

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. The whole of this Document should be read, but your attention is in particular drawn to the section entitled “Risk Factors” in Part II of this Document.

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to 6.00 p.m. on the Record Date, please immediately forward this Document, together with the accompanying Form of Proxy and, if relevant, the Application Form as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications which will be in the Application Form (if relevant).

The Directors, whose names appear on page 5 of this Document, and the Company accept responsibility, collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The distribution of this Document and any accompanying documents to jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and neither this Document nor the Application Form forms part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for Open Offer Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this Document and/or any of the accompanying documents comes should inform themselves about and observe such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of the FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 the FSMA. Application will be made for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

This Document does not comprise an admission document under the AIM Rules and neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this Document. This Document does not constitute a recommendation regarding securities of the Company. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List. The New Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made. Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is anticipated that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 8 June 2017.

1pm plc

(incorporated and registered in England and Wales under number 05845866)

Proposed Acquisition of Tracx Finance Limited and further Possible Acquisition

Proposed Placing of 22,000,000 new Ordinary Shares

**Open Offer of up to 6,861,117 new Ordinary Shares
in each case at an issue price of 45 pence per share**

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this Document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below and to the section headed “Risk Factors” in Part II of this Document. The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 6 June 2017. The procedure for application and payment under the Open Offer is set out in paragraph 3 of Part III of this Document, and, where relevant, in the accompanying Application Form to be sent to Qualifying Non-CREST Shareholders.

Notice of a General Meeting of 1pm plc, to be held at Francis Hotel, Queens Square, Bath, BA1 2HH, UK at 1.00 p.m. on 7 June 2017 is set out at the end of this Document. To be valid the accompanying Form of Proxy for use in connection with the meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Neville Registrars Limited, by not later than 1.00 p.m. on 5 June 2017. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish. For full details on proxy appointments, see the notes to the Notice of General Meeting and the Form of Proxy.

Cenkos, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the matters described in this Document and is not acting for any other persons in relation to the Placing, the Open Offer and Admission. Cenkos is acting exclusively for the Company and for no one else in relation to the contents of this Document and persons receiving this Document should note that Cenkos will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos or for advising any other person on the arrangements described in this Document. Cenkos has not authorised the contents of, or any part of, this Document and/or the Application Form and no liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this Document and/or the Application Form or for the omission of any information. The responsibilities of Cenkos as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange solely and are not owed to the Company or to any Director, Shareholder or any other person in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this Document or otherwise.

The New Ordinary Shares to be issued will, following their issue, rank *pari passu* with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The New Ordinary Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the New Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into such jurisdictions. Overseas Holders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this Document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

IMPORTANT INFORMATION

The Placing Shares and the Open Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any other Restricted Jurisdiction. The Placing Shares and the Open Offer Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The Placing Shares and the Open Offer Shares are being offered and sold either: (i) outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements in Regulation S under the Securities Act; or (ii) in the United States in private placement transactions not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the Securities Act provided by Section 4(2) under the Securities Act or another applicable exemption therefrom. There will be no public offer of the Placing Shares or Open Offer Shares in the United States.

Cenkos makes no representation or warranty to any offeree or purchaser of the Placing Shares or Open Offer Shares regarding the legality of any investment in the securities by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his, her or its own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Placing Shares or Open Offer Shares.

None of the Placing Shares or Open Offer Shares, the Application Form, this Document nor any other document connected with the Fundraising have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the Placing Shares or Open Offer Shares, the Application Form or the accuracy or adequacy of this Document or any other document connected with the Fundraising. Any representation to the contrary is a criminal offence.

Notwithstanding anything to the contrary herein, each prospective investor may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and tax structure of the Company and of the transactions contemplated by the Company. For this purpose, "tax structure" shall mean any fact that may be relevant to understanding the purported or claimed US federal tax treatment of the transaction; provided that none of the following shall for this purpose constitute tax treatment or tax structure information: the name of or other identifying information relating to the performance of the Company or its operations.

Not all Shareholders will be Qualifying Shareholders. Subject to certain exceptions, Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Fundraising and will not be sent an Application Form or otherwise be permitted to participate in the Fundraising. The attention of Overseas Shareholders is drawn to paragraph 6 of Part III of this Document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 6 June 2017. The procedure for application and payment for under the Open Offer is set out in Part III of this Document, and, where relevant, in the accompanying Application Form.

This Document may contain statements about 1pm that are or may be "forward-looking statements". All statements, other than statements of historical facts, included in this Document may be forward-looking statements and are subject to, *inter alia*, the risk factors described in Part II of this Document. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", "would", "could", "continue", "potential" or words or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements include matters which are not facts. They appear in a number of places throughout this Document and include (without limitation) statements regarding the Directors' intentions, understanding, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth and strategies. These forward-looking

statements are not guarantees of future performance and have not been reviewed by the auditors of 1pm. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules), 1pm does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to 1pm or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Shareholders should not construe the contents of this Document as legal, tax or financial advice, and should consult with their own advisers as to the matters described herein.

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CURRENT DIRECTORS OF THE COMPANY

John Newman	<i>Non-executive Chairman</i>
Ian Smith	<i>Chief Executive Officer</i>
Mike Nolan	<i>Chief Risk Officer</i>
James Roberts	<i>Chief Financial Officer</i>
Ron Russell	<i>Non-executive Director</i>
Julian Telling	<i>Non-executive Director</i>

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	6.00 p.m. on 15 May 2017
Announcement of the Placing and Open Offer	18 May 2017
Existing Ordinary Shares marked as ex-entitlement by the London Stock Exchange	8.00 a.m. on 18 May 2017
Basic Entitlements credited to stock accounts in CREST of Qualifying CREST Holders	19 May 2017
Recommended latest time for requesting withdrawal of Basic Entitlements from CREST	4.30 p.m. on 31 May 2017
Latest time for depositing Basic Entitlements and/or Excess Entitlements into CREST	3.00 p.m. on 1 June 2017
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 2 June 2017
Latest time and date for receipt of Forms of Proxy	1.00 p.m. on 5 June 2017
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 6 June 2017
General Meeting	1.00 p.m. on 7 June 2017
Announcement of result of the General Meeting and Open Offer	7 June 2017
Admission and commencement of dealings of the New Ordinary Shares and completion of the Acquisition	8.00 a.m. on 8 June 2017
New Ordinary Shares credited to CREST stock accounts	8 June 2017
Despatch of definitive share certificates for New Ordinary Shares	week commencing 19 June 2017

Notes:

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (iii) The timing of the events in the above timetable and in the rest of this Document is indicative only.
- (iv) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III of this Document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Neville Registrars on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant, quoting the allotment number of their Application Form. Calls to the Neville Registrars' help lines are charged at your provider's standard rates for national or, as the case may be, international calls. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

PLACING AND OPEN OFFER STATISTICS

Number of Existing Ordinary Shares in issue	54,888,935
Basic Entitlement under the Open Offer	1 Open Offer Share for every 8 Existing Ordinary Shares
Issue Price of each New Ordinary Share	45 pence
Discount to market price of 55.5 pence per Existing Ordinary Share ¹	19 per cent.
Number of Open Offer Shares to be offered for subscription by Qualifying Shareholders	6,861,117
Number of Placing Shares to be issued pursuant to the Placing	22,000,000
Expected proceeds of the Open Offer (before expenses)	up to £3.1 million
Expected proceeds of the Placing (before expenses)	£9.9 million
Expected proceeds of the Fundraising (before expenses)	up to £13.0 million
Enlarged Share Capital following Admission ²	83,750,052
Percentage of Enlarged Share Capital represented by the Placing Shares ²	26.3 per cent.
Percentage of Enlarged Share Capital represented by the Open Offer Shares ²	8.2 per cent.
Estimated net proceeds of the Fundraising	up to £12.2 million
Market Capitalisation of the Company following the Fundraising at the Issue Price ²	£37.7 million

Notes:

1. Based on the Closing Price on 17 May 2017, being the last practicable date prior to the publication of this Document.
2. Assuming full subscription under the Open Offer.

DEFINITIONS

The following definitions apply throughout this Document and the accompanying Form of Proxy and Application Form, unless the context requires otherwise or unless it is otherwise specifically provided:

“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of the Target
“Acquisitions”	together, the Acquisition and the Possible Acquisition
“Acquisition Agreement”	the agreement relating to the Acquisition, made between the Company, Onepm Commercial Finance Limited and the Sellers, a summary of which is set out in paragraph 1 of Part V of this document
“Act”	the Companies Act 2006 (as amended)
“Admission”	admission of the New Ordinary Shares to trading on AIM
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies published by London Stock Exchange (as amended)
“Application Form”	the application form relating to the Open Offer which accompanies this Document (where relevant)
“Basic Entitlement”	the number of Open Offer Shares which Qualifying Holders are entitled to subscribe for at the Issue Price <i>pro rata</i> to their holding of Existing Ordinary Shares pursuant to the Open Offer as described in Part III of this Document
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“Cenkos”	Cenkos Securities plc
“Certificated” or “certificated form”	recorded on a company’s share register as being held in certificated form (i.e., not in CREST)
“City Code”	the City Code on Takeovers and Mergers
“Closing Price”	the closing middle market quotation of an Existing Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
“Companies Act” or “Act”	Companies Act 2006 (as amended)
“Company” or “1pm”	1pm plc (registered number 05845866)
“Completion”	means completion of the Acquisition, pursuant to the Acquisition Agreement
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)

“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since) as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST payment”	shall have the meaning given in the CREST Manual
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST Participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all-CREST personal members)
“Directors” or “Board”	the directors of the Company whose names appear on page 5 of this Document
“Document” or “Circular”	this document which for the avoidance of doubt does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“enabled for settlement”	in relation to Basic Entitlements and Excess Entitlements, enabled for the limited purpose of settlement of claim transactions and USE transactions
“Enlarged Group”	the Company and its subsidiaries immediately following Completion
“Enlarged Share Capital”	the issued ordinary share capital of 1pm immediately following Admission
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	to the extent that Basic Entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy excess applications, subject to a maximum of 6,861,117 Open Offer Shares in aggregate, as described in Part III of this Document
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions of this Document

“Excess Entitlements”	the entitlement for Qualifying Shareholders to apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility, as described in Part III of this Document
“Excess Shares”	the Open Offer Shares applied for under the Excess Application Facility, as defined in Part III of this Document
“Existing Group”	the Company and its current subsidiaries
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this Document
“Form of Proxy”	the form of proxy accompanying this Document for use at the General Meeting
“FCA”	the Financial Conduct Authority of the UK
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	together the Placing and the Open Offer
“General Meeting” or “GM”	the general meeting of the Company as described in this Document, notice of which is set out at the end of this Document
“Group”	the Company and its subsidiaries from time to time
“ISIN”	International Securities Identification Number
“Issue Price”	45 pence per Placing Share and Open Offer Share
“Listing Rules”	the Listing Rules of the UKLA made in accordance with section 73A(2) of FSMA
“Lloyds”	Lloyds Bank Commercial Finance Limited
“LOIM”	Lombard Odier Investment Managers Group (LOIM), in respect of funds or accounts managed by LOIM entities
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Money Laundering Regulations 2007 (as amended and supplemented from time to time)
“Net Proceeds”	the proceeds of the Fundraising less costs of the Placing and (assuming full subscription) the Open Offer
“Neville Registrars” or “Registrars”	Neville Registrars Limited
“New Ordinary Shares”	the Placing Shares and the Open Offer Shares
“Official List”	the Official List of the UK Listing Authority
“Open Offer”	the proposed issue and allotment at 45 pence per share of up to 6,861,117 Open Offer Shares to Qualifying Shareholders as described in this Document
“Open Offer Shares”	the maximum of 6,861,117 Ordinary Shares to be issued and allotted to Qualifying Shareholders pursuant to the Open Offer

