reserves the right for any other member of the iJET Group from time to time to implement the Acquisition.

The Acquisition is governed by the laws of Scotland and is subject to the jurisdiction of the Court. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the AIM Rules and the London Stock Exchange.

## **PART 4**

### **FINANCIAL AND RATINGS INFORMATION**

#### **Part A: Financial information relating to red24**

The following information is incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code:

- the audited consolidated accounts of red24 for the financial year ended 31 March 2016 set out in pages 20 to 53 (both inclusive) in the Company's annual report for the financial year ended 31 March 2016 available from red24's website at <http://www.red24plc.com/annual-and-interim-reports> by opening the link entitled "Annual Report: 1 April 2015 – 31 March 2016"; and
- the audited consolidated accounts of red24 for the financial year ended 31 March 2015 set out in pages 20 to 53 (both inclusive) in the Company's annual report for the financial year ended 31 March 2015 available from red24's website at <http://www.red24plc.com/annual-and-interim-reports> by opening the link entitled "Annual Report: 1 April 2014 – 31 March 2015".

#### **Part B: red24 ratings and outlooks**

There are no current ratings or outlooks publicly accorded to red24 by rating agencies.

## PART 5

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The red24 Directors, whose names are set at paragraph 2.1 of this Part 5, each accept responsibility for the information contained in this document, other than information for which responsibility is taken by: (i) the iJET Directors pursuant to paragraph 1.2 below and (ii) the LLR Responsible Person pursuant to paragraph 1.3 below. To the best of the knowledge and belief of the red24 Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The iJET Directors, whose names are set at paragraph 2.2 of this Part 5, each accept responsibility for the information contained in this document relating to iJET, the iJET Group, the iJET Directors and members of their immediate families, related trusts and persons connected with them including, without limitation, information relating to iJET's strategy and future intentions for red24. To the best of the knowledge and belief of the iJET Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The LLR Responsible Person, whose name is set at paragraph 2.3 of this Part 5, accepts responsibility for the information contained in this document relating to LLR and the LLR Funds. To the best of the knowledge and belief of the LLR Responsible Person (who has taken all reasonable care to ensure that such is the case), the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1 The red24 Directors and their respective positions are set out below:

<i>Name</i>	<i>Position held</i>
Simon Anthony Richards	<i>Executive Chairman</i>
Maldwyn Stephen Henry Worsley-Tonks	<i>Chief Executive Officer</i>
John Edward Abraham Mocatta	<i>Non- Executive Director</i>
Lorraine Anne Adlam	<i>Non- Executive Director</i>
John Michael Brigg	<i>Non- Executive Director</i>

- 2.2 The iJET Directors and their respective positions are set out below:

<i>Name</i>	<i>Position held</i>
Darryl Bruce McIndoe	<i>Chief Executive Officer and Chairman</i>
David Stienes	<i>Director</i>
William Polk	<i>Director</i>
Geoff Baird	<i>Director</i>
Tim Whipple	<i>Director</i>
James Simmons	<i>Director</i>

- 2.3 The LLR Responsible Person is David Stienes. Mr Stienes is a non-executive director of iJET and appointed as LLR's nominee on the board of iJET. The LLR Funds are the majority shareholder of iJET Partnership Holdings LLC, the ultimate parent company of iJET.

### 3. Ordinary Shares and red24 Share Schemes

At the close of business on 24 October 2016 (being the last practicable date prior to the publication of this document), the following Ordinary Shares were in issue and red24 Options in respect of Ordinary Shares under the red24 Share Schemes were outstanding:

- Ordinary Shares in issue: 49,483,355
- Ordinary Shares which may be issued on the exercise of the red24 Options under the red24 Share Schemes: 1,050,000

### 4. Market quotations

The following table sets out the Closing Price for Ordinary Shares on the first Business Day in each of the six months immediately before the date of this document, on 29 July 2016 (being the last Business Day prior to the commencement of the Offer Period) and on 24 October 2016 (being the latest available date prior to the publication of this document):

<i>Date</i>	<i>Closing Price (pence)</i>
1 April 2016	18.75
3 May 2016	18.25
1 June 2016	17.75
1 July 2016	17.00
29 July 2016	20.75
1 August 2016	25.50
1 September 2016	24.25
24 October 2016	25.37

### 5. Disclosure of interests and dealings

#### 5.1 *Definitions and references*

For the purposes of this paragraph 5:

- 5.1.1 “**acting in concert**” with red24 or iJET, as the case may be, means any such person acting or deemed to be acting in concert with red24 or iJET, as the case may be, for the purposes of the Takeover Code;
- 5.1.2 “**arrangement**” includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities of red24 which may be an inducement to deal or refrain from dealing;
- 5.1.3 “**connected adviser**” includes an organisation which (A) is advising iJET or (as the case may be) red24 in relation to the Acquisition, (B) is a corporate broker to iJET or (as the case may be) red24, (C) is advising a person acting in concert with iJET or (as the case may be) red24 in relation to the Acquisition or in relation to the matter which is the reason for that person being a member of the concert party, in each case, excluding any “exempt principal traders” and any “exempt fund managers”;
- 5.1.4 “**connected person**” means, in relation to any person who is a director of a company, any other person whose interests in shares the director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 and related regulations;
- 5.1.5 ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and “**control**” means an interest or interests in shares carrying in aggregate 30 per cent. or more of the “voting rights” of a company, irrespective of whether the holding or holdings gives de facto control;

5.1.6 “**dealing**” or “**dealt**” means:

- (i) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or of general control of relevant securities;
- (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant securities;
- (iii) subscribing or agreeing to subscribe for relevant securities;
- (iv) exercising or converting, whether in respect of any new or existing securities, or any relevant securities carrying conversion or subscription rights;
- (v) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
- (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
- (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

5.1.7 “**derivative**” includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

5.1.8 “**disclosure date**” means 24 October 2016 (being the last practicable date prior to the publication of this document)

5.1.9 “**disclosure period**” means the period which began on 29 July 2015 (the date 12 months prior to the commencement of the Offer Period) and ended on the disclosure date;

5.1.10 “**relevant securities**” means:

- (i) Ordinary Shares and any other securities of red24 conferring voting rights;
- (ii) the equity share capital of any member of the iJET Group; and
- (iii) securities of red24 and any member of the iJET Group carrying conversion or subscription rights into any of the foregoing;

5.1.11 “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;

5.1.12 “**voting rights**” means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting of that company. Except for treasury shares, any shares which are subject to:

- (i) a restriction on the exercise of voting rights:
  - (1) in an undertaking or agreement by or between a shareholder and the company or a third party; or
  - (2) arising by law or regulation; or
- (ii) a suspension of voting rights implemented by means of the company’s articles of association or otherwise,

will normally be regarded as having voting rights which are currently exercisable at a general meeting;

5.1.13 a person has an “**interest**” or is “**interested**” in relevant securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but not if he only has a short position in such securities) and in particular if:

- (i) he owns them;
- (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
- (iii) by virtue of any agreement to purchase, option or derivative he:
  - (1) has the right or option to acquire them or call for their delivery; or
  - (2) is under an obligation to take delivery of them

whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

- (iv) he is party to any derivative:
  - (1) whose value is determined by reference to their price; and
  - (2) which results, or may result, in his having a long position in them; and

5.1.14 “**close relatives**”, “**exempt principal trader**”, “**exempt fund manager**” and “**securities**” have the meanings given to them by the Takeover Code.

## 5.2 ***Interests, rights to subscribe and short positions in relevant securities of red24***

### 5.2.1 *red24 Directors*

As at the disclosure date, the red24 Directors (including their close relatives, related trusts and connected persons) were interested in the following Ordinary Shares:

<i>Name</i>	<i>Number of Ordinary shares</i>	<i>Registered holder</i>	<i>Beneficial owner</i>
Simon Anthony Richards	495,000	Simon Anthony Richards	Simon Anthony Richards
	135,000	TD Direct Investing Nominees (Europe) Limited	Simon Anthony Richards
	10,984,250	Sidebell Limited	Sidebell Limited
	2,905,000	TD Direct Investing Nominees (Europe) Limited	Sidebell Limited
Maldwyn Worsley-Tonks	60,000	Michael Alan Richards	Michael Allan Richards
	50,000	Michael Allan Richards	Michael Allan Richards
	50,000	Emily Wilson Richards	Emily Wilson Richards
Maldwyn Worsley-Tonks	963,500	Maldwyn Worsley-Tonks	Maldwyn Worsley-Tonks

