

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. Part II of this document comprises an explanatory statement in compliance with Section 897 of the Companies Act 2006. This document relates to an acquisition which, if implemented, will result in the cancellation of the admission to trading of Networkers Shares on AIM. If you are in any doubt about the action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or if you are in a territory outside the United Kingdom, another appropriately authorised financial adviser.**

If you have sold or otherwise transferred all of your Networkers Shares, please send this document together with the accompanying documents (but excluding the personalised Forms of Proxy) to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, the foregoing must not be forwarded into or transmitted in or into any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction. If you have sold or transferred only part of your Networkers Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not constitute a prospectus within the meaning of section 85 of FSMA, and has not been drawn up in accordance with the Prospectus Rules published by the FCA and a copy has not been, and will not be, approved or filed with the FCA. This document contains no offer to the public under the meaning of FSMA, the Companies Act 2006 or otherwise.

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

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Recommended Acquisition of

# **Networkers International plc**

by

## **Matchtech Group plc**

to be effected by means of a  
scheme of arrangement under Part 26 of the Companies Act 2006

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**Networkers Shareholders should carefully read the whole of this document and any documents incorporated into it by reference in their entirety, together with the accompanying Forms of Proxy. In particular, your attention is drawn to the letter from the Chairman of Networkers in Part I of this document containing a unanimous recommendation of the Networkers Directors that you vote in favour of the resolutions required to implement the Scheme to be proposed at the Court Meeting and the Special Resolution to be proposed at the General Meeting.**

Application will be made by Matchtech for the New Matchtech Shares to be admitted to trading on AIM. It is expected that trading of the New Matchtech Shares on AIM will become effective and that dealings for normal settlement in the New Matchtech Shares will commence, by 8.00 a.m. on the Business Day after the Effective Date.

Notices of the Court Meeting and the General Meeting, both of which are to be held at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE on 9 March 2015, are set out in Parts VII and VIII of this document. The Court Meeting will start at 10.00 a.m. and the General Meeting will start at 10.15 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned).

**The action to be taken in respect of the Shareholder Meetings is set out on pages 11 and 12 and also in paragraph 14 of Part II of this document. Networkers Shareholders will find enclosed with this document a white Form of Proxy for use in connection with the Court Meeting and a blue Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend both or either of these Shareholder Meetings in person, please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to: Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible and, in any event, so as to be received by no later than 48 hours (excluding any part of a day which is not a working day) before the Court Meeting and the General Meeting, as the case may be (or, in the case of an adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting). A reply paid envelope has been provided for this purpose for use in the United Kingdom only.**

If the white Form of Proxy for the Court Meeting is not received by 10.00 a.m. on 5 March 2015, it may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting. However, if the blue Form of Proxy for the General Meeting is not received by 10.15 a.m. on 5 March 2015, it will be invalid.

Networkers Shareholders who hold their shares through CREST and who wish to appoint a proxy or proxies for the Shareholder Meetings or any adjournment(s) of them by using the CREST electronic proxy appointment service may do so by using the CREST proxy voting services in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting services provider, should refer to their CREST sponsor or voting service provider(s), who will be able to take appropriate action on their behalf. Proxies submitted electronically through CREST must be sent as soon as possible, and in any event, so as to be received by no later than 10.00 a.m. on 5 March 2015 in the case of the Court Meeting and by 10.15 a.m. on 5 March 2015 in the case of the General Meeting (or in the case of any adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting).

Networkers Shareholders entitled to attend and vote at the Shareholder Meetings may appoint a proxy electronically by logging on to [www.capitashareportal.com](http://www.capitashareportal.com) and following the instructions provided. For an electronic proxy to be valid, your appointment must be received by no later than 10.00 a.m. on 5 March 2015 in the case of the Court Meeting and by 10.15 a.m. on 5 March 2015 in the case of the General Meeting (or in the case of an adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting).

**Completing and returning the Forms of Proxy, completing and transmitting a CREST Proxy Instruction or appointing a proxy electronically will not prevent you from attending and voting in person at either of the Shareholder Meetings, or any adjournment of either of the Shareholder Meetings, if you so wish and are so entitled. Further details on the action to be taken are set out in paragraph 14 of Part II of this document.**

**If the Scheme is approved at the Shareholder Meetings then, prior to the Scheme becoming Effective, Networkers will make an application to the London Stock Exchange to cancel the admission to trading of the Networkers Shares on AIM.**

You should read the entirety of this document and, if you are in any doubt as to the action you should take, consult an independent financial adviser. In making any investment decision, Networkers Shareholders must rely on their own examination of Matchtech and the terms of the Scheme and the Acquisition, including the merits and risks involved.

If you have any questions relating to this document, either of the Shareholder Meetings or the completion and return of the Forms of Proxy, please telephone Capita Asset Services on 0871 664 0321 from within the UK or on +44 (0)20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

Numis, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as broker to Networkers and as financial adviser and broker to Matchtech and not to anyone else in connection with the Acquisition and this document and will not be responsible to anyone other than Matchtech for providing the protections afforded to clients of Numis nor for providing advice in relation to the Acquisition or the content of, or any matter or arrangement referred to in this document.