“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company
“Overseas Shareholders” or “Overseas Holders”	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK
“Panel”	the Panel on Takeovers and Mergers
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant
“Placees”	those persons who have conditionally agreed to subscribe for, in aggregate, 22,000,000 Placing Shares under the Placing
“Placing”	the proposed issue and allotment at 45 pence per share of the Placing Shares to the Placees as described in this Document
“Placing Agreement”	the conditional agreement dated 18 May 2017 between Cenkos and the Company relating to the Placing and the Open Offer, details of which are set out in paragraph 2 of Part V of this Document
“Placing Letters”	those placing letters pursuant to which the Placees have agreed to subscribe for Placing Shares under the Placing
“Placing Shares”	the 22,000,000 Ordinary Shares to be issued and allotted to the Placees pursuant to the Placing
“Plan”	the 1pm plc Long Term Incentive Plan 2017, a summary of the principal features of which is set out in paragraph 3 of Part V of this Document
“Possible Acquisition”	the possible acquisition (in addition to the Acquisition) which is described in this Document
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
“Qualifying CREST Holders” or “Qualifying CREST Shareholders”	Qualifying Holders holding Existing Ordinary Shares in uncertificated form
“Qualifying Holders” or “Qualifying Shareholders”	Shareholders whose names appear on the register of members of 1pm on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this Document
“Qualifying non-CREST Holders” or “Qualifying non-CREST Shareholders”	Qualifying Holders holding Existing Ordinary Shares in certificated form
“Receiving Agent”	Neville Registrars
“Record Date”	6.00 p.m. on 15 May 2017
“Remuneration Committee”	the Remuneration Committee of the Board
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the notice of General Meeting at the end of this Document

“Restricted Jurisdiction”	the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland and the Republic of South Africa, or any other jurisdiction where the distribution of this Document and/or the offer or sale of Ordinary Shares would constitute a breach of local securities laws or regulations
“RIS”	a regulatory information service as defined by the Listing Rules
“Securities Act”	the US Securities Act of 1933, as amended
“Sellers”	the shareholders of Tracx Finance Limited , being David Richards, Tracey Richards, Michael Cox, Simon Scott, Paul Stokes, Jeffery Longhurst, Philip Raven, Mark Wignall, Kevin Weaver and Ian Wedge (together with the trustees of certain trusts which hold shares on behalf of a number of such individuals), who have conditionally agreed to sell the entire issued share capital of Tracx Finance Limited to the Company pursuant to the Acquisition Agreement
“Shareholders”	holders of Ordinary Shares
“Subsidiary”	the subsidiary of Tracx Finance Limited, being Gener8 Finance Limited, a company registered in England with Company number 05593395
“Sterling”	pounds sterling, the basic unit of currency in the UK
“Target” or “Tracx Finance”	Tracx Finance Limited and, to the extent the context admits, its Subsidiary
“Tracx Finance Limited”	Tracx Finance Limited, a company registered in England with Company number 09393231
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part IV of FSMA
“uncertificated” or “uncertificated form”	recorded on the relevant register or other record of the share or other security as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by way of CREST
“USE”	unmatched stock event
“VAT”	value added tax

PART I

LETTER FROM THE CHAIRMAN OF

1pm plc

(incorporated and registered in England and Wales under number 05845866)

Current Directors:

John Newman	<i>Non-executive Chairman</i>
Ian Smith	<i>Chief Executive Officer</i>
Mike Nolan	<i>Chief Risk Officer</i>
James Roberts	<i>Chief Financial Officer</i>
Ron Russell	<i>Non-executive Director</i>
Julian Telling	<i>Non-executive Director</i>

Registered Office:

1pm plc
St. James House
The Square
Lower Bristol Road
Bath
BA2 3BH

18 May 2017

Dear Shareholder

**PROPOSED ACQUISITION OF TRACX FINANCE LIMITED
AND POSSIBLE FURTHER ACQUISITION
PROPOSED PLACING OF 22,000,000 NEW ORDINARY SHARES
PROPOSED OPEN OFFER OF UP TO 6,861,117 NEW ORDINARY SHARES
AND
NOTICE OF GENERAL MEETING**

1. Introduction

The Company announced today that its wholly-owned subsidiary, Onepm Commercial Finance Limited, has exchanged a conditional contract to acquire the entire issued share capital of Tracx Finance Limited including its wholly-owned subsidiary Gener8 Finance Limited for a total cash consideration of £5.25 million.

In order to meet the cash consideration payable on Completion and to provide additional finance for a possible further acquisition, the negotiations of which are at an advanced stage, the Company has also announced today a Fundraising to raise a total of up to approximately £13.0 million (before expenses) by way of:

- a Placing of 22,000,000 new Ordinary Shares at 45 pence per share to the Placees to raise £9.9 million (before expenses); and
- an Open Offer of up to 6,861,117 new Ordinary Shares at 45 pence per share to Qualifying Shareholders to raise up to approximately £3.1 million (before expenses).

The issue price of 45 pence per Placing Share and Open Offer Share represents a discount of 19 per cent. against the Closing Price of 55.5 pence per Ordinary Share at close of trading on 17 May 2017, the last trading day prior to announcement of the Acquisition, the Possible Acquisition, the Placing and the Open Offer.

The Acquisition is conditional, *inter alia*, on the Placing being completed. The Company's existing share authorities, which allow it to issue shares on a non pre-emptive basis, are insufficient to allow the Placing and Open Offer to proceed and therefore the Placing and Open Offer are conditional on Shareholders' approval.

By completing the Acquisition and the Possible Acquisition, the Company will be implementing a key element of its stated strategic plan, which is to introduce adjacent products in the form of invoice discounting and factoring, that are complementary to its existing Asset Finance and Business Loan products for UK SMEs. The Company will establish a new Commercial Finance Division to be led by Edward Rimmer. Details of his

proposed appointment as its managing director and Board member of the Group are included in paragraphs 2 and 9 of this Part 1.

The purpose of this Document is to set out the background to and reasons for the Fundraising and to give details of the Acquisition, the Possible Acquisition and to recommend that you vote in favour of each of the Resolutions required to be passed to implement them. The Fundraising is conditional, amongst other matters, on the passing of Resolution 1 at the General Meeting, and is expected to complete at 8.00 a.m. on 8 June 2017, being the expected date of Admission. The notice of General Meeting is set out at the end of this Document.

2. Background to and reasons for the Acquisitions and Fundraising

1pm's strategic goals and objectives were set out in the Group Strategic Report in its published financial statements for the year ended 31 May 2016. The stated objectives included management identifying adjacent business lending products in order to provide a 'multi-product' offering for SMEs so that they have a choice of methods to finance their businesses. The Directors believe that Commercial Finance products in the form of invoice discounting and factoring are an obvious adjacent product to be offered alongside the Company's existing Asset Finance and Business Loan products. The Board of Directors of the Company have concluded that the optimal route to introduce these products is to do so through the acquisition of independent, successful, well-run businesses already operating in the sector. The establishment of a new Commercial Finance Division through targeted acquisitions therefore represents an important milestone in the ongoing development of the Group.

The Commercial Finance Division will allow the Group to pursue a wider range of customers with a more diversified suite of products and will therefore accelerate the Group's stated growth strategy. The new Commercial Finance Division will be funded by the net proceeds of the Placing, post funds utilised for the Acquisitions, in order to facilitate the organic growth that management intend to pursue. On completion of the Acquisitions, the Commercial Finance Division is expected to be comparable in size to the Asset Finance and Loans Divisions, with approximately £75 million of receivables, yielding approximately 20 per cent. per annum on approximately £35 million of funds advanced.

Management also believes that there will be significant cross-selling opportunities between the new Commercial Finance Division and the existing Asset Finance and Business Loans Divisions in the Group.

The Directors believe that in established businesses in the Invoice Finance industry it is typical for debt facilities to be provided on a 5:1 basis such that equity can be leveraged 5 times for lending. Thus, for example, £2 million of equity may attract £10 million of debt facility, providing a total of £12 million to be deployed for lending to existing and new clients of the Acquisitions. The Directors believe that the profits generated from such lending can equate to a 30 per cent. per annum or more return on the original equity provided.

The Board has today agreed to appoint Edward Rimmer to lead the new Commercial Finance Division conditional upon completion of the Acquisition. Mr Rimmer has worked within commercial finance for over 20 years having joined Bibby Financial Services Group in 1995. In 2002, Mr Rimmer was appointed Managing Director of Bibby's newly created company in Manchester, and in 2007 was appointed as UK CEO and main board director of Bibby Financial Services Limited. Mr Rimmer ceased his employment with Bibby Line Group Limited on 31 March 2017 and joined 1pm as a retained consultant with a view to the appointment announced today.

It is the Directors' belief that the Acquisitions will deliver more rapid organic growth under 1pm's ownership, without compromising on credit risk. The Directors believe that the Acquisitions will be earnings accretive within 2 years from completion, will facilitate further growth across the Group through cross-selling and will strengthen the Group's position in the SME finance market. The Directors believe that this should increase shareholder returns, with management targeting over a 15 per cent. per annum return on net assets in the short-term.

Further information on the Acquisitions is set out below in paragraph 3 of this Part 1. A summary of the principal terms of the Acquisition Agreement and the Placing Agreement are set out in paragraphs 1 and 2 respectively of Part V of this Document.

In order to finance the consideration for the Target and the initial cash consideration for the second Possible Acquisition, the Directors are conducting a Placing to raise £9.9 million.

The Directors believe that existing Shareholders should also have the opportunity to further invest in the Company at the same price as those institutions who are involved in the Placing and accordingly this Document sets out the terms of the Open Offer to raise up to approximately £3.1 million.

3. The Acquisitions

Tracx Finance

Tracx Finance, trading under the brand of its wholly-owned subsidiary Gener8 Finance Limited, is an invoice finance provider based in Abingdon, Oxford. The business employs 15 staff and predominantly targets clients south of Birmingham. At present Tracx Finance has approximately 140 clients, with approximately a four and a half year average client life, and typically lends between £50,000 and £500,000, with an average of £90,000. Approximately 60 per cent. of new clients are generated through the Target's network of brokers, with the remaining 40 per cent. originated directly.

Tracx Finance charges a range of fees and interest on loans, with recurring annual service fees accounting for approximately half of revenue. Interest is the second largest revenue contributor; typically charged at three to four per cent. per annum and accounting for 15 to 20 per cent. of annual revenue.

Tracx Finance has a strong relationship with its debt finance provider, Lloyds, which has funded the business since it started in 2008. Lloyds currently provides a £12 million back-to-back facility and has consented in writing to the change of control and confirmed in writing its willingness to continue to provide a facility to lend against client invoices under 1pm's ownership.

In the year to 31 December 2016, Tracx Finance generated revenue of £2.6 million and adjusted profit before tax of £0.9 million, lending £12 million on a receivables book of £30 million.

The Directors are of the opinion that the Acquisition will provide, *inter alia*, the following benefits:

- a high quality client portfolio;
- an excellent reputation for client service, with robust back office processes and procedures evidenced by very low levels of historic bad debts;
- a strong EBITDA margin, currently at circa 33 per cent.;
- the opportunity to introduce new clients beyond its current regional focus; and therefore
- an excellent platform from which to implement a controlled expansion strategy.