<i>Name</i>	<i>Number of Ordinary shares</i>	<i>Registered holder</i>	<i>Beneficial owner</i>
John Edward Abraham Mocatta	630,000	Hargreaves Lansdown (Nominees) Limited	Naomi Faith Mocatta
	20,000	Hargreaves Lansdown (Nominees) Limited	John Edward Abraham Mocatta
	18,000	Hargreaves Lansdown (Nominees) Limited	John Mocatta Grandchildren Trust
	10,000	Samuel Edward Abraham Foster	Samuel Edward Abraham Foster
	17,754	Barclayshare Nominees Limited	Edward Charles Mocatta
	6,000	Julia Batchelor Mocatta	Julia Batchelor Mocatta
Lorraine Anne Adlam	75,000	Rathbone Nominees Limited	Lorraine Anne Adlam
John Michael Brigg	4,981,500	EMIS International Business Limited	EMIS International Business Limited
	3,475,000	Barclayshare Nominees Limited	John Michael Brigg
	210,174	Barclayshare Nominees Limited	Tonje Stremes

As at the disclosure date, the following red24 Options in respect of Ordinary Shares had been granted to the following red24 Directors for nil consideration and remained outstanding under the red24 Share Schemes:

<i>Name</i>	<i>Scheme</i>	<i>Number of Ordinary Shares under option</i>	<i>Date of grant</i>	<i>Exercise price (p)</i>	<i>Exercise period</i>
Maldwyn Worsley-Tonks	red24 plc EMI Scheme	750,000	15.08.12	10.5	15.08.15 to 14.08.18

- 5.2.2 As at the disclosure date, none of iJET, the iJET Directors (or any of their close relatives, related trusts or connected persons) or any other person acting in concert with iJET was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of red24.

### 5.3 ***Borrowing or lending of relevant securities of red24***

- 5.3.1 As at the disclosure date, none of red24, the red24 Directors (or any of their close relatives, related trusts or connected persons) or any other person acting in concert with red24 has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant securities in red24 other than any borrowed shares which have been either on-lent or sold.

- 5.3.2 As at the disclosure date, none of iJET, the iJET Directors (or any of their close relatives, related trusts or connected persons) or any other person acting in concert with iJET has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant securities in red24 other than any borrowed shares which have been either on-lent or sold.

### 5.4 ***Dealings in relevant securities of red24***

#### 5.4.1 *red24 Directors*

In the period commencing on the first day of the Offer Period and ending on the disclosure date, none of red24, the red24 Directors (or any of their close relatives, related trusts or



connected persons) or any other person acting in concert with red24 has dealt in the relevant securities of red24.

#### 5.4.2 *iJET*

In the disclosure period, none of iJET, the iJET Directors (or any of their close relatives, related trusts or connected persons) or any other person acting in concert with iJET has dealt in the relevant securities of red24.

### 5.5 ***Interests, rights to subscribe and short positions in relevant securities of iJET***

#### 5.5.1 *red24*

As at the disclosure date, none of red24, the red24 Directors (any of their close relatives, related trusts or connected persons) or any other person acting in concert with red24 was interested in the relevant securities of iJET.

### 5.6 ***Dealings in relevant securities of iJET***

#### 5.6.1 *red24*

In the period commencing on the first day of the Offer Period and ending on the disclosure date, none of red24, the red24 Directors (or any of their close relatives, related trusts or connected persons) or any other person acting in concert with red24 has dealt in the relevant securities of iJET.

### 5.7 ***General***

Save as disclosed in paragraph 5, as at the disclosure date:

- none of iJET, the iJET Directors (or any of their close relatives, related trusts or connected persons) or any other person acting in concert with iJET was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of red24 nor had any such person dealt in any relevant securities of red24 during the disclosure period;
- none of red24, the red24 Directors (or any of their close relatives, related trusts or connected persons) or any person acting in concert with red24 was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of red24 and nor had any such person dealt in any relevant securities of red24 in the period commencing on the first day of the Offer Period and ending on the disclosure date;
- none of red24, the red24 Directors (or any of their close relatives, related trusts or connected persons) was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of iJET and nor had any such person dealt in any relevant securities of iJET in the period commencing on the first day of the Offer Period and ending on the disclosure date;
- none of red24, iJET or any person acting in concert with red24 or iJET, had borrowed or lent (including for these purposes any financial collateral arrangements of a kind referred to in Note 4 on Rule 4.6) any relevant securities in red24 (save for any borrowed shares which have been either on-lent or sold);
- save for the irrevocable undertakings described in paragraph 8 of this Part 5, there is no arrangement relating to relevant securities in red24 which exists between iJET or any person acting in concert with iJET and any other person, nor between red24 or any person acting in concert with red24 and any other person; and
- red24 has not redeemed or purchased any relevant securities of red24 in the period commencing on the first day of the Offer Period and ending on the disclosure date.

## **6. Letters of appointment of the red24 directors**

6.1 The following executive directors have entered into letters of appointment with red24 as summarised below:

### *6.1.1 Simon Richards*

Simon Richards was appointed as Executive Chairman of red24 on 15 April 2005, having previously served as a non-executive director of red24 between 1 April 2002 and 14 April 2005. Under the terms of his letter of appointment dated 14 March 2002, Mr Richards' appointment is subject to termination by either party giving 12 months' notice. His annual salary is £95,200, effective from 1 April 2016 and he is eligible to receive share options and a discretionary bonus.

### *6.1.2 Maldwyn Worsley-Tonks*

Maldwyn Worsley-Tonks was appointed as a director and as Chief Executive Officer of red24 by a letter of appointment dated 1 April 2008. Mr Worsley-Tonks' appointment is subject to termination by either party giving 12 months' notice. The letter of appointment provides for an annual salary of £84,000 which was increased to £150,000, effective 1 April 2016, share options and a discretionary bonus.

6.2 The following non-executive directors have entered into letter of appointments with red24 as summarised below:

### *6.2.1 John Mocatta*

John Mocatta was appointed as senior non-executive director, company secretary and chair of the audit and remuneration committees of red24 by a letter of appointment dated 1 July 2015. Mr Mocatta's appointment is subject to termination by either party on 6 months' notice. The letter of appointment provides for an annual fee of £42,600, which was increased to £43,750, effective 1 April 2016. In addition to his annual fee, Mr Mocatta is entitled to receive an additional fee of £250 per hour for each hour worked in excess of twelve hours per calendar month and all reasonably and properly incurred expenses.

### *6.2.2 Lorraine Adlam*

Lorraine Adlam was appointed as a non-executive director of red24 by a letter of appointment dated 26 September 2014. Ms Adlam's appointment is subject to termination by red24 on 6 months' notice. The letter of appointment provides for an annual fee of £24,000, which was increased to £25,220, effective 1 April 2016. In addition to her annual fee, Ms Adlam is entitled to receive an additional fee of £150 per hour for each hour worked in excess of twelve hours per calendar month and all reasonably and properly incurred expenses.

### *6.2.3 J. Michael Brigg*

J. Michael Brigg was appointed as a non-executive director of red24 by a letter of appointment dated 9 May 2016. Mr Brigg's appointment is subject to termination by either party on 3 months' notice. The letter of appointment provides for an annual fee of £24,480, which was increased to £25,220, effective 1 April 2016. In addition to his annual fee, Mr Brigg is entitled to receive an additional fee of £250 per hour for each hour worked in excess of twelve hours per calendar month and all reasonably and properly incurred expenses.

6.3 Save for the payments set out below, each of John Mocatta, Lorraine Adlam, Maldwyn Worsley-Tonks and J. Michael Brigg has waived their entitlement to: (i) any debt or (other than existing arrangements for payment of fees accrued up to and including the Effective Date for acting as a red24 Director or in respect of their Ordinary Shares) other payments from red24 in the event of a change of control of red24; and (ii) any severance or termination payment in respect of the termination of their directorship

(including any fees to which they would have been entitled during the notice period set out in their letter of appointment):

- John Mocatta: £20,000; and
- Lorraine Adlam: £10,000.

6.4 Simon Richards has entered into a deed of settlement with red24 in respect of his termination as a red24 Director and as Executive Chairman. The terms of the settlement are conditional upon the Scheme becoming Effective and with effect from the Effective Date. Under the terms of the settlement Simon Richards will receive £30,000 as compensation for loss of office (including any employment relationship). This payment is in settlement of any potential proceedings Simon Richards could bring against red24, its associated companies and their respective offices, directors, shareholders or employee for certain contractual, statutory and tortious claims.

6.5 Maldwyn Worsley-Tonks has entered into a new employment agreement with red24 in respect of his appointment as Chief Executive Officer of red24. The terms of the employment agreement are conditional upon the Scheme becoming Effective and with effect from the Effective Date. The agreement provides for an annual salary of £150,000, a retention bonus of up to £40,000 and an annual discretionary bonus of up to 10 per cent. of base salary. The agreement can be terminated by either party giving 6 months' notice and includes non-compete restrictions.