Liberum, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Networkers and no one else in connection with the Acquisition and this document and will not be responsible to anyone other than Networkers for providing the protections afforded to clients of Liberum nor for providing advice in relation to the Acquisition or the content of, or any matter or arrangement referred to in this document.

**You may request a hard copy of any information incorporated by reference in this document by contacting Networker's registrars, Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, or by calling 0871 664 0321 from within the UK or on +44 (0)20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice. It is important that you note that unless you make such a request, a hard copy of any information incorporated by reference in this document will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.**

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service 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. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of any member of the Networkers Group or the Matchtech Group.

No person has been authorised to make any representations on behalf of Networkers or Matchtech concerning the Acquisition or the Scheme which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised.

The summary of the principal provisions of the Scheme contained in this document is qualified in its entirety by reference to the Scheme itself, the full text of which is set out in Part VI of this document. Each Networkers Shareholder is advised to read and consider carefully the text of the Scheme itself. This document, and in particular the letter from the Chairman of Networkers and the Explanatory Statement, has been prepared solely to assist Networkers Shareholders in respect of voting on the Scheme Resolutions.

## INFORMATION FOR OVERSEAS SHAREHOLDERS

### Information for US Holders

US Holders should note that the Acquisition relates to the securities of an English company, is subject to UK disclosure requirements (which are different from those of the US) and is proposed to be implemented under a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to UK disclosure requirements and practices, which are different from the disclosure requirements of the US proxy solicitation or tender offer rules. The financial information included in this document has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Matchtech exercises its right to implement the acquisition of the Networkers Shares by way of a Takeover Offer, such Takeover Offer will be made in compliance with applicable US tender offer and securities laws and regulations to the extent applicable.

The receipt of cash or shares pursuant to the Acquisition by a US Holder as consideration for the cancellation of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US Holder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Matchtech and Networkers are located in countries other than the US and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non US company or its officers or directors in a non US court for violations of US securities laws. Further, it may be difficult to compel a non US company and its affiliates to subject themselves to a US court's judgment.

**NEITHER THE US SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER US FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE NEW MATCHTECH SHARES OR PASSED AN OPINION UPON THE FAIRNESS OR MERITS OF SUCH SECURITIES OR UPON THE ACCURACY OR ADEQUACY OF THE DISCLOSURES CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

The Matchtech Shares will not be, and are not required to be, registered with the US Securities and Exchange Commission under the US Securities Act of 1933 and may be subject to transferability restrictions within the United States.

### Information for Overseas Shareholders in France

The Acquisition does not require a prospectus to be submitted to the *Autorité des marchés financiers* for approval, Overseas Shareholders in France must participate in the Acquisition on their own account and the direct or indirect offer or sale, to the public in France, of the shares can only be made in accordance with articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the *Code monétaire et financier*.

### Information for Overseas Shareholders in the United Arab Emirates

This document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates ("**UAE**"). The New Matchtech Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange. The promotion of the New Matchtech Shares and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

In relation to its use in the UAE, this document is strictly private and confidential and is being distributed to a limited number of persons and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The New Matchtech Shares may not be offered or sold directly or indirectly to the public in the UAE.

The New Matchtech Shares are not being offered, distributed, sold or publicly promoted or advertised, directly or indirectly, to, or for the account or benefit of, any person in the Dubai International Financial Centre (“**DIFC**”). This document is not intended for distribution to any person in the DIFC. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it.

### **Information for Overseas Shareholders in Hong Kong**

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Acquisition. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

### **Information for Overseas Shareholders in Israel**

This document does not constitute a prospectus under Israel's Securities Law, 5728-1968 (the “**Securities Law**”), and has not been filed with or approved by the Israel Securities Authority. Matchtech has undertaken that it will not offer securities (1) to the public in Israel within the meaning of the Securities Law and (2) to more than 35 offerees resident in Israel that are not “professional investors” of the type specified in the First Appendix to the Securities Law.

### **Information for Overseas Shareholders in Ireland**

This document does not constitute a prospectus within the meaning of Part 5 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Republic of Ireland (as amended). No offer of Shares to the public is made, or will be made, that requires the publication of a prospectus pursuant to Irish prospectus law (within the meaning of Part 5 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Republic of Ireland (as amended)) in general, or in particular pursuant to the Prospectus (Directive 2003/71/EC) Regulations 2005 of Republic of Ireland (as amended). This document has not been approved or reviewed by or registered with the Central Bank of Republic of Ireland. This document does not constitute investment advice or the provision of investment services within the meaning of the European Communities (Markets in Financial Instruments) Regulations 2007 of Republic of Ireland (as amended) or otherwise. Matchtech is not an authorised investment firm within the meaning of the European Communities (Markets in Financial Instruments) Regulations 2007 of Republic of Ireland (as amended) and the recipients of this document should seek independent legal and financial advice in determining their actions in respect of or pursuant to this document.