The CEO and principal shareholder of the Target, Mr. David Richards, will cease his employment with the Target upon Completion. He will, however, be retained as a consultant for a six-month period to work with Mr. Rimmer to complete an orderly handover. Mr. Richards has also committed to invest £200,000 in the Placing.

The consideration for the Acquisition is £5.25 million, payable in cash on Completion.

Possible Acquisition

The Company has also agreed heads of terms for the acquisition of another company in the invoice financing sector. These terms include an exclusivity period within which 1pm is currently conducting confirmatory due diligence. The anticipated completion date of this Possible Acquisition is in June 2017 and management regard progress towards completion as satisfactory and on-track.

The company is based in the Northwest of England and has customers across a broad range of industries, to whom it lends between £10,000 and £1 million.

Revenue for the year ended 31 December 2016 was £4.1 million with adjusted profit before tax of £1.1 million. At the end of the period the company had a loan book of £23 million and receivables of £46 million. The Directors believe that it is a stable business, with little investment required post acquisition, and is conservatively run with clear opportunities for growth.

If the Possible Acquisition completes, the Directors believe that it will provide the following benefits:

- a geographical focus which is different and therefore complementary to Tracx Finance, thus establishing a national presence for 1pm's new Commercial Finance Division;
- a similarly highly regarded business known for excellent client service and run by a well-respected management team who will continue to manage the business. The management team will therefore provide support for Mr. Rimmer in managing the enlarged Commercial Finance Division; and
- a similarly good quality client portfolio with a track record of very low bad debts and healthy financial returns.

The Possible Acquisition also has a strong relationship with its back-to-back finance provider, with which it currently has a £25 million facility. This provider has indicated to 1pm's management that it will be willing to continue to provide such facilities, should the Possible Acquisition complete.

The consideration for the Possible Acquisition is expected to be £9 million in total. £4.5 million of the consideration is expected to be paid on completion in cash, with the Company expecting to pay £2.0 million of the balance of the consideration partly in the form of loan notes or cash over a three year period and £2.5 million in the form of an issue of Ordinary Shares based on a three year earn-out conditional on achieving financial performance targets.

There can be no certainty that the Possible Acquisition will complete, nor as to its final terms. A further announcement regarding the Possible Acquisition will be made in due course. Should it not proceed, the Company intends to use the proceeds of the Fundraising allocated for the Possible Acquisition for other similar transactions.

4. The UK invoice finance market

There are approximately 44,000 companies in the UK using invoice discounting and factoring to finance their businesses. At the end of 2016, there were £22 billion of advances outstanding with these businesses. Whilst there are some large corporate entities that use such financing facilities, 80 per cent. of the companies using such facilities in the UK are SMEs with an annual turnover of up to £5 million. The focus of 1pm's lending through its existing Asset Finance and Business Loans Divisions is to SMEs of this size.

In identifying successful, well-run, invoice finance businesses in the 'small-ticket' segment of the market, which the Directors believe are under-exploited in terms of their growth potential, there is an opportunity, through acquisition, to increase client numbers, revenue and profits in the UK SME market.

5. Use of the proceeds of the Fundraising

The net proceeds of the Fundraising are expected to be up to approximately £12.2 million. These proceeds will be applied in satisfying the cash consideration payable for the Acquisition and the expected initial cash consideration payable on completion of the Possible Acquisition. The balance of the proceeds of the Fundraising will be used to strengthen the Company's balance sheet thus providing equity to be deployed through the Commercial Finance Division for lending.

6. Current trading and prospects

The Board is pleased to report that trading in the current financial year to 31 May 2017 is in line with market expectations and is optimistic about achieving further organic growth through the establishment of a Commercial Finance Division alongside the existing Asset Finance and Business Loans Divisions.

7. Details of the Placing and the Open Offer

1pm is proposing to raise £9.9 million (before expenses) pursuant to the Placing and up to approximately a further £3.1 million (before expenses) pursuant to the Open Offer. The Issue Price of 45 pence per New Ordinary Share represents a discount of 19 per cent. to the Closing Price of 55.5 pence per Ordinary Share on 17 May 2017, the latest Business Day prior to publication of this Document.

The Placing has conditionally raised a total of £9.9 million through the placing of 22,000,000 Placing Shares. LOIM, a substantial shareholder of the Company, has subscribed for 4,959,000 Placing Shares. This subscription constitutes a related party transaction under the AIM Rules as LOIM currently holds approximately 19.0 per cent. of the Existing Ordinary Shares and is therefore a “substantial shareholder” under the AIM Rules. The Directors having consulted with Cenkos, the Company’s nominated adviser, consider the terms of LOIM’s subscription are fair and reasonable insofar as the Shareholders of the Company are concerned.

Directors’ participation

Certain of the Company’s directors (Ian Smith, Mike Nolan, James Roberts, John Newman and Julian Telling) have indicated that they intend to participate, in aggregate, £109,800 in the Placing. A further announcement will be made in due course regarding these intentions to subscribe.

The Placing is conditional upon, *inter alia*, the Acquisition becoming unconditional in accordance with its terms, Resolution numbered 1 being passed at the General Meeting (or any adjournment thereof) and Admission occurring no later than 8.00 a.m. on 8 June 2017 (or such later date as the Company and Cenkos shall agree, being no later than 30 June 2017).

The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Shareholders the opportunity to participate.

The Open Offer provides Qualifying Holders with the opportunity to apply to acquire Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

1 Open Offer Share for every 8 Existing Ordinary Shares

and so on in proportion to any other number of Existing Ordinary Shares then held.

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Basic Entitlement.

Qualifying Shareholders who do not take up their Basic Entitlements in full will experience a dilution to their interests of approximately 34 per cent. following the Fundraising (assuming full subscription under the Open Offer). Qualifying Shareholders who take up their Basic Entitlements in full will suffer a dilution to their interests of 26 per cent. on the same basis.

Qualifying Shareholders should note that the Open Offer Shares have neither been placed under the Placing subject to clawback under the Open Offer nor have they been underwritten, and that the Placing is not conditional upon the number of applications received under the Open Offer.

The Open Offer is subject to the satisfaction, amongst other matters, of the following conditions on or before 8 June 2017 (or such later date, being not later than 8.00 a.m. on 30 June 2017, as the Company and Cenkos may decide):

- the Placing becoming unconditional in all respects;
- the passing of the Resolution numbered 1 at the General Meeting (or any adjournment thereof); and
- Admission becoming effective by 8.00 a.m. on 8 June 2017 (or such later time or date not being later than 8.00 a.m. on 30 June 2017 as the Company and Cenkos may decide).

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Excess applications

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares on the Record Date.

Qualifying Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 6,861,117 Open Offer Shares in aggregate. To the extent that applications are received in respect of an aggregate of more than 6,861,117 Open Offer Shares, applications for Excess Entitlements will be scaled back accordingly.

However, applications for Excess Entitlements will be rejected if and to the extent that acceptance would result in a Qualifying Shareholder, together with those acting in concert with him/her/it for the purposes of the City Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

Placees who are Qualifying Shareholders will also be entitled to participate in the Open Offer.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying non-CREST Holders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that, in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 8 June 2017. Further information in respect of settlement and dealings in the New Ordinary Shares is set out in Part III of this Document.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part III of this Document.

CREST instructions

Application has been made for the Basic Entitlements for Qualifying CREST Holders to be admitted to CREST. It is expected that the Basic Entitlements will be admitted to CREST on 19 May 2017.

The Excess CREST Open Offer Entitlements will also be admitted to in CREST on 19 May 2017. Applications through the CREST system may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying non-CREST Holder an Application Form which gives details of your Basic Entitlement under the Open Offer (as shown by the number of the Open Offer Shares allocated to you) is enclosed with the Circular. If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 3 of Part III of this Document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 6 June 2017.

If you are a Qualifying CREST Holder, no Application Form is enclosed with this Circular but you will receive a credit to your appropriate stock account in CREST in respect of your Basic Entitlement and if appropriate your Excess Entitlement. You should refer to the procedure for application set out in paragraph 3 of Part III of this Document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 6 June 2017.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 6 June 2017. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your Basic Entitlement or have your Basic Entitlement to your stock account in CREST.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other

independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

8. Dividend

The Directors keep the Company's dividend policy continually under review. The Directors are committed to a progressive dividend policy whilst also pursuing the stated strategy for growth, both organically and through earnings-enhancing acquisitions. The Directors believe that this balanced approach is the best way for the Company to deploy its resources for the foreseeable future, in pursuit of total shareholder return.

9. Board appointment

Edward Rimmer will join the Board of the Company on Completion to lead the Commercial Finance Division.

Edward Rimmer joined Bibby Financial Services in 1995 as a Graduate Trainee based in the Slough office. He forged a successful career in sales, before moving into management to head up the sales team at the newly created Bibby office in Hastings. In 2002, he was promoted to Managing Director of a new start company in Manchester which became the most successful in the Bibby Financial Services Group from a sales and risk management perspective. In 2005, he was promoted to Regional Managing Director overseeing the Liverpool, Manchester and Leicester operations before being appointed as UK CEO in 2007. During his time in this role, profitability doubled from £16m to £32m with sales increasing by 50 per cent.. After 5 years as UK CEO, he was offered another challenge internally within the Bibby Group to lead the Ship Management business, where a growth strategy as a niche operator in the oil and gas market was successfully delivered resulting in the company being sold in 2016 to the market leader, V Group Ltd.

Further details regarding Edward Rimmer and his proposed service contract are set out in paragraphs 4 and 5 of Part V of this Document.

On Admission, the Board will comprise four executive and three non-executive directors as follows:

John Newman	<i>Non-executive Chairman</i>
Ian Smith	<i>Chief Executive Officer</i>
James Roberts	<i>Chief Financial Officer</i>
Mike Nolan	<i>Chief Risk Officer</i>
Edward Rimmer	<i>Managing Director, Commercial Finance Division</i>
Ron Russell	<i>Non-executive Director</i>
Julian Telling	<i>Non-executive Director</i>

10. The 1pm Long Term Incentive Plan 2017

The Remuneration Committee has undertaken a review of the Company's existing executive incentives to ensure that they are aligned with 1pm's commercial strategy and the interests of Shareholders. Following the review, the Remuneration Committee proposes the introduction of the 1pm plc Long Term Incentive Plan 2017 as a replacement to the Company's existing long term incentive arrangements, with the intention of placing greater emphasis on the long-term performance of the business.

A summary of the principal features of the Plan is set out in paragraph 3 of Part V of this Document.

11. General Meeting

Set out at the end of this Document is a notice convening the General Meeting to be held at Francis Hotel, Queens Square, Bath BA1 2HH, at 1.00 p.m. on 7 June 2017 at which the following resolutions will be proposed as ordinary or special resolutions as indicated below:

- (a) to authorise the Directors to allot the New Ordinary Shares for the purposes of the Placing and Open Offer (special resolution);

- (b) subject to Admission, to generally authorise the Directors to allot relevant securities having an aggregate nominal value of up to £2,791,668 or, if lower, an aggregate nominal value of up to one third of the nominal value of the Enlarged Share Capital (ordinary resolution);
- (c) to waive statutory pre-emption rights in respect of the allotment of equity securities pursuant to the allotment authority referred to in paragraph (b) above having an aggregate nominal value of up to £837,500 or, if lower, an aggregate nominal value of up to 10 per cent. of the nominal value of the Group (special resolution); and
- (d) to approve and adopt the Plan (ordinary resolution).

12. Action to be taken in respect of the General Meeting

Shareholders will find accompanying this Document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and in any event not later than 48 hours before the time of the GM. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the General Meeting should he/she/it so wish.

13. Additional information

Your attention is drawn to the risk factors and additional information set out in Parts II and V respectively of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this letter.