6.6 Save as set out in this paragraph 6 and in paragraph 6 of Part 2:

6.6.1 no red24 Director is entitled to commission or profit sharing arrangements;

6.6.2 no compensation is payable by red24 to any red24 Director upon early termination of their appointment; and

6.6.3 no service agreement or letter of appointment of any red24 Director was entered into or amended in the six month period prior to the date of this document.

## 7. Material contracts

During the period beginning on the date falling two years before the commencement of the Offer Period and ending on the last practicable date prior to the publication of this document, being 24 October 2016, iJET and red24 and their respective subsidiaries, as applicable, entered into the following material contracts (other than contracts entered into in the ordinary course of business).

### 7.1 *red24 material contracts*

#### 7.1.1 *Acquisition of the entire issued share capital of RISQ*

On 29 May 2015, red24 entered into a sale and purchase agreement with the former shareholder of RISQ, to acquire the entire issued share capital of RISQ, a company incorporated in Singapore, for an initial consideration of S\$550,000 (the "**RISQ SPA**").

Under the terms of the RISQ SPA, additional consideration of up to S\$1,150,000 may also be payable depending on the level of profit shown in the audited financial statements of RISQ for the financial years ended 30 June 2016 and 30 June 2017. The RISQ SPA also made provision for S\$476,337 to be paid by red24 to a subsidiary of RISQ, RISQ Worldwide Pte. Ltd. ("**RISQ Subsidiary**"), by way of a loan. The purpose of this loan was to offset a loan made by the former shareholder of RISQ to the RISQ Subsidiary. The balance of this loan was payable by red24 in tranches dependent upon the level of profit shown in the accounts for the financial year ended 30 June 2015.

The RISQ SPA contains warranties and limitations in respect thereof that are customary for a transaction of this size and nature. red24 also has the benefit of an indemnity from the former shareholder in relation to any claims made against RISQ prior to completion. Further, the RISQ

SPA contains certain non-solicitation and non-competition restrictions on the former shareholder for a period of 12 months after completion.

#### 7.1.2 *Disposal of certain shares in the issued share capital of Linx International Limited (“Linx”)*

On 12 August 2014, red24 entered into two agreements, as detailed below, to dispose of certain shares held in the issued share capital of Linx, a security, risk management and investigation service provider incorporated in England.

##### *First Linx Agreement*

On 12 August 2014, red24 entered into a sale and purchase agreement with an existing shareholder of Linx, to dispose of 1,333 ordinary shares of £1.00 each in the issued share capital of Linx (the “**First Linx Agreement**”).

The shares were to be disposed of in two tranches. The first tranche of shares, being 667 ordinary shares, were disposed on 12 August 2015 for consideration of £125,000. The second tranche of shares, being 666 ordinary shares, were disposed on 12 August 2016 for consideration of £125,000.

The First Linx Agreement contains limited warranties in relation to title and capacity only.

##### *Second Linx Agreement*

On 12 August 2014, red24 entered into a share buy-back agreement with Linx pursuant to which Linx repurchased 667 ordinary shares of £1.00 each in its issued share capital for consideration of £125,000 (the “**Second Linx Agreement**”).

The Second Linx Agreement contains limited warranties in relation to title and capacity only.

## 7.2 *iJET material contracts*

### 7.2.1 *Letter of credit dated 6 October 2016*

The cash consideration payable under the terms of the Acquisition will be made available to iJET pursuant to an irrevocable standby letter of credit dated 6 October 2016 (“**LoC**”) from MUFG Union Bank, N.A. (an indirect, wholly-owned subsidiary of The Bank of Tokyo-Mitsubishi UFJ) applied for by LLR in favour of iJET, as beneficiary. The LoC is for an aggregate amount of £13,138,672.30. This letter of credit will expire on 14 April 2017 to the extent not previously drawn upon.

### 7.2.2 *Asset purchase agreement relating to the acquisition of WorldAware dated 8 March 2016*

On 8 March 2016, iJET entered into an asset purchase agreement with AON UK Limited (“**AON**”) for the purpose of the acquisition by iJET, of the business and assets comprised in the business operated by AON under the name “WorldAware”. The transaction completed on 30 April 2016. The initial consideration payable by iJET for the acquisition of the WorldAware business was US\$1.5 million subject to adjustment based on the finally determined annual contract value of certain customer contracts which transferred with the WorldAware business. The agreement contains covenants, warranties and indemnities which are customary for this type of transaction.

### 7.2.3 *Loan and security agreement entered into with Silicon Valley Bank dated 5 May 2014*

Pursuant to the terms of a loan and security agreement dated 5 May 2014 and entered into between (1) Silicon Valley Bank (as lender) (“**Bank**”) and (2) iJET, the Bank has made available to iJET a revolving term loan facility of an amount up to US\$5,000,000 (“**Revolving Line**”). Certain terms of the loan and security agreement have been subsequently amended pursuant to the terms of first, second and third amendment agreements entered into between the parties each dated respectively 19 June 2014, 2 March 2015 and 29 October 2015.

The principal amount outstanding under the Revolving Line at any given time is subject to interest at a floating rate per annum at either: (a) the 'Prime Rate', plus three quarters of one percent. (0.75%) at all times that iJET's EBITDA for each month of the trailing three month period then ended is at least equal to US\$1.00 or (b) 'Prime Rate', plus one per cent. (1.00%) at all other times. For these purposes 'Prime Rate' means the rate of interest per annum from time to time published in the money rates section of *'The Wall Street Journal'* or if not available, the rate of interest per annum announced by the Bank as its prime rate in effect at its principal office in the state of California. A commitment fee of US\$25,000 was payable to the Bank.

The loan and security agreement sets out customary events of default in relation to the facility, the occurrence of which would, subject to any applicable grace periods, cure rights and agreed exceptions, allow the Bank to accelerate, among other things, the outstanding Growth Capital Amount. The loan and security agreement is secured by way of a charge over the undertaking and assets of the Borrower.

The Bank has given its consent to the Acquisition.

#### 7.2.4 *Loan and security agreement entered into with Silicon Valley Bank dated 29 October 2015*

Pursuant to the terms of a loan and security agreement dated 29 October 2015 and entered into between (1) Silicon Valley Bank (as lender) ("**Bank**"); (2) iJET; (3) iJET Partnership Holdings, LLC ("**iJET LLC**"); (4) iJET International Holdings, LLC ("**iJET Holdings**") and (5) Lemonfish Technologies, LLC ("**Lemonfish**") (iJET, iJET LLC, iJET Holdings and Lemonfish individually and collectively, the "**Borrower**"), the Bank agreed to make available to the Borrower growth capital up to a maximum aggregate amount equal to US\$5,000,000 ("**Growth Capital Commitment**"). A commitment fee of US\$25,000 was payable to the Bank.

Pursuant to the terms of the loan and security agreement (as amended), the Bank has agreed to make one advance to the Borrower of an amount up to the Growth Capital Commitment to an account designated by iJET LLC ("**Growth Capital Advance**"). Following drawdown of the Growth Capital Advance, the Borrower has the benefit of an interest only payment period commencing on the date of payment of the Growth Capital Advance and ending on 31 July 2017. Commencing from 31 July 2017, the Borrower is then required to pay down interest and capital in accordance with a pre-determined repayment schedule set out in the agreement with the final payment due and payable by 31 December 2018. The loan and security agreement sets out customary events of default in relation to the facility, the occurrence of which would, subject to any applicable grace periods, cure rights and agreed exceptions, allow the Bank to accelerate, among other things, the outstanding Growth Capital Amount. The loan and security agreement is secured by way of a charge over the undertaking and assets of the Borrower.

The Bank has given its consent to the Acquisition.

### 7.3 *Offer-related arrangements*

#### *Confidentiality agreement*

iJET and red24 entered into a confidentiality agreement dated 4 May 2016 pursuant to which each of iJET and red24 have agreed to keep confidential information about the other party and not to disclose to third parties (other than permitted recipients) confidential information exchanged by them unless required by law or regulation. These confidential obligations remain in force for a period of three years from the date the agreement was countersigned by red24 expiring on 9 May 2019.

## 8. Irrevocable undertakings

### 8.1 *red24 Directors*

The following red24 Directors and their connected parties have undertaken that, in respect of their entire beneficial holdings in Ordinary Shares (as set out below), they shall:

- (i) exercise (or procure the exercise of) all voting rights attaching to their Ordinary Shares to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting;
- (ii) if the Acquisition is effected as a Takeover Offer, accept (or procure the acceptance of) such Takeover Offer in respect of all their Ordinary Shares; and
- (iii) not, except pursuant to the Scheme or any Takeover Offer, sell, transfer, encumber or otherwise dispose of, or grant any option or other right over, any of their Ordinary Shares or any interest in them nor enter into any agreement or arrangement, incur any obligation or give any indication of intent to do any such act.

In addition, Maldwyn Worsley-Tonks has given an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting in respect of 750,000 Ordinary Shares which may be issued to him on the exercise of his red24 Option under the red24 Share Schemes, to the extent such Ordinary Shares are acquired by him.

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital of red24 (excluding options)</i>
Simon Anthony Richards	630,000	1.27%
Michael Allan Richards	110,000	0.12%
Emily Wilson Richards	50,000	0.10%
Sidebell Limited	13,889,250	28.07%
John Michael Brigg	3,475,000	7.02%
Tonje Stremes	210,174	0.42%
EMIS International Business Limited	4,981,500	10.07%
Naomi Faith Mocatta	630,000	1.27%
John Edward Abraham Mocatta	20,000	0.04%
John Mocatta Grandchildren Trust	18,000	0.04%
Samuel Edward Abraham Foster	10,000	0.02%
Edward Charles Mocatta	17,754	0.04%
Julia Batchelor Mocatta	6,000	0.01%
Maldwyn Stephen Henry Worsley-Tonks	963,500	1.95%
Lorraine Anne Adlam	75,000	0.15%
<b>TOTAL</b>	<b>25,086,178</b>	<b>50.70%</b>

The undertakings listed above shall cease to be binding only if: (i) this document is not published within 28 days of the Announcement Date (or such later date as the Panel may agree); (ii) the Special Resolution is not approved by the requisite majority of red24 Shareholders by 5.00 p.m. on 28 February 2017 (or such later date as iJET and red24 may agree in writing); or (iii) the Acquisition lapses or is withdrawn. These irrevocable undertakings remain binding in the event of a competing offer.

### 8.2 *red24 Shareholders*

The following red24 Shareholders have undertaken to:

- (i) exercise (or procure the exercise of) all voting rights attaching to their Ordinary Shares to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting;
- (ii) if the Acquisition is effected as a Takeover Offer, accept (or procure the acceptance of) such Takeover Offer in respect of all their Ordinary Shares; and

- (iii) not, except pursuant to the Scheme or any Takeover Offer, sell, transfer, encumber or otherwise dispose of, or grant any option or other right over, any of their Ordinary Shares or any interest in them nor enter into any agreement or arrangement, incur any obligation or give any indication of intent to do any such act.

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital of red24 (excluding options)</i>
RBC CEES Trustee Limited	1,100,000	2.22%
Hargreave Hale Nominees Limited	2,625,000	5.30%
MI Downing UK Micro-cap Growth Fund	2,049,056	4.14%
<b>TOTAL</b>	<u>5,774,056</u>	<u>11.67%</u>

The undertakings listed above shall cease to be binding only if:

- (i) in the case of the undertaking from RBC CEES Trustee Limited: (i) this document is not published within 28 days of the Announcement Date (or such later date as the Panel may agree); (ii) the Special Resolution is not approved by the requisite majority of red24 Shareholders by 5.00 p.m. on 28 February 2017 (or such later date as iJET and red24 may agree in writing); (iii) a competing offer for the red24 Shares is announced in accordance with Rule 2.7 of the Code; or (iv) the Acquisition lapses or is withdrawn; and
- (ii) in the case of the undertakings from Hargreaves Hale Nominees Limited and MI Downing UK Micro-cap Growth Fund: (i) this document is not published within 28 days of the Announcement Date (or such later date as the Panel may agree); (ii) the Special Resolution is not approved by the requisite majority of red24 Shareholders by 5.00 p.m. on 28 February 2017 (or such later date as iJET and red24 may agree in writing); (iii) a competing offer for the red24 Shares with a price per red24 Share at least 10 per cent. higher than the Acquisition Price is announced in accordance with Rule 2.7 of the Code; or (iv) the Acquisition lapses or is withdrawn.

## **9. Bases and sources**

9.1 The value of red24 as implied by the Acquisition Price is based on the issued ordinary share capital of red24 as at 7 October 2016 (being the last Business Day prior to the date of the publication of the Announcement), adjusted for the dilutive effect of the red24 Options, being:

- issued ordinary share capital of 49,483,355 Ordinary Shares (per the confirmation by red24 pursuant to Rule 2.9 of the Takeover Code set out in the Rule 2.6 Announcement); and
- 50,533,355 Ordinary Shares being the maximum number of Ordinary Shares that can be in issue following the allotment of 1,050,000 Ordinary Shares which may be issued on the exercise of the red24 Options.

9.2 Further sources of information regarding data reported in this document are as follows:

- the Closing Price of 20.75 pence on 29 July 2016 (being the last Business Day prior to the commencement of the Offer Period) is the closing middle market price of an Ordinary Share derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
- the three month average price per Ordinary Share of 16.8 pence, being the average Closing Price for the three month period ended on 29 July 2016, is derived from Bloomberg and taken as the average daily Closing Price for the period; and
- unless otherwise stated, the financial information relating to red24 has been extracted from the audited consolidated financial statements for red24 for the financial year ended 31 March 2016.

## 10. Other Information

- 10.1 finnCap has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 10.2 GCA Altium has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 10.3 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangements) between iJET or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of red24 or any person interested or recently interested in Ordinary Shares having any connection with or dependence on or which is conditional upon the outcome of the Acquisition.
- 10.4 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Ordinary Shares to be acquired by iJET will be transferred to any other person, save that iJET reserves the right to transfer any such shares to any member of the iJET Group. Save as disclosed in this document, no member of the iJET Group holds any interest in the relevant securities of red24.
- 10.5 The aggregate fees and expenses which are expected to be incurred by iJET in connection with the Acquisition are estimated to amount to approximately £643,077 excluding applicable VAT. This aggregate number consists of the following categories (in each case excluding applicable VAT):
  - 10.5.1 financing arrangements: £Nil;
  - 10.5.2 financial and corporate broking advice: £250,000;
  - 10.5.3 legal advice £300,000;
  - 10.5.4 accounting advice: £43,077;
  - 10.5.5 public relations advice: £Nil;
  - 10.5.6 other professional services: £Nil; and
  - 10.5.7 other costs and expenses: £50,000.
- 10.6 The aggregate fees and expenses which are expected to be incurred by red24 in connection with the Acquisition are estimated to amount to approximately £508,945 excluding applicable VAT. This aggregate number consists of the following categories (in each case excluding applicable VAT):
  - 10.6.1 financial and corporate broking advice: £200,000;
  - 10.6.2 legal advice: £220,000;
  - 10.6.3 accounting advice: £Nil;
  - 10.6.4 public relations advice: £Nil;
  - 10.6.5 other professional services: £52,945; and
  - 10.6.6 other costs and expenses: £36,000.
- 10.7 Save as disclosed in this document, the red24 Directors are not aware of any significant change in the financial or trading position of red24 which has occurred since 31 March 2016, being the date of the end of the last financial period for which either audited financial information, preliminary, half-yearly or interim financial information was published.
- 10.8 The persons (other than the iJET Directors and the other members of the iJET Group) who, for the purposes of the Takeover Code, are acting in concert with iJET are:
  - 10.8.1 GCA Altium, 1 Southampton Street, London WC2R 0LR, as connected adviser;



10.8.2 LLR Capital IV, L.P., through its control of LLR Equity Partners IV, L.P., is the majority shareholder in iJET Partnership Holdings LLC, the ultimate parent company of iJET; and

10.8.3 LLR Capital IV LLC, as a general partner of LLR Capital IV, L.P.

10.9 The persons (other than the red24 Directors) who, for the purposes of the Code, are acting in concert with red24 are finnCap, 60 New Broad Street, London EC2M 1JJ, as connected adviser.

10.10 A consolidated list of information incorporated by reference in this document is set out in Part A of Part 4 of this document.

## **11. Documents on display**

11.1 Copies of the following documents will be available, free of charge, on red24's website at [www.red24plc.com](http://www.red24plc.com) during the course of the Acquisition:

11.1.1 the irrevocable undertakings referred to in paragraph 8 of this Part 5;

11.1.2 the letter of credit referred to in paragraph 7.2.1 of this Part 5;

11.1.3 the confidentiality agreement referred to in paragraph 7.3 of this Part 5;

11.1.4 the red24 Articles;

11.1.5 a draft of the red24 Articles as proposed to be amended by the Special Resolution;

11.1.6 the articles and by-laws of iJET;

11.1.7 the letters of consent referred to in paragraphs 10.1 and 10.2 of this Part 5; and

11.1.8 a copy of this document and the Forms of Proxy.