Details of the action to be taken if you wish to subscribe for Open Offer Shares are provided in Part III of this Document.

14. Recommendation

The Directors believe the Acquisition, the Possible Acquisition, the Placing, the Open Offer and the Plan to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they intend so to do in respect of their beneficial shareholdings amounting to 14,493,307 Existing Ordinary Shares.

Yours faithfully

John Newman
Chairman

PART II

RISK FACTORS

Investors should be aware of the risks associated with an investment in the Existing Group and, after Admission, the Enlarged Group. An investment in the Company may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser under the FSMA, who specialises on advising on this type of investment.

A prospective investor should carefully consider whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.

Accordingly, when evaluating whether to invest in the Company, prospective investors should carefully consider the risks described below. If any of the following risks were to materialise, the Enlarged Group's business, financial condition, results, prospects and/or future operations could be materially adversely affected. In such case, the market price of the Company's shares might decline and an investor might lose all or part of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have a material adverse effect upon the Company. No inference ought to be drawn from the order in which the following risk factors are presented as to their relative importance or potential effect.

1. Risks relating specifically to the Existing Group and the Enlarged Group

Acquisition not proceeding

There can be no assurance that the conditions to the Acquisition Agreement will be satisfied and that the Acquisition will complete. Completion is conditional upon, *inter alia*, the approval by Shareholders of Resolution 1 to be proposed at the General Meeting. In the event that Shareholders do not vote in favour of that resolution, the Acquisition will not be completed.

Possible Acquisition not proceeding

Whilst the Company is in advanced negotiations over the Possible Acquisition, there is a risk that the Possible Acquisition will not proceed. If the Possible Acquisition does not proceed, the Company will need to utilise the initial cash consideration of the Possible Acquisition elsewhere and may struggle to find an equivalent acquisition for the Commercial Finance Division in the short term. This would have a negative effect on the Company's short term profitability and may limit the Company's ability to establish a meaningful presence in the invoice financing sector going forward.

Trading

The trading expectations of the Existing Group and, after Admission, the Enlarged Group, are based on assumptions which the Directors consider to be reasonable but which are inherently subject to variation and uncertainty. There can be no assurance or guarantee that any element of those plans will be fulfilled, that the outcome of the Company's strategy will be achieved or that the Group will achieve revenue or be profitable.

Bad debts

Although the Existing Group and the Target have had a minimal level of bad debt in their loan books, the Enlarged Group's business will involve lending to a large number of clients and there is no guarantee that the Enlarged Group will not have to increase the level of impairment to its loan book as a result, for example, of a deterioration in general economic conditions, an increase in interest rates, other macroeconomic conditions and/or local issues affecting a specific geographic area or business sector of the Enlarged Group's target markets. If the Enlarged Group were to increase impairments to its loan book, this could have a have a negative impact on its results of operations and/or financial condition.

Ability to obtain debt financing for the Commercial Finance Division

The Company is yet to have received formal consent for the ongoing provision of a debt facility from the debt providers to the Possible Acquisition target. Furthermore, whilst the Company has received written consent to the change of control from Lloyds, the debt finance provider for Tracx Finance, there can be no assurance that this facility will be available on an ongoing basis. Accordingly, whilst the Company has strong relationships with its debt providers and remains confident that appropriate banking facilities will continue to be readily available in the future, there is a risk that the Commercial Finance division will not be able to secure debt financing on acceptable terms. Any such difficulties in securing debt financing would significantly reduce the available cash to be deployed through the Commercial Finance division for lending and would have a negative impact on the profitability of the Enlarged Group.

Reliance on software

The business of the Existing Group and, after Admission, the Enlarged Group, is reliant on the efficient operation of software which has been specifically developed for the finance industry. The ability of such software to be used by the Enlarged Group to function properly depends upon the Enlarged Group's ability to protect its network infrastructure, computer equipment and customer files against damage from human error, various natural disasters, power loss and other systems failures. However, despite measures taken by the Enlarged Group, such as daily data backup and off-site data storage, the occurrence of a natural disaster or other unanticipated problems could result in a loss of customer information or other data. Loss of such data could lead to a material interruption to the Enlarged Group's business.

Competition

There are a number of companies that operate in the Existing Group's and, after Admission, the Enlarged Group's market which are in direct competition with the Enlarged Group. To a greater or lesser degree, these include the UK's large retail banks, and other independent providers. If new competitors were to enter the market, this could have a negative impact on the Enlarged Group's results of operations and/or financial condition.

Management of growth

The Enlarged Group's growth plans will place additional demand on its management, customer support, marketing and administrative resources. If the Company is unable to manage its growth effectively, its business, operations or financial condition may deteriorate. If the Enlarged Group is unable to successfully develop and integrate the Target and the Possible Acquisition target, the Acquisition and the Possible Acquisition could lead to disruptions to the Enlarged Group's business.

Additional capital requirements in the future

The capital requirements of the Group and, after Admission, the Enlarged Group, depend on numerous factors. Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities. In addition, there can be no assurance that the Group and, after Admission, the Enlarged Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Enlarged Group.

Loss of key personnel

The performance of the Existing Group and, after Admission, the Enlarged Group, is dependent upon the continued services and the performance of the executive Directors and other key personnel. The loss of the services of any of the executive Directors or key personnel could have a material adverse effect upon the Enlarged Group's future.

Ability to pay future dividends

The Company's ability to pay dividends in the future is dependent upon the extent that it has distributable reserves and cash available for this purpose. The Company can give no assurance to Shareholders that it will pay dividends in the future.

2. General industry risks

General economic conditions

Market conditions may affect the value of the Company's share price regardless of operating performance. The Existing Group and, after Admission, the Enlarged Group could be affected by unforeseen events outside its control, including natural disasters, terrorist attacks and political unrest and/or government legislation or policy. General economic conditions may affect interest rates and inflation rates. Movements in these rates will have an impact on the Existing Group's and, after Admission, the Enlarged Group's cost of raising and maintaining debt financing. Similarly, general economic conditions may impact on the customers of the Existing Group and, after Admission, the Enlarged Group, impacting on the ability of the Group's and, after Admission, the Enlarged Group's ability to win new business and the potential recoverability of amounts owed.

Changes in laws or regulations

The Existing Group and, after Admission, the Enlarged Group will be subject to laws and regulations in the UK and so the Enlarged Group's operations may be in future affected by such laws and regulations. Further, the Existing Group and, after Admission, the Enlarged Group may be subject to and required to comply with certain regulatory requirements that are applicable to companies carrying on businesses of a similar nature. The Company must also comply with the AIM Rules and with certain elements of the disclosure and transparency rules made by the FCA under Part VI of the FSMA. Any change in the law and regulation affecting the Enlarged Group may have a material adverse effect on the ability of the Enlarged Group to carry on its business and on the value of the Ordinary Shares. In particular, regulatory change could lead to increased compliance costs, the prohibition of certain types of trading and a decrease in the value of the Ordinary Shares. In addition, the interpretation of existing legislation or regulation may change or may prove different than anticipated when applied to the Enlarged Group's business model. Compliance with such requirements could involve additional costs, which could have a material adverse effect on the business of the Enlarged Group or otherwise adversely affect or constrain the Enlarged Group's ability to operate.

Taxation

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Any statements in this Document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

3. Risks relating to an investment in Ordinary Shares

Dilution

Regardless of whether a Qualifying Shareholder takes up his/her/its entitlements under the Open Offer, the effect of the Placing will be a reduction of his/her/its proportionate ownership and voting interests in 1pm (such reduction will be reduced if a Shareholder applies for and obtains Excess Shares under the Open Offer). Shareholders will experience greater dilution in their ownership of, and voting interests in, the Company to the extent they do not subscribe in full for their Basic Entitlement and/or Excess Entitlement. Those Shareholders in a Restricted Jurisdiction, subject to certain exceptions, will in any event not be able to participate in the Open Offer.

Realisation of investment

Potential investors should be aware that the value of shares and income from these shares can go down as well as up and that Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Existing Ordinary Shares and/or the New Ordinary Shares may thus be difficult to realise.

Investment risk and AIM

The New Ordinary Shares will be admitted to AIM and it is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List. Further, London Stock Exchange has not itself examined or approved the contents of this Document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Market for the Company's shares and volatility of share price

Prospective investors should be aware that the value of an investment in the Company may go down as well as up. In addition, the Company can give no assurance that an active trading market for its shares will develop, or if developed, be sustained in the future. If an active trading market is not developed or maintained, the liquidity and trading price of the Company's shares could be adversely affected. Furthermore, the trading price of the Company's shares may not reflect the underlying value of the investments held by the Company and may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, the timing of investments, changes in the regulatory environment and stock market sentiment towards investment companies.

Investors should consider carefully whether an investment in 1pm is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

This list should not be considered an exhaustive statement of all potential risks and uncertainties.

PART III

DETAILS OF THE OPEN OFFER

1. Introduction

The Open Offer has been structured so as to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their existing holdings. Qualifying Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 6,861,117 Open Offer Shares in aggregate (“Excess Application Facility”). To the extent that applications are received in respect of an aggregate of more than 6,861,117 Open Offer Shares, applications for Excess Entitlements will be scaled back accordingly.

However, applications for Excess Entitlements will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with him/her/it for the purposes of the City Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

The Open Offer Shares to be issued pursuant to the Open Offer will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 18 May 2017, when the Existing Ordinary Shares are marked “ex” the entitlement to the Open Offer, is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

The Open Offer has not been underwritten. None of the Open Offer Shares have been conditionally placed with institutional or other investors. Therefore there may be no or fewer than 6,861,117 Open Offer Shares issued under the Open Offer.

The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Companies Act, the Open Offer is being made on the basis that the Open Offer Shares subscribed for will be allotted in any event. Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares will be issued to Qualifying Shareholders who have applied for Open Offer Shares (subject to the terms and conditions set out in this Document and the Application Form).

2. The Open Offer

1pm hereby invites each Qualifying Shareholder, on the terms and subject to the conditions set out herein (and, for Qualifying non-CREST Shareholders, in the accompanying Application Form), to apply to subscribe, at 45 pence per Open Offer Share (payable in full on application and free of all expenses), for any number of Open Offer Shares (subject to the limit of the number of Excess Shares that can be applied for using the Excess Application Facility), being:

1 Open Offer Share for every 8 Existing Ordinary Shares

registered in the name of each Qualifying Shareholder on the Record Date and so on in proportion to any other number of Existing Ordinary Shares then held (rounded down to the nearest whole number of Open Offer Shares). Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements.

The Basic Entitlement, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 2 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST. Qualifying CREST Shareholders will have their Basic Entitlements credited to their stock accounts in CREST and should

refer to paragraphs 2, 3 and 8 of this Part III and also to the CREST Manual for further information on the relevant CREST procedures.

Basic Entitlements have been rounded down to the nearest whole number of Ordinary Shares and any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlements and will be aggregated and will be made available to Qualifying Shareholders under the Excess Application Facility. Qualifying Shareholders with fewer than 8 Existing Ordinary Shares will not be able to apply for Open Offer Shares.

Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility. Please see below for further details of the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.

The aggregate number of Ordinary Shares available for subscription pursuant to the Open Offer is 6,861,117 Ordinary Shares.

The Open Offer is conditional, *inter alia*, upon the following:

- (a) the passing, without amendment, of the Resolution numbered 1 at the General Meeting;
- (b) Admission becoming effective by not later than 8.00 a.m. on 8 June 2017 (or such later time and/or date as the Company and Cenkos may agree); and
- (c) the Placing Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms.