Dated: 26 October 2016

**PART 6**  
**THE SCHEME OF ARRANGEMENT**

IN THE COURT OF SESSION

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**SCHEME OF ARRANGEMENT**  
*(under Part 26 of the Companies Act 2006)*

BETWEEN

**RED24 PLC**

AND

**THE SCHEME SHAREHOLDERS**

*(as hereinafter defined)*

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**PRELIMINARY**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

<b>“£” or “pence”</b>	the lawful currency of the United Kingdom;
<b>“Announcement”</b>	the joint announcement by the Company and iJET under Rule 2.7 of the Takeover Code of the recommended acquisition of the Company by iJET to be effected by means of this Scheme and was released on 10 October 2016;
<b>“Business Day”</b>	a day (other than Saturdays, Sundays and public holidays) on which banks are open for business in London;
<b>“certificated” or “in certificated form”</b>	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST);
<b>“Companies Act”</b>	the Companies Act 2006, as amended from time to time;
<b>“Company”</b>	red24 plc, a public limited company incorporated in Scotland with registered number SC086069 and whose registered office is at Third Floor, Centenary House, 69 Wellington Street, Glasgow, Scotland G2 6HG;
<b>“Court”</b>	the Court of Session in Edinburgh;
<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders (and any adjournment thereof) to be convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, approve this Scheme (with or without amendment);
<b>“CREST”</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertificated form;

<b>“Effective Date”</b>	the date upon which this Scheme becomes effective in accordance with Clause 6;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited a company incorporated in England and Wales with registered number 02878738;
<b>“Excluded Shares”</b>	any Ordinary Shares: <ul style="list-style-type: none"> <li>(a) registered in the name of, or beneficially owned by, iJET or any person acting in concert with iJET for the purposes of the Takeover Code at the relevant time; or</li> <li>(b) held by the Company in treasury;</li> </ul>
<b>“holder”</b>	a registered holder and includes any person entitled by transmission;
<b>“iJET”</b>	iJet International, Inc., a company incorporated in the State of Delaware, USA;
<b>“iJET Group”</b>	iJET, any parent undertaking of iJET, and any undertaking which is a subsidiary undertaking of iJET or of any such parent undertaking;
<b>“members”</b>	members of the Company on the register of members of the Company at any relevant date or time;
<b>“Optionholder Letters”</b>	the letters and enclosures to be sent to the holders of red24 Options in connection with this Scheme;
<b>“Ordinary Shares”</b>	the ordinary shares of one pence each in the capital of the Company;
<b>“parent undertaking” and “subsidiary undertaking”</b>	have the respective meanings given by the Companies Act;
<b>“Receiving Agent”</b>	Capita Asset Services having its registered office at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
<b>“red24 Options”</b>	the subsisting options granted under or pursuant to the red24 Share Schemes;
<b>“red24 Share Schemes”</b>	the red24 plc EMI Scheme and the red24 Share Option Plan 2016 at the Scheme Record Time;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
<b>“Scheme”</b>	this scheme of arrangement in its present form or with or subject to any modification, addition or condition which red24 and iJET may agree and, if required, the Court may approve or impose;
<b>“Scheme Record Time”</b>	6.00 p.m. on the Business Day immediately after the date of the hearing on which the Court sanctions the Scheme;
<b>“Scheme Shareholders”</b>	the holders of Scheme Shares at any relevant date or time;

- “Scheme Shares”** the Ordinary Shares:
- (a) in issue at 6.00 p.m. on the date of this document;
  - (b) (if any) issued after 6.00 p.m. on the date of this document and prior to the Voting Record Time; and
  - (c) (if any) issued on or after the Voting Record Time and on or prior to the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme, or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,
- and, in each case remaining in issue at the Scheme Record Time, but excluding any Excluded Shares;
- “Subsequent Dividend”** has the meaning given to it in Clause 2.2 of this Scheme;
- “Takeover Code”** the City Code on Takeovers and Mergers;
- “uncertificated” or “in uncertificated form”** in relation to a share or other security, a share or other security title to which is recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST; and
- “Voting Record Time”** 6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting.
- (B) References to Clauses are to Clauses of this Scheme, and references to time are to London time.
- (C) The share capital of the Company as at the close of business on 24 October 2016 (being the latest practicable date prior to the date of this Scheme) was £494,833.55 divided into 49,483,355 Ordinary Shares, all of which were credited as fully paid.
- (D) red24 Options to acquire up to 1,050,000 Ordinary Shares pursuant to the red24 Share Schemes are outstanding at the date of this document. These red24 Options will become exercisable (to the extent already not so) if the Court sanctions this Scheme.
- (E) iJET was incorporated on 1 October 1999 under the laws of the State of Delaware, USA as a corporation.
- (F) As at the close of business on 24 October 2016 (being the latest practicable date prior to the date of this Scheme), no Ordinary Shares were registered in the name of or beneficially owned by iJET or any other member of the iJET Group.
- (G) iJET has agreed to appear by Counsel at the hearing to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

# THE SCHEME

## 1. Transfer of the Scheme Shares

- 1.1 On the Effective Date, iJET (and/or its nominee(s)) shall acquire all of the Scheme Shares with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attached thereto including voting rights and the right to receive and retain in full all dividends and other distributions (if any), and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid on or after the Effective Date.
- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred to iJET (and/or its nominee(s)) by means of a form of transfer or other instrument or instruction of transfer, or by means of CREST and, to give effect to such transfers, any person may be appointed by iJET to execute as transferor an instrument of transfer of, or give any instructions to transfer, or to procure the transfer by means of CREST of, any Scheme Shares and every instrument or instruction of transfer so executed or instruction given shall be effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred. Such instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to iJET (and/or its nominee(s)), together with the legal interest in such Scheme Shares, pursuant to such instruction or instrument or transfer, or by means of CREST.
- 1.3 Pending the registration of iJET (and/or its nominee(s)) as the holder of any Scheme Share to be transferred pursuant to this Scheme, iJET shall be empowered upon and with effect from the Effective Date to appoint any person to act as attorney or, failing that, agent on behalf of each holder of any such Scheme Share in accordance with such directions as iJET may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the registered holder of such Scheme Share shall exercise all rights attaching thereto in accordance with the directions of iJET but not otherwise.

## 2. Consideration for the transfer of the Scheme Shares

- 2.1 In consideration for the transfer of the Scheme Shares, iJET shall (subject to the remaining provisions of this Clause 2) provide or procure that there shall be paid to or for the account of the Scheme Shareholders (as appearing in the register of members of the Company at the Scheme Record Time) in accordance with the provisions of Clause 3:

**for each Scheme Share      26 pence in cash**

- 2.2 If any dividend (or other distribution) (“**Subsequent Dividend**”) is paid or becomes payable by the Company in respect of an Ordinary Share on or after the date of the Announcement and prior to the Effective Date, iJET reserves the right to reduce the amount of consideration for each Scheme Share by up to an amount equal to such Subsequent Dividend.
- 2.3 If iJET exercises its right to reduce the offer consideration by all or part of the amount of a Subsequent Dividend that has not been paid, Scheme Shareholders will be entitled to receive and retain that Subsequent Dividend.

## 3. Settlement of consideration

- 3.1 As soon as practicable on or after the Effective Date, and in any event no later than 14 days after the Effective Date, iJET shall satisfy the consideration due to Scheme Shareholders pursuant to Clause 2 as follows:
- 3.1.1 subject to Clause 3.1.3, in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch to the persons entitled thereto of cheques drawn on a branch of a UK clearing bank for the sums payable to them respectively;

- 3.1.2 subject to Clause 3.1.3, in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that iJET reserves the right to make payment of the said sums by cheque as set out in Clause 3.1.1 if, for any reason, it wishes to do so; and
- 3.1.3 in the case of Scheme Shares issued or otherwise acquired on the exercise of the red24 Options, procure the payment of the sums payable to them respectively directly into the relevant director or employee bank account, subject to the deduction of the aggregate exercise price payable on the exercise of the red24 Option concerned and applicable income tax and national insurance contributions, in each case, in accordance with the terms of the Optionholder Letters.
- 3.2 All deliveries of cheques pursuant to this Scheme shall be effected by sending the same by first class post (or international standard post, if overseas) in envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company at the Scheme Record Time, and none of iJET, the Company or their respective nominees or agents shall be responsible for any loss or delay in the transmission or delivery of any cheques sent in accordance with this Clause 3.2 which shall be sent at the risk of the persons entitled thereto.
- 3.3 All cheques shall be made payable to the persons respectively entitled to the moneys represented thereby (except that, in the case of joint holders, iJET reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such joint holding), and the encashment of any such cheque, the creation of any such assured payment obligation as is referred to in Clause 3.1.2 or any payment referred to in Clause 3.1.3 shall be a complete discharge to iJET for the moneys represented thereby.
- 3.4 Subject to the deduction of any Subsequent Dividend, settlement of the consideration payable to Scheme Shareholders under this Scheme shall be implemented in full without regard to any lien, right of set-off, counterclaim or other analogous right to which iJET may otherwise be, or claim to be, entitled against such Scheme Shareholder.
- 3.5 The provisions of this Clause 3 shall be subject to any condition or prohibition imposed by law.

#### **4. Share certificates and transfer of entitlements**

On the Effective Date:

- 4.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every Scheme Shareholder shall be bound at the request of the Company to deliver up their share certificate(s) to the Company, as it may direct, or to destroy the same;
- 4.2 Euroclear shall be instructed to cancel or transfer the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form; and
- 4.3 as regards certificated Scheme Shares, appropriate entries shall be made in the register of members of the Company with effect from the Effective Date to reflect the transfer of the Scheme Shares.

#### **5. Mandates**

All mandates and other instructions to the Company in force at the Scheme Record Time relating to Scheme Shares shall cease to be valid and effective on the Effective Date.

#### **6. Effective Date**

- 6.1 This Scheme shall become effective as soon as a certified copy of the order of the Court sanctioning this Scheme under section 899 of the Companies Act shall have been delivered to the Registrar of Companies for Scotland.

6.2 Unless this Scheme shall have become effective on or before 28 February 2017, or such later date, if any, as the Company and iJET may agree and the Court may allow, this Scheme shall never become effective.

**7. Modification**

The Company and iJET may, at any hearing to sanction the Scheme, jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

**8. Governing Law**

This Scheme is governed by the laws of Scotland and is subject to the jurisdiction of the Court.

Dated: 26 October 2016

## PART 7

### UNITED KINGDOM TAXATION

The following information is intended only as a general guide to current UK tax legislation and published HM Revenue and Customs practice as it applies to disposing of Ordinary Shares. It is intended only for red24 Shareholders who are resident in the United Kingdom for tax purposes and who hold Ordinary Shares beneficially as investments. The comments do not address the position of certain classes of shareholder such as dealers in securities and do not apply to shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, or shareholders who are or will be officers or employees of a group forming part of the red24 Group or the iJET Group.

This section is not intended, and shall not be construed to be, legal or taxation advice to any particular red24 Shareholder. Any red24 Shareholder who is in any doubt as to their tax position, or who is subject to tax in a jurisdiction other than the United Kingdom, should consult their professional adviser.

#### 1. UK Taxation of Capital Gains

An individual red24 Shareholder who is resident for tax purposes in the UK and whose Ordinary Shares are subject to the Scheme will be treated as making a disposal of such Ordinary Shares for the purposes of the UK taxation of capital gains (“UK CGT”). Such a disposal may, depending upon the red24 Shareholder’s circumstances and subject to available exemptions or reliefs, give rise to a capital gain or allowable loss for UK CGT purposes.

For UK resident individual red24 Shareholders, any capital gain arising after taking account of reliefs and exemptions will generally be subject to capital gains tax at the rate of 10 per cent. for basic rate taxpayers to the extent that their taxable gains and taxable income when aggregated do not exceed the higher rate threshold (£32,000 for 2016/17). For higher rate taxpayers with taxable income and gains above the higher rate threshold, the gains are treated as the top slice of such aggregate amount and subject to capital gains tax at the rate of 20 per cent. to the extent that such gains exceed the higher rate threshold. Personal representatives and trustees will also pay capital gains tax at a flat rate 20 per cent.

The capital gains annual exemption (£11,100 for 2016/2017) may be available for UK resident individual red24 Shareholders to offset any capital gain (to the extent it has not already been utilised).

For UK resident red24 Shareholders within the charge to corporation tax, an indexation allowance may be available to reduce the amount of any corporation tax on chargeable gains payable on a disposal of the Ordinary Shares.

#### 2. Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty or stamp duty reserve tax should be payable by red24 Shareholders as a result of Ordinary Shares being transferred pursuant to the Scheme.



## PART 8

### DEFINITIONS

The following definitions apply throughout this document, other than in Part 6 of this document and the notices of the Shareholder Meetings, unless the context requires otherwise.

<b>“£”, “pence”, “pounds” or “sterling”</b>	the lawful currency of the United Kingdom;
<b>“Acquisition”</b>	the recommended acquisition by iJET of the entire issued and to be issued ordinary share capital of red24 at the Acquisition Price in cash to be effected by means of the Scheme or (should iJET so elect, subject to the consent of the Panel) by means of a Takeover Offer and, in either case, where the context admits, any subsequent variation, revision, extension or renewal thereof;
<b>“Acquisition Price”</b>	26 pence per Ordinary Share;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time;
<b>“Announcement”</b>	the joint announcement of the Acquisition by iJET and red24 under Rule 2.7 of the Code, released on the Announcement Date;
<b>“Announcement Date”</b>	10 October 2016;
<b>“Business Day”</b>	a day (other than Saturdays, Sundays and public holidays) on which banks are open for business in London;
<b>“certificated” or “in certificated form”</b>	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST);
<b>“Closing Price”</b>	the middle market price of an Ordinary Share at the close of business on the day to which such price relates, as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange for that day or from Bloomberg in the case of the average Closing Price for the three month period ended on 29 July 2016;
<b>“CMA Phase 2 Reference”</b>	a reference of the Acquisition or any part of it to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
<b>“Companies Act”</b>	the Companies Act 2006, as amended from time to time;
<b>“Competition and Markets Authority”</b>	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013;
<b>“Conditions”</b>	the conditions to the Acquisition and the implementation of the Scheme, as set out in Part 3 of this document;
<b>“connected person” or “persons connected”</b>	in relation to person A, any person whose interests in shares person A is taken to be interested in pursuant to Part 22 of the Companies Act and related regulations;
<b>“Court”</b>	the Court of Session, Edinburgh, Scotland;

<b>“Court Hearing”</b>	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act and if such hearing is adjourned reference to commencement of any such hearing shall mean the commencement of the final adjournment thereof;
<b>“Court Meeting”</b>	the meeting of Scheme Shareholders (and any adjournment thereof) to be convened pursuant to an order of the Court under section 896 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment) including any adjournment thereof, notice of which is set out in Part 9 of this document;
<b>“Court Order”</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
<b>“CREST”</b>	a relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
<b>“Dealing Disclosure”</b>	has the meaning given by Rule 8 of the Takeover Code;
<b>“Disclosed”</b>	the information fairly disclosed in: <ul style="list-style-type: none"> <li>(a) the red24 annual report and accounts in respect of the financial year ended 31 March 2016;</li> <li>(b) any information made available to iJET in the data room maintained by the Company on or before 5.00 p.m. on the Business Day prior to the Announcement Date; or</li> <li>(c) any public announcement made in accordance with the AIM Rules by red24 to a Regulatory Information Service on or before 5.00 p.m. on the Business Day prior to the Announcement Date;</li> </ul>
<b>“EC Regulation”</b>	Regulation Council Regulation (EC) No 139/2004;
<b>“Effective”</b>	in the context of the Acquisition: <ul style="list-style-type: none"> <li>(a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms, upon the delivery of the Court Order to the Registrar of Companies;</li> <li>(b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code;</li> </ul>
<b>“Effective Date”</b>	the date on which the Scheme becomes Effective in accordance with its terms;
<b>“Enlarged Group”</b>	the iJET Group, as enlarged by the acquisition of red24;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 02878738;
<b>“Excluded Shares”</b>	any Ordinary Shares: <ul style="list-style-type: none"> <li>(a) registered in the name of, or beneficially owned by, iJET or any person acting in concert with iJET for the purposes of the Takeover Code at the relevant time; or</li> </ul>