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 8 June 2017 (or such later time and/or date as the Company and Cenkos may agree), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form in the week commencing 19 June 2017. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on or before 8 June 2017.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 8 June 2017, when dealings in the Open Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate non-interest bearing bank account opened solely for the Open Offer.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a RIS giving details of the revised dates.

Excess Applications

Qualifying Shareholders may apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to below ("Excess Entitlements"). The Basic Entitlement, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 2 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders who have taken up their Basic Entitlement in full to apply for any whole number of Ordinary Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit ("Excess Shares"). Qualifying non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 6, 7, 8 and 9 on the Application Form. Applications for Excess Shares may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications for Excess Shares by Qualifying Shareholders will be met in full or in part or at all.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 6,861,117 Open Offer Shares.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should also note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market for the benefit of those who do not apply, under the Open Offer but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and the net proceeds will be retained for the benefit of the Company. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.

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

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST where Existing Ordinary Shares are already admitted to CREST and/or Qualifying Shareholders elect for them to be so admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess CREST Open Offer Entitlements are where appropriate expected to be admitted to CREST with effect from 19 May 2017.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer. Overseas Holders are referred to the section entitled "Overseas Holders" set out in paragraph 6 of this Part III.

The Existing Ordinary Shares are in registered form, are traded on the AIM market and are not traded on any other exchange. The Open Offer Shares will also be in registered form, will be issued credited as fully paid and will rank *pari passu* in all respects with the issued Existing Ordinary Shares. The Open Offer Shares will be issued only pursuant to the Open Offer and will not otherwise be marketed or made available in whole or in part to the public.

The proceeds of the Placing and the Open Offer will be up to £13.0 million (approx.) before expenses. The New Ordinary Shares will represent up to approximately 34.5 per cent. of the Enlarged Share Capital, assuming full subscription of the Open Offer Shares.

3. Procedure for application and payment

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his, her or its Basic Entitlement or a Qualifying Shareholder has his, her or its Basic Entitlement and Excess CREST Open Offer Entitlement credited to his, her or its CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form.

However, it will be possible for Qualifying Shareholders to deposit Basic Entitlements and/or Excess Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(g) of this Part III. CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this Document.

3.1 ***If you have an Application Form in respect of your entitlement under the Open Offer***

(a) *General*

Subject as provided in paragraph 6 of this Part III in relation to Overseas Holders, Qualifying non-CREST Holders will have received an Application Form with this Document. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 1. It also shows the maximum number of Open Offer Shares for which they are entitled to apply under the Basic Entitlements, as shown by the Basic Entitlement allocated to them set out in Box 2. Box 3 shows how much they would need to pay if they wish to take up their Basic Entitlement in full. Qualifying non-CREST Shareholders wishing to take up their Basic Entitlement in full should complete Boxes 6, 8 and 9.

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying non-CREST Shareholders' Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying non-CREST Shareholders with fewer than 8 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying non-CREST Shareholder with fewer than 8 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 3.1(c) of this Part III). Qualifying non-CREST Shareholders may apply for less than their Basic Entitlement should they wish to do so. Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares representing less than their Basic Entitlement may do so by completing Boxes 6, 8 and 9 of the Application Form. Subject to availability, and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, Qualifying non-CREST Shareholders may also apply for any whole number of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying non-CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, by completing Boxes 6, 7, 8 and 9 of the Application Form (see paragraph 3.1(c) of this Part III). Qualifying non-CREST Shareholders may hold such an Application Form by virtue of a *bona fide* market claim (see paragraph 3.1(b) of this Part III).

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

(b) *Market claims*

Applications by Qualifying non-CREST Holders to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Holder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a market purchase of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" for the purposes of entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims, up to 3.00 p.m. on 2 June 2017. The Application Form is not a negotiable document and cannot be separately traded.

A Qualifying non-CREST Holder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” for the purposes of entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty. Qualifying non-CREST Holders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee or the Receiving Agent in accordance with the instructions set out in the accompanying Application Form. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 3.2(b) below.

(c) *Excess Application Facility*

Provided that Qualifying non-CREST Holders have accepted their Basic Entitlement in full, Qualifying non-CREST Holders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying non-CREST Holders wishing to apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Non-CREST Holder’s Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, may do so by completing Boxes 6, 7, 8 and 9 of the Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility and where such Excess Application is not in excess of the relevant Qualifying Non-CREST Holder’s 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion (and with the prior consent of Cenkos), and no assurance can be given that the applications for Excess Shares by Qualifying non-CREST Holders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Application procedures*

Qualifying non-CREST Holders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply paid envelope (for use only in the UK) or delivered by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, with a cheque drawn in Sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided for members of either of those companies.

Cheques should be drawn on the personal account to which the shareholder has sole or joint title. Third party cheques will not be accepted with the exception of building society cheques where the bank or building society has endorsed the back of the draft or cheque by adding the shareholder’s details and the branch stamp. Such cheques must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application.

Applications must be received by Neville Registrars (at the address detailed above) no later than 11.00 a.m. on 6 June 2017, after which time, subject as set out in this paragraph, Application Forms will not be valid. Once submitted, applications are irrevocable. If an Application Form is being sent by post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery. Cheques should be made payable to “Neville Registrars Limited re:

1pm plc” and crossed “A/C Payee Only”. It is a condition of application that cheques will be honoured on first presentation and 1pm may in its absolute discretion elect not to treat as valid any application in respect of which a cheque is not so honoured. 1pm reserves the right in its sole discretion (but with the prior consent of Cenkos) to (but shall not be obliged to) treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. 1pm further reserves the right (but shall not be obliged) to accept either Application Forms received after 11.00 a.m. on 6 June 2017 but not later than 8.00 a.m. on 7 June 2017 with the envelope bearing a legible postmark not later than 5.00 p.m. on 5 June 2017 or applications in respect of which remittances are received before 8.00 a.m. on 7 June 2017 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days. Multiple applications will not be accepted.

Cheques are liable to be presented for payment upon receipt. Post dated cheques will not be accepted. If they are presented before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account until the conditions are fully met. If the conditions of the Open Offer are not fulfilled on or before 8.00 a.m. on 8 June 2017, or such later date as 1pm and Cenkos may determine (being no later than 8.00 a.m. on 30 June 2017), the Open Offer will lapse and all application monies will be returned without interest by crossed cheque in favour of the registered shareholder(s) through the post at their risk as soon as is practicable after that date. Interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(e) *Effect of application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant’s own risk. By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company and Cenkos that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) confirms to the Company and Cenkos that in making the application he is not relying and has not relied on Cenkos or any other person affiliated with Cenkos in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (iii) confirms to the Company and Cenkos that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Cenkos;
- (iv) requests that the Open Offer Shares to which he, she or it will become entitled be issued to him, her or it on the terms set out in this Document and subject to the articles of association of 1pm;
- (v) agrees that all applications under the Open Offer and contracts resulting therefrom, shall be governed by and construed in accordance with the laws of England;
- (vi) represents and warrants that he, she or it is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he, she or it is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of the application to, or for the benefit of a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction except where proof satisfactory to 1pm has been provided to 1pm that he, she or it is able to accept the invitation by 1pm free of any

requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (vii) represents and warrants that he, she or it is not and nor is he, she or it applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (viii) confirms that in making such application he, she or it is not relying on any information in relation to 1pm other than that contained in this Document and agrees that no person responsible solely or jointly for this Document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agrees that having had the opportunity to read this Document, he, she or it will be deemed to have had notice of all the information concerning 1pm contained therein; and
- (ix) represents and warrants that he, she or it is the Qualifying Shareholder originally entitled to the relevant Basic Entitlement or that he, she or it has received such Basic Entitlement by virtue of a *bona fide* market claim.

Should you need advice with regard to these procedures, please contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant, quoting the allotment number of your Application Form. Calls to Neville Registrars help line number are charged at your standard provider's rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying non-CREST Holders who do not wish to apply for Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

Qualifying non-CREST Holders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this Document.

3.2 If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST

(a) General

Subject as provided in paragraph 6 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his, her or its stock account in CREST equal to the number of Open Offer Shares which represents his, her or its Basic Entitlement, and also in respect of his, her or its Excess CREST Open Offer Entitlement (an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement), subject always to the 29.9 per cent. Aggregate Limit (calculated as described in paragraph 2 of this Part III). Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlement and will be aggregated and made available under the Excess Application Facility. Any Qualifying CREST Shareholders with fewer than 8 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholders with fewer than 8 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 3.2(c) of this Part III.)

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Basic Entitlements and Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited,

by 8.00 a.m. on 8 June 2017, or such later time and/or date as the Company and Cenkos may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his, her or its stock account in CREST. In these circumstances, the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlement to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below.

Should you need advice with regard to these CREST procedures, please contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant. Calls to Neville Registrars' help line number are charged at your provider's standard national, or as the case may be, international, rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

Each of the Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions CREST Open Offer identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and the Excess CREST Open Offer Entitlements will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Subject to availability, and assuming that Qualifying CREST Shareholders have accepted their Basic Entitlement in full, Qualifying CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying CREST Shareholder's Basic Entitlement, subject to the 29.9 per cent. Aggregate Limit.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraphs 3.2(d) to (f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE instruction must be sent to Euroclear in respect of any application under the Excess CREST Open Offer Entitlement.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number. Any fractional Excess Shares will be aggregated and sold for the benefit of the Company.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility subject always to the 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications, for Excess Shares by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

Should you need advice with regard to these CREST procedures, please contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant. Calls to Neville Registrars’ help line number are charged at your provider’s standard national, or as the case may be, international, rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(d) *USE instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlement and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Registrars under the participant ID and member account ID specified below, with a Basic Entitlement and/or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Registrars in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 3.2(d)(i) above.

(e) *Content of USE instruction in respect of Basic Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of shares comprised in the Basic Entitlement being delivered to Neville Registrars);

- (ii) the ISIN of the Basic Entitlement, which is GB00BYX1K292;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (v) the participant ID of Neville Registrars in its capacity as a CREST receiving agent, which is 7RA11;
- (vi) the member account ID of Neville Registrars in its capacity as a CREST receiving agent, which is 1PMBASIC;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 6 June 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 6 June 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (1) a contact name and telephone number (in the free format shared note field); and
- (2) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 6 June 2017 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and Open Offer do not become unconditional by 8.00 a.m. on 8 June 2017 or such later time and date as the Company and Cenkos determine (being no later than 8.00 a.m. on 30 June 2017), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrars will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Registrars);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BYX1K300;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Neville Registrars in its capacity as Receiving Agent. This is 7RA11;
- (vi) the member account ID of Neville Registrars in its capacity as Receiving Agent. This is 1PMXS;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Shares referred to in paragraph 3.2(f)(i) above;

- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 6 June 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of a Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 6 June 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 6 June 2017 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess Entitlement security.

(g) *Deposit of Basic Entitlements and Excess CREST Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Holder's Basic Entitlement as set out in his, her or its Application Form may be deposited into CREST (either into the account of the Qualifying Holder named in the Application Form or into the file name of a person entitled by virtue of a *bona fide* market claim). Similarly, Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under Basic Entitlements are reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the Basic Entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlement and the entitlement to apply under the Excess Application Facility following its deposit into CREST to take all necessary steps in connection with taking up his, her or its entitlement prior to 11.00 a.m. on 6 June 2017. In particular, having regard to normal processing times in CREST and on the part of Neville Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 1 June 2017, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements from CREST is 4.30 p.m. on 31 May 2017, in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlement following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlement and/or Excess CREST Open Offer Entitlements as the case may be prior to 11.00 a.m. on 6 June 2017.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to 1pm and Neville Registrars by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to 1pm and Neville Registrars from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 6 June 2017 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his, her or its CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 6 June 2017. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, 1pm, through Neville Registrars, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question without payment of interest;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question without payment of interest; and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question, without payment of interest.

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Neville Registrars' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to 1pm the amount payable on application);
- (ii) represents and warrants to the Company and Cenkos that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (iii) confirms to the Company and Cenkos that in making the application he is not relying and has not relied on Cenkos or any other person affiliated with Cenkos in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (iv) confirms to the Company and Cenkos that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Cenkos;
- (v) requests that the Open Offer Shares to which he, she or it will become entitled be issued to him, her or it on the terms set out in this Document and subject to the articles of association of 1pm;

- (vi) agrees that all applications under the Open Offer and contracts resulting therefrom shall be governed by, and construed in accordance with, the laws of England;
 - (vii) represents and warrants that he, she or it is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he, she or it is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of the application to, or for the benefit of a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction except where proof satisfactory to 1pm has been provided to 1pm that he, she or it is able to accept the invitation by 1pm free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
 - (viii) represents and warrants that he, she or it is not and nor is he, she or it applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
 - (ix) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Cenkos or any of their affiliates, by means of any:
 - (a) “directed selling efforts” as defined in Regulation S under the US Securities Act; or
 - (b) “general solicitation” or “general advertising” as defined in Regulation D under the US Securities Act;
 - (x) confirms that in making such application he, she or it is not relying on any information in relation to 1pm other than that contained in this Document and agrees that no person responsible solely or jointly for this Document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agrees that having had the opportunity to read this Document, he, she or it will be deemed to have had notice of all the information concerning 1pm contained therein; and
 - (xi) represents and warrants that he, she or it is the Qualifying Shareholder originally entitled to the relevant Basic Entitlement or that he, she or it has received such Basic Entitlement by virtue of a *bona fide* market claim.
- (l) *Discretion of the Company as to the rejection and validity of applications*
 1pm may:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III of this Document;
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as 1pm may determine;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which Neville Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction, or thereafter, either 1pm or Neville Registrars have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above

procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Neville Registrars in connection with CREST.

4. Money laundering regulations

4.1 Holders of Application Forms

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007 (as amended and supplemented) (the "Money Laundering Regulations"), the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA and the Proceeds of Crime Act 2002 (together with other guidance and source books produced in relation to financial sector firms), Neville Registrars may at its absolute discretion require verification of identity from any person lodging an Application Form (the "applicant") including, without limitation, any applicant who (i) tenders payment by way of cheque drawn on an account in the name of a person or persons other than the applicant, or (ii) appears to Neville Registrars to be acting on behalf of some other person. In the former case, verification of the identity of the applicant may be required. In the latter case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required.

The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (b) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (c) if the aggregate subscription price for the Open Offer Shares is less than the Sterling equivalent of €15,000 (approximately £12,500).

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

- (i) if payment is made by building society cheque (not being a cheque drawn on an account in the name of the applicant), by the building society or bank endorsing on the cheque the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature;
- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, the Republic of Korea, the Republic of South Africa, Singapore, Switzerland, Turkey, UK Crown Dependencies and the United States and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Neville Registrars. If the agent is not such an organisation, it should contact Neville Registrars using the telephone numbers set out above. If you deliver your Application Form personally by hand, you should ensure that you have with you evidence of identity bearing your photograph (for example your passport). If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 6 June 2017, Neville Registrars have not received evidence satisfactory to them as aforesaid, Neville Registrars may, at their discretion, as the agents of 1pm, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 **Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST**

If you hold your Basic Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlement and/or Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Registrars are obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Registrars such information as may be specified by the Registrars as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrars as to identity, the Registrars may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as to the identity of the person or persons on whose behalf the application is made.

5. **No public offering outside the United Kingdom**

1pm has not taken nor will take any action in any jurisdiction that would permit a public offering of Existing Ordinary Shares in any jurisdiction where action for the purpose is required, other than in the United Kingdom.

6. **Overseas Holders**

6.1 **General**

The distribution of this Document and the Application Form and the making of the Open Offer to Qualifying Shareholders who are resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Such Overseas Shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to accept the Open Offer and/or apply to subscribe for Open Offer Shares.

As a result of restrictions applicable to any holder of Existing Ordinary Shares with registered or mailing addresses in the United States, Canada, Australia, Japan, their territories or possessions and other Restricted Jurisdictions, this Document and the accompanying Application Form are not being sent to any such holders of Existing Ordinary Shares nor will Basic Entitlements and/or Excess CREST Open Offer Entitlements be credited to the stock account of any such holder.

No person receiving a copy of this Document and/or the Application Form and/or a credit of a Basic Entitlement to a stock account in CREST in any territory other than the United Kingdom, may treat the same as constituting an invitation or offer to him, her or it to subscribe, nor should he, she or it in any event use such Application Form or credit of Basic Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him, her or it or the Application Form or credit of Basic Entitlement to a stock account in CREST could lawfully be used without contravention of any registration or regulation or other legal requirements.

No Basic Entitlements and/or Excess CREST Open Offer Entitlements may be credited to the stock accounts in CREST of certain Overseas Holders unless they can prove to the satisfaction of 1pm that such action would not result in contravention of any applicable legal requirements. Receipt of this Document and/or the Application Form or the crediting of Basic Entitlement and/or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an offer in those territories in which it would be unlawful to make such an offer and, in such circumstances, this Document and/or the Application Form will be treated as confidential, sent for information purposes only and should not be copied or distributed.

It is the responsibility of any Overseas Holder receiving a copy of this Document and/or the Application Form and/or receiving a credit of a Basic Entitlement to a stock account in CREST and wishing to take up the Open Offer to satisfy himself, herself or itself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining all governmental or other consents which may be required, observing all other requisite formalities that need to be observed in such territory, and paying all issue, transfer or other taxes payable in such territory. If you are in any doubt as to your position, you should consult your independent professional adviser.

Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or receiving a credit of a Basic Entitlement to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Basic Entitlement and/or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an Application Form and/or credit of a Basic Entitlement or Excess CREST Open Offer Entitlement to a stock account in CREST is received by a person in any such jurisdiction or by the agent or nominee of such a person, he, she or it must not seek to apply for Open Offer Shares except pursuant to an express agreement with 1pm. Any person who does forward an Application Form or transfer a Basic Entitlement and/or Excess CREST Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 6.

1pm reserves the right (but shall not be obliged) to reject a purported application for Open Offer Shares under the Open Offer in a particular case if it believes doing so may violate applicable legal or regulatory requirements. The provisions of this paragraph 6 and/or any other terms of the Open Offer relating to Overseas Holders may be waived, varied or modified as regards (a) specific holders of Existing Ordinary Shares or (b) on a general basis by 1pm in its absolute discretion (and on such terms and conditions as it may think fit).

All payments under the Open Offer must be made in Sterling.

6.2 **United States**

For the purposes of this Document a "US person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States and an estate or trust the income of which is subject to United States federal income taxation regardless of its source; provided, however, that the term "US person" does not include a branch or agency of a US bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not solely for the purpose of investing in securities not registered under the Securities Act.

The Open Offer Shares and the accompanying Application Form have not been, and will not be, registered under the Securities Act or under the securities laws of any jurisdiction or state of the United States. Accordingly, except in a transaction which is exempt under the legislation, the Open Offer Shares and the Application Form and/or Basic Entitlements and/or Excess Entitlements may not be directly or indirectly offered, sold, renounced, transferred, taken up or delivered, directly or indirectly, in or into the United States or to or for the benefit of US persons. This Document shall not constitute an offer to sell or the solicitation of an offer to buy any of the Open Offer Shares in the United States. Envelopes containing the Application Form should not be postmarked in the United States or otherwise despatched from the United States. Persons will be deemed to have made an invalid application if they submit the Application Form in an envelope postmarked in the United States or have provided an address in the United States for registration, or do not make the representation and warranty set out in the Application Form to the effect that such person is not in the United States, is not a US person and is not acting for the account or benefit of a US person. The Open Offer is not therefore being made in the United States or to or for the account or benefit of a US person and holders of Existing Ordinary Shares at the Record Date with registered addresses in the United States will not be Qualifying Shareholders and Application Forms will not be sent to such persons.

6.3 **Canada**

No exemptions in connection with the Open Offer have been or will be obtained from any securities commission or similar regulatory authority in Canada. Accordingly, the Open Offer Shares are not being

offered, nor may they be offered or sold, directly or indirectly, in Canada or to persons resident in Canada.

No prospectus in relation to the Open Offer Shares will be filed with and no relief from applicable securities law requirements will be obtained from the applicable regulatory authority of any province or territory of Canada.

Holders of Existing Ordinary Shares with registered addresses in Canada will not be Qualifying Holders and no Application Forms will be sent to such persons, nor will Basic Entitlements and/or Excess Entitlements be credited to the stock accounts of such persons.

Persons (including without limitation, nominees and trustees) receiving an Application Form and/or a Basic Entitlement and/or Excess Entitlements should not distribute, send or transfer it or them to persons resident in Canada. 1pm reserves the right to reject an Application Form from persons whom it believes are residents of Canada or persons who are acquiring Open Offer Shares for resale into Canada.

6.4 **Australia**

No Application Form, advertisement or other offering material in relation to the Open Offer or the Open Offer Shares has been or will be distributed, directly or indirectly, in or into Australia, nor will Basic Entitlements and/or Excess Entitlements be credited to the stock accounts of such persons. No prospectus in relation to the Open Offer Shares has been or will be lodged with or registered by the Australian Securities and Investments Commission. The Open Offer is not being made in Australia. The Open Offer Shares will not be available for subscription or purchase by any resident of Australia (including corporations and other entities organised under the laws of Australia, but not including a permanent establishment of any such corporation or entity located outside Australia).

Holders of Existing Ordinary Shares with registered addresses in Australia will not be Qualifying Holders and no Application Forms will be sent to, nor will Basic Entitlements and/or Excess Entitlements be credited to, the stock accounts of such persons.

6.5 **Japan**

The relevant clearances have not been, and will not be, obtained from the Ministry of Finance of Japan and no circular in relation to the Open Offer Shares has been or will be lodged with or registered by the Ministry of Finance of Japan. The Open Offer Shares may not therefore, subject to certain exceptions, be offered or sold, directly or indirectly, in or into Japan. Accordingly, Application Forms are not being sent to, and no Basic Entitlements and/or Excess Entitlements will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in Japan.

6.6 **Other Restricted Jurisdictions**

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this Document or the Application Form into any Restricted Jurisdiction.

6.7 **Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares.

6.8 **Representations and warranties relating to Overseas Shareholders**

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Cenkos and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the representation and warranty required by this sub-paragraph 6.8(a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company and Cenkos that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.9 **Waiver**

The provisions of this paragraph 6.9 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion with the prior consent of Cenkos. Subject to this, the provisions of this paragraph supersede any terms of the Open Offer inconsistent herewith. References in this paragraph to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph shall apply to them jointly and to each of them.

7. **No withdrawal rights**

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

8. **Settlement and dealings**

The result of the Open Offer is expected to be announced on 7 June 2017. Application will be made to the London Stock Exchange for all of the New Ordinary Shares to be admitted to trading on AIM. It is expected that, subject to the Open Offer becoming unconditional in all respects, Admission will become effective and that dealings in the Open Offer Shares will commence on 8 June 2017. The earliest date for settlement of such dealings will be 8 June 2017.