	(b) held by the Company in treasury;
<b>“FCA” or “Financial Conduct Authority”</b>	the UK Financial Conduct Authority or its successor from time to time;
<b>“finnCap”</b>	finnCap Ltd, rule 3 adviser to red24;
<b>“Forms of Proxy”</b>	the WHITE form of proxy for use by Scheme Shareholders in connection with the Court Meeting and the YELLOW Form of proxy for use by red24 Shareholders in connection with the General Meeting, both of which accompany this document;
<b>“GCA Altium”</b>	GCA Altium Limited, financial adviser to iJET;
<b>“General Meeting”</b>	the general meeting of red24 (and any adjournment thereof) to be convened in connection with the Scheme, notice of which is set out in Part 10 of this document;
<b>“holder”</b>	a registered holder and includes any person entitled by transmission;
<b>“iJET”</b>	iJET International, Inc., a corporation organised under the laws of the State of Delaware, USA;
<b>“iJET Directors”</b>	the directors of iJET whose names are set out in paragraph 2.2 of Part 5 of this document and <b>“iJET Director”</b> shall mean any one of them;
<b>“iJET Group”</b>	iJET, any parent undertaking of iJET, and any undertaking which is a subsidiary undertaking of iJET or of any such parent undertaking;
<b>“LLR”</b>	LLR Capital IV, L.P., a partnership formed under the laws of the State of Delaware, USA and its General Partner, LLR Capital IV, LLC, a limited liability company formed under the laws of the State of Delaware, USA;
<b>“LLR Funds”</b>	LLR Equity Partners IV, L.P. and LLR Equity Partners Parallel IV, L.P.;
<b>“LLR Responsible Person”</b>	David Stienes;
<b>“London Stock Exchange”</b>	London Stock Exchange Group plc, a public limited company incorporated in England and Wales with registered number 05369106;
<b>“Long-Stop Date”</b>	6.00 p.m. on 28 February 2017, or such later date (if any) as iJET and red24 may with the consent of the Panel agree and (if required) the Court may approve;
<b>“Offer Period”</b>	the offer period (as defined by the Takeover Code) relating to red24, which commenced on 1 August 2016;
<b>“Opening Position Disclosure”</b>	has the meaning given by Rule 8 of the Takeover Code;
<b>“Optionholder Letters”</b>	the letters and enclosures to be sent to the holders of red24 Options in connection with the Acquisition;
<b>“Ordinary Shares”</b>	the ordinary shares of one pence each in the capital of red24;
<b>“Overseas Shareholders”</b>	red24 Shareholders (or nominees, custodians or trustees of red24 Shareholders) who are resident in, or nationals or citizens of

	jurisdictions outside of the UK or who are citizens or residents of countries other than the UK;
<b>“Panel” or “Takeover Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Petition”</b>	the application to the Court for it to sanction the Scheme;
<b>“red24” or the “Company”</b>	red24 plc, a public limited company incorporated in Scotland registered with registered number SC086069;
<b>“red24 Articles”</b>	the articles of association of red24, as amended from time to time;
<b>“red24 Directors”</b>	the directors of red24 whose names are set out in paragraph 2.1 of Part 5 of this document and <b>“red24 Director”</b> shall mean any one of them;
<b>“red24 Group”</b>	red24 and its subsidiary undertakings;
<b>“red24 Options”</b>	the subsisting options granted under or pursuant to the red24 Share Schemes;
<b>“red24 Shareholders”</b>	the registered holders of Ordinary Shares from time to time;
<b>“red24 Share Schemes”</b>	the red24 plc EMI Scheme and the red24 Share Option Plan 2016;
<b>“red24 Shares”</b>	the existing unconditional allotted, or issued, and fully paid ordinary shares of one pence each in the capital of red24 and any such further ordinary shares which are unconditionally allotted before the Effective Date;
<b>“Receiving Agent” or “Registrars”</b>	Capita Asset Services having its registered office at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
<b>“Registrar of Companies”</b>	the Registrar of Companies in Scotland;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
<b>“Regulatory Information Service”</b>	a service approved by the London Stock Exchange for the distribution to the public of announcements and included on the list maintained on the London Stock Exchange’s website;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where participation in the Acquisition would: <ul style="list-style-type: none"> <li>(a) constitute a violation of the relevant laws and regulations of such jurisdiction; or</li> <li>(b) result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which iJET or red24 regards as unduly onerous or would result in significant risk or civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available in that jurisdiction (in accordance with the Takeover Code);</li> </ul>
<b>“RISQ”</b>	red24 Asia Pacific Pte. Ltd. (formerly RISQ Worldwide Holdings Pte. Ltd.);
<b>“Scheme”</b>	the scheme of arrangement under Part 26 of the Companies Act between red24 and the Scheme Shareholders to effect the Acquisition, the full terms of which are set out in Part 6 of this

	document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by red24 and iJET;
<b>“Scheme Record Time”</b>	6.00 p.m. on the Business Day immediately after the date on which the Court Order is made;
<b>“Scheme Shareholders”</b>	the holders of Scheme Shares;
<b>“Scheme Shares”</b>	the Ordinary Shares: <ul style="list-style-type: none"> <li>(a) in issue at 6.00 p.m. on the date of this document;</li> <li>(b) (if any) issued after 6.00 p.m. on the date of this document and prior to the Voting Record Time; and</li> <li>(c) (if any) issued on or after the Voting Record Time and on or prior to the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme, or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,</li> </ul> and in each case remaining in issue at the Scheme Record Time, but excluding any Excluded Shares;
<b>“Shareholder Meetings”</b>	the General Meeting and the Court Meeting;
<b>“Special Resolution”</b>	the special resolution to be proposed by red24 at the General Meeting in connection with, among other things, the implementation of the Scheme and certain amendments to be made to the red24 Articles, as set out in the notice of General Meeting set out in Part 10 of this document;
<b>“Substantial Interest”</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
<b>“Takeover Code” or “Code”</b>	the City Code on Takeovers and Mergers;
<b>“Takeover Offer”</b>	a takeover offer as defined in section 974 of the Companies Act;
<b>“Third Party”</b>	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body, or any other body or person whatsoever in any jurisdiction;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States”, “US” or “USA”</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 other areas subject to its jurisdiction;
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>“VAT”</b>	value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature;

<b>“Voting Record Time”</b>	6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting;
<b>“Wider iJET Group”</b>	iJET, its parent undertakings, its subsidiary undertakings, associated undertakings and any other undertakings in which that company and such undertakings (aggregating their interests) have a Substantial Interest; and
<b>“Wider red24 Group”</b>	red24, its subsidiary undertakings, associated undertakings and any other undertakings in which that company and such undertakings (aggregating their interests) have a Substantial Interest.

For the purposes of this document, **“associated undertaking”**, **“parent undertaking”**, **“subsidiary undertaking”** and **“undertaking”** have the respective meanings given thereto by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this document.

All the times referred to in this document are London times unless otherwise stated.

References to the singular include the plural and vice versa.

## PART 9

### NOTICE OF COURT MEETING

#### RED24 PLC

*(Incorporated in Scotland with registered number SC086069)*

**NOTICE IS HEREBY GIVEN** that, by an order dated 25 October 2016 (the “**Order**”), the Court of Session in Edinburgh (“**Court**”) has directed a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders, for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) pursuant to Part 26 of the Companies Act 2006 (“**Companies Act**”) proposed to be made between red24 plc (the “**Company**”) and the Scheme Shareholders, and that such Court Meeting will be held at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS on 21 November 2016 at 10.00 a.m., at which place and time all Scheme Shareholders are requested to attend. Terms defined in the document of which this notice forms part shall have the same meaning in this notice unless otherwise expressly defined.

At the Court Meeting, the following resolution will be proposed:

*“That the scheme of arrangement dated 26 October 2016 (the “**Scheme of Arrangement**”), between the Company and the Scheme Shareholders (as defined in the Scheme of Arrangement), a print of which has been produced to this meeting and, for the purposes of identification, signed by the chairman hereof, in its original form or with, or subject to, any modification, addition or condition approved or imposed by the Court and jointly consented to by the Company and iJET International, Inc., be approved and the directors of the Company be authorised to take all such actions as they consider necessary or appropriate for carrying the Scheme of Arrangement into effect.”*

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act are incorporated in the document of which this notice forms part. In accordance with section 897(4) of the Companies Act, a hard copy of the explanatory statement can be obtained by creditors of the Company or Scheme Shareholders, free of charge, by submitting a request in writing to finnCap Ltd at 60 New Broad Street, London EC2M 1JJ.

Entitlement to attend and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.00 p.m. on 19 November 2016 or, if the meeting is adjourned, on the day which is two days before the date of such adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person, as their proxy to attend, speak and vote on their behalf. A proxy need not be a member of the Company or a Scheme Shareholder. A WHITE form of proxy for use at the Court Meeting is enclosed with this notice. To be valid the WHITE form of proxy should be completed, signed and returned in accordance with the instructions set out therein. Completion of the WHITE form of proxy shall not prevent a Scheme Shareholder from attending and voting at the Court Meeting.

Voting on the resolution will be by poll which may be conducted as the chairman of the Court Meeting shall determine. For the Court Meeting (or any adjournment thereof) to be properly convened, a quorum of two persons entitled to vote on the business to be transacted, each being a Scheme Shareholder, the proxy of a Scheme Shareholder or (where the Scheme Shareholder is a corporation) a duly authorised representative, must be present.

By the Order, the Court has appointed Simon Richards or, failing him, Maldwyn Worsley-Tonks or, failing him, John Mocatta, to act as chairman of the Court Meeting and has directed the chairman to report the result of the Court Meeting to the Court.