1pm's Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the Open Offer Shares, all of which, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Basic Entitlements to be admitted to CREST. The conditions to such admission having already been met, the Basic Entitlements are expected to be admitted to CREST with effect from 19 May 2017. Basic Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 6 June 2017 (the latest time and date for applications under the Open Offer).

Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by 1pm on the day on which all conditions to the Open Offer are satisfied (expected to be 8 June 2017). On this day, Neville Registrars will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 8 June 2017). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Qualifying CREST Holders should note that they will be sent no confirmation of the credit of the Open Offer Shares to their CREST stock account nor any other written communication by 1pm in respect of the issue of the Open Offer Shares.

Notwithstanding any other provision of this Document, 1pm reserves the right to send Qualifying CREST Holders an Application Form instead of crediting the relevant stock account with a Basic Entitlement and/or to issue Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by Neville Registrars in connection with CREST. This right may also be exercised if the correct details (such as participant ID and member account ID details) are not provided as requested.

For Qualifying non-CREST Holders who have applied by using an Application Form, share certificates for the Open Offer Shares validly applied for are expected to be despatched by post during the week commencing 19 June 2017. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying non-CREST Holders will be certified against the register. All documents or remittances sent by or to an applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant.

9. Times and dates

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement on a RIS.

10. Taxation

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

11. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this Document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this Document or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Document and, where applicable, the Application Form Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART IV

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV “Questions and Answers about the Open Offer” are intended to be in general terms only and, as such, you should read Part III “Details of the Open Offer” of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part III “Details of the Open Offer” of this document and you should take professional advice as to whether you are eligible for, and/or whether you need to observe any formalities to enable you to take up, your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III “Details of the Open Offer” of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call the Receiving Agents Neville Registrars on 0121 585 1131. 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 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Shareholders will also be offered the opportunity to apply for additional Ordinary Shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the Existing Ordinary Shares prior to the announcement of the Open Offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 6,861,117 new Ordinary Shares at a price of 45 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located or resident in the United States, or another Restricted Jurisdiction, you will likely be entitled to buy Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Offer Share for every 8 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Offer Share and your entitlement will be rounded down to the nearest whole number. The Issue Price of 45 pence per Offer Share represents a discount of 19 per cent. to the closing middle-market price quotation as derived from the Daily Official List of the London Stock Exchange of 55.5 pence per Ordinary Share on 17 May 2017 (being the latest practicable date prior to the date of this Document).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement. Applications made under the Excess Application Facility may be allocated in such manner

as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Basic Entitlements can themselves be traded. Shareholders will not be able, under the Open Offer, to apply for any Placing Shares which are the subject of the Placing.

2. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located or resident in the United States or any other Restricted Jurisdiction, then you will likely be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 18 May 2017 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located or resident in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Record Date;
- how many Open Offer Shares are comprised in your Basic Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any other Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Basic Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to be received by them by no later than 11.00 a.m. on 6 June 2017, after which time Application Forms will not be valid.

4. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?

(a) If you do not want to take up your Basic Entitlement

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Basic Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 6 June 2017, the Company has made arrangements under which it has agreed to issue those Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Basic Entitlement then, following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest will be diluted by the issue of New Ordinary Shares pursuant to the Excess Application Facility and the Placing.

(b) ***If you want to take up some but not all of your Basic Entitlement***

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 6 and 8 of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write '25' in Boxes 6 and 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '25') by £0.45, which is the price in pounds of each Open Offer Share (giving you an amount of £11.25 in this example). You should write this amount in Box 7, rounding up to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to be received by them by no later than 11.00 a.m. on 6 June 2017, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to "Neville Registrars Limited re 1pm plc Open Offer" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agents to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you during the week commencing 19 June 2017.

(c) ***If you want to take up all of your Basic Entitlement***

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box 3 of your Application Form), by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to be received by them by no later than 11.00 a.m. on 6 June 2017, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to "Neville Registrars Limited re 1pm plc Open Offer" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp.

The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agents to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you during the week commencing 19 June 2017.

(d) ***If you want to apply for more than your Basic Entitlement***

Provided you have agreed to take up your Basic Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement as at the Record Date. You should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 2 of the Application Form) in Box 6 and write the number of Excess Shares for which you would like to apply in Box 7. You should then add the totals in Boxes 6 and 7 and insert the total number of Open Offer Shares for which you would like to apply in Box 8. For example, if you have a Basic Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '50' in Box 6, '25' in Box 7 and '75' in Box 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '75') by £0.45, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £33.75 in this example). You should write this amount in Box 9. You should then return your Application Form by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to be received by them by no later than 11.00 a.m. on 6 June 2017, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you, at your own risk, during the week commencing 19 June 2017.

5. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part III "Details of the Open Offer" of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Basic Entitlement and (ii) how to apply for Open Offer Shares in excess of their Basic Entitlement under the Excess Application Facility provided they choose to take up their Basic Entitlement in full and should contact them should they not receive this information.

6. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 15 May 2017 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 18 May 2017 but were not registered as the holders of those shares at the close of business on 15 May 2017; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Receiving Agents Neville Registrars on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am to 5.00 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

7. Can I trade my Open Offer Entitlement?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although Basic Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), Basic Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Basic Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares are not being underwritten.

8. What if I change my mind?

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agents, you cannot withdraw your application or change the number of Offer Shares for which you have applied, except in the very limited circumstances which are set out in paragraph 3 of Part III of this document.

9. What if the number of Open Offer Shares to which I am entitled is not a whole number; am I entitled to fractions of Open Offer Shares?

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

10. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 18 May 2017, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. However, notwithstanding the above, you should not contact the buyer if he is located or resident in, is a citizen of, or has a registered office in a Restricted Jurisdiction. If you sell any of your Existing Ordinary Shares on or after 18 May 2017, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11. I hold my Existing Ordinary Shares in certificated form. How do I pay?

Completed Application Forms should be returned with a cheque drawn in the appropriate form. All payments must be in pounds sterling and made by cheque made payable to "Neville Registrars Limited re 1pm plc Open Offer" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third-party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form. Post-dated cheques will not be accepted.

12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

13. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form together with the monies in the appropriate form, by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

14. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?

The Receiving Agents must receive the Application Form by no later than 11.00 a.m. on 6 June 2017, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

15. How do I transfer my entitlements into the CREST system?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to the CREST Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?

It is expected that the Receiving Agents will post all new share certificates by the week commencing 19 June 2017.

17. If I buy Existing Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?

If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

18. Will I be taxed if I take up my entitlements?

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

19. What should I do if I live or am located outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live or are located and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located or resident in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part III "Details of the Open Offer" of this document.

20. Further assistance

Should you require further assistance please call the Receiving Agents Neville Registrars on 0121 585 1131. 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 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART V

ADDITIONAL INFORMATION

1. Summary of the Acquisition Agreement

On 18 May 2017, the Company, Onepm Commercial Finance Limited and the Sellers entered into a sale and purchase agreement pursuant to which Onepm Commercial Finance Limited, a wholly owned subsidiary of the Company, has agreed to acquire from the Sellers the entire issued share capital of Tracx Finance, and the Company has agreed to guarantee the obligations of Onepm Commercial Finance Limited. The Acquisition Agreement is conditional on, *inter alia*, (a) the passing of the Resolution numbered 1; (b) at least £5,500,000 being raised pursuant to the Fundraising; (c) the Placing Agreement having become unconditional (save for Admission); and (d) Admission.

The consideration for the Acquisition is to be satisfied on Admission by the payment on Admission of £5,250,000 in cash.

The Sellers have agreed to give warranties in relation to Tracx Finance and the Subsidiary and certain specific indemnities, which in each case are subject to monetary and time limits.

2. Summary of the Placing Agreement

On 18 May 2017, the Company, the Directors and Cenkos entered into the Placing Agreement, pursuant to which:

- (a) the Company has agreed, subject to certain conditions (the last condition being Admission), to allot and issue, at the Issue Price, the New Ordinary Shares to be issued in connection with the Placing and the Open Offer;
- (b) Cenkos has agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers and purchasers for Placing Shares pursuant to the Placing;
- (c) Cenkos' obligation to seek placees to subscribe for and/or purchase the Placing Shares in the circumstances described above is conditional on, amongst other things:
 - (i) the delivery by the Company to Cenkos of a certificate confirming that (amongst other things) the Company has complied with its obligations under the Placing Agreement and the warranties in the Placing Agreement have not become untrue, inaccurate or misleading by reference to the circumstances subsisting prior to Admission; and
 - (ii) the Placing Shares having been allotted, conditional only on Admission taking place by not later than 8.00 a.m. on 8 June 2017 (or such later time and/or date as Cenkos and the Company agree);
- (d) the Placing Agreement will become unconditional on Admission;
- (e) the Company has agreed to pay certain of the costs, charges, fees and expenses relating to the Placing and Open Offer (together with any related VAT);
- (f) the Company has given certain customary warranties and undertakings to Cenkos. In addition, the Company has given certain indemnities to Cenkos in connection with the Placing Agreement. The liability of the Company pursuant to the Placing Agreement is unlimited by time and amount; and
- (g) Cenkos has the right to terminate the Placing Agreement prior to Admission in certain circumstances, including:
 - (i) in the event of certain force majeure events which, in the opinion of Cenkos, acting in good faith, would or would be likely to prejudice materially the Company or the Placing, or make the success of the Placing doubtful or make it impracticable or inadvisable to proceed with the Placing or render the creation of a market in the ordinary share capital of the Company temporarily or permanently impracticable; and
 - (ii) in the event of a breach of the warranties or undertakings in the Placing Agreement.

3. Summary of the 1pm plc Long Term Incentive Plan 2017

The following is a summary of the principal features of the 1pm plc Long Term Incentive Plan 2017, which it is proposed be approved and adopted pursuant to Resolution numbered 4 at the General Meeting.

(a) *Eligibility*

All employees and executive directors will be eligible to participate in the Plan at the discretion of the Remuneration Committee.

(b) *Type of Award*

Awards under the Plan may be granted in the form of conditional share awards and nil or nominal cost options. Awards may be settled in cash or Ordinary Shares or a combination of the two.

(c) *Grant of Awards*

Awards may be granted by the Remuneration Committee or the trustee of the 1pm plc Employee Benefit Trust (the "Trustee") (each being a "Grantor") during the period of 42 days starting:

- (i) on the date on which the Plan is approved by Shareholders;
- (ii) immediately after the end of a closed period under the market abuse regulation; or
- (iii) at any other time if the Remuneration Committee considers that exceptional circumstances exist to justify the grant at such other time.

The Grantor shall specify objective conditions or performance targets to be satisfied before an award shall vest. The Grantor (with the consent of the Committee where the Grantor is the Trustee), may amend or waive the conditions to ensure that they achieve their original purpose, provided that any amended conditions are no more difficult to achieve than those previously imposed.

(d) *Share capital Limits*

No award may be granted on any date if the number of Ordinary Shares to be issued (or re-issued as treasury) when aggregated with the number of Ordinary Shares issued (or re-issued), or remaining capable of issue (or re-issue) by virtue of awards, options or other rights granted during the preceding 10 years under the Plan and any other employees' share scheme adopted by the Company, would exceed 10 per cent. of the number of Ordinary Shares in issue on that date.

(e) *Vesting*

Awards will vest over a vesting period determined by the Grantor. For the initial awards to be granted under the Plan, it is intended that Awards will vest over a three-year vesting period.

Early vesting of awards may occur where a participant ceases employment during the vesting period due to death, redundancy, retirement, injury, disability, as a result of the transfer of the participant's employment out of the Enlarged Group, or any other reason that the Remuneration Committee may determine. The number of Ordinary Shares vesting shall be calculated by the Remuneration Committee at the time of cessation by applying the relevant performance condition.

Awards held by participants who leave employment for any other reason will lapse on the date of cessation.

(f) *Changes of control*

In the event of a change of control of the Company during the vesting period, the Remuneration Committee shall determine the number of Ordinary Shares vesting by applying the relevant performance condition.

(g) *Consequences of Vesting*

On vesting of a conditional award, the Committee shall issue or transfer the relevant Ordinary Shares to the participant (or their cash equivalent) as soon as is practical. On the vesting of an option, the participant shall have a period of 12 months from the date of vesting in which to exercise their right (subject to any earlier lapse).

(h) *Dividend equivalent*

Unless the Remuneration Committee determines prior to the grant of awards, participants shall be entitled to payment determined by reference to the dividends which would have been paid on his or her vested Ordinary Shares in respect of dividend record dates occurring between the grant date and vesting date of an award.

(i) *Lapse of awards*

Unexercised options will normally lapse on the earliest to occur of: twelve months following the vesting date, the winding up of the Company, the bankruptcy of the participant or at the end of the period specified for exercise following cessation of employment or a change of control, unless options cannot be exercised during the last 90 days of the relevant period due to regulatory reasons, in which case the Remuneration Committee may extend the period for exercise.

(j) *Variations in share capital*

The number of Ordinary Shares comprised in an award and the option price (if relevant) may be adjusted in such manner as the Remuneration Committee considers fair and reasonable in the event of a capitalisation issue, offer by way of rights (including an open offer) or on any sub-division, reduction, consolidation or other variation of the Company's share capital, or on the implementation by the Company of a demerger or the payment of a dividend in species or other transaction which the Remuneration Committee determines would materially affect the value of any award.

(k) *Rights attaching to Shares*

If Ordinary Shares are listed on the official list maintained by the UK Financial Conduct Authority or traded on AIM, the Company shall apply to the UK Listing Authority or the London Stock Exchange (as the case may be) for any Shares issued to satisfy awards to be admitted to listing. Such Ordinary Shares will rank *pari passu* with all other issued Ordinary Shares of the Company except any rights determined by reference to a date preceding the date on which the award vests or the date on which an option or stock appreciation right is exercised.

(l) *Amendments*

The Remuneration Committee may at any time amend the Plan or the terms of any award provided that no amendment to the advantage of an individual to whom an award has been or may be granted shall be made to the provisions concerning eligibility, the individual limits on participation, the overall limits on the issue of Ordinary Shares or the transfer of treasury Ordinary Shares, the basis for determining a Participant's entitlement to, and the terms of, Ordinary Shares or cash provided under the Plan, and the adjustments that may be made in the event of any variation of capital, without the prior approval by ordinary resolution of the members of the Company in general meeting (except for any minor amendment to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any member of the Group).

No amendment may be made which would adversely affect the subsisting rights of a participant unless a majority of participants consent to the making of that amendment.

(m) *General*

The Company may terminate the Plan at any time. Subject to such termination the Plan will terminate 10 years from the date of its adoption by Shareholders.

Participants under the Plan are required to indemnify the Group for any income tax, employee's and; to the extent notified by the Remuneration Committee at the date of the award, employer's national insurance contributions which arise in respect of such awards, and to make such arrangement for the satisfaction of those liabilities as the Remuneration Committee requires.

Benefits under the Plan shall not be pensionable.

At the discretion of the Remuneration Committee the Plan may be extended to other overseas participants of the Group subject to such modifications as the directors shall consider appropriate to take into account local tax, exchange control or securities laws.

4. Additional information on Edward Rimmer

- (a) Edward Rimmer has held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document:

Current

None

Past

Bellatrix Ship Management Group Limited
BFS Corporate Financial Solutions Limited
Bibby ACF Limited
Bibby Asset Finance Limited
Bibby Factors Bedford Limited
Bibby Factors Borehamwood Limited
Bibby Factors Bristol Limited
Bibby Factors International Limited
Bibby Factors Leicester Limited
Bibby Factors Limited
Bibby Factors Manchester Limited
Bibby Factors NorthEast Limited
Bibby Factors NorthWest Limited
Bibby Factors Slough Limited
Bibby Factors Sussex Limited
Bibby Factors Wessex Limited
Bibby Factors Yorkshire Limited
Bibby Financial Services Limited
Bibby FS (Holdings) Limited
Bibby Invoice Discounting Limited
Bibby Leasing Limited
Bibby Management Services Limited
Bibby Factors Scotland Limited
Bibby Revolving Finance Limited
Bibby Supply Chain Services Limited
Bibby Trade Factors Limited
Bibby Trade Services Limited
Bibby Transactional Finance Limited
Bibby UK Travel
Cashflow UK Limited
Direct Workforce Limited
Factoring UK Group Limited
System Group Limited
System Training Limited
V.Ships (Liverpool) Limited

- (b) Edward Rimmer was a director of System Training Limited when it was dissolved by voluntary strike off.

Save as disclosed above, there are no other matters that are required to be disclosed under Schedule 2 paragraph (g) of the AIM Rules in relation to the proposed appointment of Edward Rimmer.

5. Edward Rimmer's service contract

With effect from Admission, Edward Rimmer will be employed as Managing Director, Commercial Finance Division pursuant to the terms of a service agreement entered into with the Company on 18 May 2017. The agreement will be terminable by either party on not less than 12 months' written notice. He will be paid a basic annual salary of £160,000 and will be eligible to receive a bonus (not exceeding his basic salary). His basic salary is subject to annual review by the Remuneration Committee. He will also be entitled to a range of benefits which are available under the Company's flexible benefit scheme up to a value of £16,000 per annum. He will be subject to certain non-competition and non-solicitation covenants for a period of nine months following the termination of his employment. The agreement is governed by English law.

6. Availability of this document

Copies of this Document are available free of charge from the offices of the Company, 1pm plc St. James House, The Square, Lower Bristol Road, Bath BA2 3BH, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and will remain available for at least one month after Admission.

A copy of this Document is available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, at the Company's website www.1pm.co.uk. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this Document.

18 May 2017

NOTICE OF GENERAL MEETING

1pm plc

(incorporated and registered in England and Wales under number 05845866)

NOTICE is hereby given that a General Meeting of 1pm plc will be held at the Francis Hotel, Queens Square, Bath BA1 2HH, UK on 7 June 2017 at 1.00 p.m. to consider and, if thought fit, pass the following Resolutions, of which Resolutions numbered 2 and 4 will be proposed as Ordinary Resolutions and Resolutions numbered 1 and 3 will be proposed as Special Resolutions.

SPECIAL RESOLUTION

1. **That** the directors be and they are:

- (a) generally and unconditionally authorised pursuant to section 551, Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “**Relevant Securities**”) up to an aggregate nominal amount of £2,886,112 in connection with the Placing and the Open Offer (as each such term is defined in the circular to shareholders published by the Company dated 18 May 2017 (the “**Circular**”)); and
- (b) empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under section 551 of the Act conferred by paragraph (a) of this Resolution as if section 561(1) of the Act did not apply to such allotment, provided that such power conferred by this Resolution shall be limited to the allotment of equity securities up to an aggregate nominal value equal to £2,886,112 in connection with the Placing and the Open Offer,

provided that this authority and power shall expire on 30 June 2017 except that the Company may before the expiry of this power make an offer or agreement which would or might require Relevant Securities or equity securities to be allotted or granted (as applicable) in pursuance of such an offer or agreement as if this power had not expired.

ORDINARY RESOLUTION

2. **That**, subject to and conditional upon Admission (as that term is defined in the Circular) and in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this Resolution (save for the authorities conferred pursuant to Resolution 1 above), the directors be and they are generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot or grant (as applicable) Relevant Securities up to an aggregate nominal amount of £2,791,668, or, if lower, Relevant Securities having an aggregate nominal value equal to one third of the aggregate nominal value of the Enlarged Share Capital (as defined in the Circular), provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2017, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot or grant (as applicable) Relevant Securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

3. **That**, subject to and conditional upon Admission, the directors be and they are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under section 551 of the Act conferred by Resolution 2 above as if section 561(1) of the Act did not apply to such allotment provided that:
 - (a) the power conferred by this resolution shall be limited to:

- (i) the allotment or grant (as applicable) of equity securities in connection with an offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
 - (ii) the allotment or grant (as applicable), otherwise than pursuant to sub-paragraph (i) above, of equity securities up to an aggregate nominal amount of £837,500, or, if lower, Relevant Securities having an aggregate nominal value equal to 10 per cent. of the aggregate nominal value of the Enlarged Share Capital; and
- (b) unless previously revoked, varied or extended, this power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2017, except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted or granted (as applicable) after such expiry and the directors may allot, or grant, (as applicable) equity securities in pursuance of such an offer or agreement as if this power had not expired.

ORDINARY RESOLUTION

- 4 **That** the 1pm plc Long Term Incentive Plan 2017 (the “**Plan**”), a draft of which is produced to the meeting and signed by the chairman of the meeting for the purposes of identification (the principal features of which are summarised in paragraph 3 of Part V of the Circular) be approved and adopted and the directors be authorised:
- (a) to do all things necessary or expedient to carry the Plan into effect; and
 - (b) to adopt equivalent plans for employees of the Company and its subsidiaries located in overseas jurisdictions subject to such modifications to take into account local tax, exchange control or securities laws in such jurisdictions as they consider appropriate, provided that the shares made available under such equivalent plans are treated as counting towards the limits on participation.

By Order of the Board

Tom Case
Company Secretary

Dated 18 May 2017

1pm plc
St James House
The Square
Lower Bristol Road
Bath
BA2 3BH
UK

Notes:

Entitlement to attend and vote

1. Only those members registered on the Company's register of members at 6.00 p.m. on 5 June 2017 or, if this General Meeting (the "Meeting") is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Website giving information regarding the Meeting

2. Information regarding the Meeting is available from www.1pm.co.uk.

Attending in person

3. If you wish to attend the Meeting in person, you will need to bring with you a form of formal identification which includes your photograph, such as a passport or a picture driving licence.

Appointment of proxies

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
5. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please complete and return the enclosed form of proxy and return it to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA in accordance with the instructions thereon.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

8. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B62 3DA in accordance with the instructions thereon; and
- received by Neville Registrars (at the above address) no later than 1.00 p.m. on 5 June 2017.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131. Calls to Neville Registrars help line number are charged at your standard provider's rates.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority

under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Neville Registrars no later than 1.00 p.m. on 5 June 2017. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

12. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

13. As at 6.00 p.m. on 17 May 2017, the Company's issued share capital comprised 54,888,935 ordinary shares of 10 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 17 May 2017 was 54,888,935.

Questions at the Meeting

14. The Company will answer any question you ask relating to the business being dealt with at the Meeting unless:
- (a) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

Documents on display

15. The following documents will be available for inspection at the offices of the Company, St James House, The Square, Lower Bristol Road, Bath BA2 3BH, UK, from the date of this notice until the time of the Meeting and, at the Meeting, for at least 15 minutes prior to the Meeting until the end of the Meeting:
- (a) Copies of the service contracts of executive directors of the Company;
 - (b) Copies of the letters of appointment of the non-executive directors of the Company; and
 - (c) A copy of the Circular.

Communication

- 16 Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
- (a) in writing to the Company Secretary, 1pm plc, St James House, The Square, Lower Bristol Road, Bath BA2 3BH, UK;
 - (b) by email to any electronic address provided either in this notice of general meeting or any related documents (including the chairman's letter and proxy form),

to communicate with the Company for any purposes other than those expressly stated.