The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated: 26 October 2016

Eversheds LLP  
One Wood Street  
London  
EC2V 7WS  
*Solicitors for the Company*

Eversheds LLP  
3 Melville Street  
Edinburgh  
EH3 7PE  
*Solicitors for the Company*

**Further notes:**

- (1) A WHITE form of proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning the form of proxy will not prevent the Scheme Shareholder from attending, speaking and voting at the Court Meeting (or any adjournment of the Court Meeting) in person, should he subsequently decide to do so.
- (2) It is requested that the WHITE form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, be received at the offices of Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours before the time of the Court Meeting (in other words, by 10.00 a.m. on 19 November 2016) or, as the case may be, the adjourned Court Meeting. A reply-paid envelope has been provided for this purpose for use in the United Kingdom only. WHITE forms of proxy not returned by that time may be handed to the Registrars, on behalf of the chairman of the Court Meeting, before the start of the Court Meeting (or, as the case may be, the adjourned Court Meeting) and will still be valid.
- (3) A Scheme Shareholder may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different Scheme Shares.
- (4) If a Scheme Shareholder wishes to appoint multiple proxies, they may: (a) photocopy a WHITE form of proxy, fill in each copy in respect of different Scheme Shares and send the multiple forms together to: Capita Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, or alternatively (b) call Capita Asset Services on the number in paragraph (8) below who will then issue them with multiple proxy forms. In each case, please ensure that all of the multiple proxy forms in respect of one registered holding are sent in the same envelope if possible.
- (5) A Scheme Shareholder which is a company (a corporation) and which wishes to be represented at the Court Meeting has the right to appoint in writing one or more corporate representative to attend the Court Meeting and to vote in respect of different Scheme Shares. If more than one corporate representative is appointed, only one is to be counted in determining under section 899(1) of the Companies Act, whether a majority in number of the Scheme Shareholders has approved the Scheme. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual Scheme Shareholder.
- (6) A corporate representative may be required to produce to the Registrars, on behalf of the chairman of the Court Meeting, his written authority to attend and vote at the Court Meeting at any time before the start of the Court Meeting.
- (7) In the case of Scheme Shareholders who hold their Scheme Shares jointly ("Joint Holders"), the vote of the senior Joint Holder, whether in person or by proxy, will be accepted to the exclusion of the votes of the other Joint Holders. For this purpose, seniority will be determined by the order in which the names of the Joint Holders are included in the Company's register of members in respect of the joint holding.
- (8) If a Scheme Shareholder is in any doubt about completing the WHITE form of proxy please telephone Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.
- (9) Any question relevant to the business of the Court Meeting may be asked at the Court Meeting by anyone permitted to speak at the Court Meeting.
- (10) A Scheme Shareholder may alternatively submit their question in advance by way of a letter addressed to the chairman of the Court Meeting.



## PART 10

### NOTICE OF GENERAL MEETING

#### RED24 PLC

*(Incorporated in Scotland with registered number SC086069)*

**NOTICE IS HEREBY GIVEN** that a general meeting of red24 plc (the “**Company**”) shall be held at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS on 21 November 2016 at 10.15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which shall be proposed as a special resolution (terms defined in the document of which this notice forms part shall have the same meaning in this notice unless otherwise expressly defined):

#### SPECIAL RESOLUTION

THAT:

1. For the purpose of giving effect to the scheme of arrangement dated 26 October 2016 (the “**Scheme**”) proposed to be made between the Company and the Scheme Shareholders, a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman of the Company, in its original form, or subject to any modification, addition or condition agreed by the Company and iJET International, Inc. (“**iJET**”) and approved or imposed by the Court:
  - 1.1 the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
  - 1.2 with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 152:

#### “152 SCHEME OF ARRANGEMENT

- (a) In this Article 152, the “Scheme” means the scheme of arrangement dated 26 October 2016 between the Company and the Scheme Shareholders (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court in accordance with its terms. Expressions defined in the Scheme or, if not so defined in the Scheme, defined in the Scheme Document of which the Scheme formed part, shall have the same meanings in this Article 152 (save as expressly defined in these Articles).
- (b) Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Shares (other than to iJET or its nominee(s)) on or after the Voting Record Time and on or prior to the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holders of such shares shall be bound by the Scheme accordingly.
- (c) Subject to the implementation of the Scheme, if any Ordinary Shares are issued or transferred to any person or his nominee (a “**New Member**”) (other than under the Scheme to iJET or its nominee(s)) after the Scheme Record Time (the “**Post-Scheme Shares**”) they shall be immediately transferred to iJET (or as it may direct in writing) who shall be obliged to acquire all Post-Scheme Shares in consideration for, and conditional on, the payment by iJET of an amount in cash for each Post-Scheme Share as that New Member would have been entitled to under the Scheme for those Post-Scheme Shares, had they been Scheme Shares, provided that the cash payment per share to be paid to a New Member pursuant to this paragraph (c) of this Article 152 may be adjusted by the Directors, in such manner as the auditors of the Company may determine, on any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) effected after

the close of business on the Effective Date. References in this Article 152 to Ordinary Shares shall, following such adjustment, be construed accordingly.

- (d) To give effect to any transfer of Post-Scheme Shares, the Company may appoint any person as attorney for the New Member to transfer the Post-Scheme Shares to iJET and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Shares in iJET or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as iJET may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of iJET) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by iJET. The attorney shall be empowered to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member (or any subsequent holder) in favour of iJET or its nominee(s) and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register iJET or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares.
- (e) iJET shall settle or procure the settlement of the consideration due under paragraph (c) of this Article 152 within 14 days after the transfer of the Post-Scheme Shares to iJET and/or its nominee(s).
- (f) Notwithstanding any other provision of these Articles, neither the Company nor the Directors shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.”.

*By order of the Board*

**John Mocatta**  
*Company Secretary*  
26 October 2016

*Registered office:*

Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

**Notes:**

- (1) Shareholders of the Company entitled to attend and vote at the meeting may vote in person at the said meeting or they may appoint another person, whether a shareholder of the Company or not, as their proxy to attend, speak and vote on their behalf. A proxy need not be a shareholder of the Company.
- (2) A YELLOW form of proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning the YELLOW form of proxy will not prevent the shareholder from attending and voting at the meeting (or any adjournment of the meeting) in person, should he subsequently decide to do so.
- (3) To be valid, the YELLOW form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be received at Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours before the time of the meeting (in other words, by 10.15 a.m. on 19 November 2016) or, as the case may be, the adjourned meeting. A reply-paid envelope has been provided for this purpose for use in the United Kingdom only. YELLOW forms of proxy returned by fax will not be accepted.
- (4) Shareholders may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
- (5) If a shareholder wishes to appoint multiple proxies, they may: (a) photocopy the YELLOW form of proxy, fill in each copy in respect of different shares and send the multiple forms together to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, or alternatively (b) call Capita Asset Services on the number in paragraph (17) below who will then issue the shareholder with multiple proxy forms. In each case, please ensure that all of the multiple proxy forms in respect of one registered holding are sent in the same envelope if possible.
- (6) Subject to the following principles where more than one proxy is appointed, where a YELLOW form of proxy does not state the number of shares to which it applies (a “blank proxy”) then that proxy is deemed to have been appointed in relation to the total number of shares registered in the name of that shareholder (the “member’s entire holding”). In the event of a conflict between a blank proxy and YELLOW form of proxy which does state the number of shares to which it applies (a “specific proxy”), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the

conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).

- (7) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than the shareholder's entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
- (8) If two or more valid but different instruments of proxy are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was the last received, none of them shall be treated as valid in respect of that share.
- (9) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) a shareholder's entire holding, none of them shall be treated as valid.
- (10) Where the aggregate number of shares in respect of which proxies are appointed exceeds a shareholder's entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced pro rata (on the basis that as far as possible, conflicting forms of proxy should be judged to be in respect of different shares).
- (11) Where the application of paragraph (10) above gives rise to fractions of shares, such fractions will be rounded down.
- (12) If a shareholder appoints a proxy or proxies and then decide to attend the meeting in person and vote using their poll card, then their vote in person will override the proxy vote(s). If the shareholder vote in person is in respect of their entire holding then all proxy votes will be disregarded. If, however, the shareholder vote at the meeting is in respect of less than their entire holding and they indicate on their polling card that all proxies are to be disregarded, that shall be the case; but if they do not specifically revoke proxies, then their vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding their entire holding.
- (13) In relation to paragraph (12) above, in the event that a shareholder does not specifically revoke proxies, it will not be possible for the Company to determine their intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
- (14) Entitlement to attend and vote at the meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.00 p.m. on 19 November 2016 or, if the meeting is adjourned, on the day which is two days before the date of such adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.
- (15) A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak and vote on a poll (a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
- (16) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
- (17) If you are in any doubt about completing the YELLOW form of proxy please telephone Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.
- (18) Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A shareholder may alternatively submit their question in advance by way of a letter addressed to the Chairman.