### **Information for Overseas Shareholders in Portugal**

THIS DOCUMENT IS SPECIFICALLY ADDRESSED ONLY TO YOU SPECIFICALLY, IN YOUR CAPACITY AS SHAREHOLDER OF NETWORKERS, and thus it is not intended to be transmitted, released, disclosed, divulged, used or offered in any way to, or by, any other third party.

The offer contained in this document does not constitute a Public Offer pursuant to article 109.º of the Portuguese Securities Code, and therefore this Document (and the whole of its content) has not been and will not be submitted to the “Comissão do Mercado de Valores Mobiliários (CMVM)” and, therefore, you expressly acknowledge and agree that all the provisions applicable to public offerings, including those aimed at granting protection to investors shall not apply.

As this document is addressed directly and personally to you, please note that the release, publication or distribution of this Document in Portugal, or in any other country where it would breach any applicable laws or regulations is strictly forbidden and may constitute a civil or criminal offense.

## **Information for all Overseas Shareholders**

The release, publication or distribution of this document in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purposes of complying with English law, the AIM Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this document and the accompanying documents have been prepared in accordance with the laws of jurisdictions outside of England.

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

Unless otherwise determined by Matchtech and Networkers or required by the Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all other documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all other documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Acquisition and implications of the Scheme for Overseas Shareholders may be affected by the laws of the relevant jurisdiction in which they reside. Such Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdictions. If any Overseas Shareholder remains in any doubt, he should consult an appropriate independent professional adviser in his relevant jurisdiction without delay.

It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in which they reside in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

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## FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference in this document), oral statements made regarding the Acquisition and other information published by Matchtech and Networkers contain statements which are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “aim”, “will”, “may”, “would”, “could” or “should” or other words of similar meaning or the negative thereof. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Matchtech Group or the Networkers Group; and (iii) the effects of government regulation on the business of the Matchtech Group or the Networkers Group.

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. Given these risks and uncertainties, potential investors should not place any undue reliance on forward-looking statements which refer only to the position as at the date of this document. All subsequent oral or written forward-looking statements attributable to Matchtech or Networkers or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. None of Matchtech or Networkers undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Although Matchtech and Networkers believe that the expectations reflected in such forward-looking statements are reasonable, Matchtech and Networkers can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic and general financial market conditions; significant price discounting by competitors; changes in consumer and/or client habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward looking statements. Such forward looking statements should therefore be construed in the light of such factors. Neither Matchtech nor Networkers, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date hereof.

All subsequent oral or written forward looking statements attributable to Matchtech or Networkers or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules and the Disclosure and Transparency Rules of the FCA), neither Matchtech or Networkers is under any obligation, and Matchtech and Networkers expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



## DISCLOSURE REQUIREMENTS OF THE CODE

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

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

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

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

## **NO PROFIT FORECAST**

No statement in this document is intended as a profit forecast or a profit estimate, and no statement in this document should be interpreted to mean that the future earnings per Networkers Share or Matchtech Share for current or future financial years will necessarily match or exceed the historical or published earnings per Networkers Share or Matchtech Share.

## **PUBLICATION ON WEBSITE**

This document, together with all information incorporated into this document by reference to another source, will be available free of charge, subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions, on the following websites during the course of the Acquisition:

- [www.matchtechgroupplc.com](http://www.matchtechgroupplc.com); and
- <http://info.networkersplc.com>

Neither the content of the Networker's website nor Matchtech's website nor the content of any website accessible from hyperlinks on any such websites is incorporated into or forms part of this document save where expressly stated herein.

## **ROUNDING**

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

## **DATE**

This document is published on 12 February 2015.

## **ACTION TO BE TAKEN**

Under the terms of the Acquisition, if the Scheme becomes Effective, Scheme Shareholders will receive:

**for each Networkers Share**

**34 pence in cash and 0.063256 New Matchtech Shares**

### **Voting at the Court Meeting and General Meeting**

The Scheme will require approval at a meeting of the Scheme Shareholders convened by order of the Court to be held at the offices of DLA Piper UK LLP, 3 Noble Street, London, EC2V 7EE at 10.00 a.m. on 9 March 2015. Implementation of the Scheme will also require the approval of Networkers Shareholders at a General Meeting to be held at the same place at 10.15 a.m. on 9 March 2015 (or as soon thereafter as the Court Meeting is concluded or adjourned). Notices of the Shareholder Meetings are set out on pages 82 to 90 of this document.

You will find enclosed with this document:

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

If you have not received all of these documents, please contact Capita Asset Services on the helpline referred to below.

The action to be taken in respect of the Shareholder Meetings is set out in paragraph 14 of Part II of this document. Whether or not you plan to attend the Court Meeting and/or the General Meeting, please complete the enclosed Forms of Proxy in accordance with the instructions printed on them and return them to: Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible and, in any event, so as to be received by no later than:

**(i) 10.00 a.m. on 5 March 2015 in the case of the white Form of Proxy for the Court Meeting; and**

**(ii) 10.15 a.m. on 5 March 2015 in the case of the blue Form of Proxy for the General Meeting,**

**(or in the case of any adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the adjourned meeting). A reply paid envelope is provided for use in the United Kingdom only. Implementation of the Scheme requires approval at both the Court Meeting and the General Meeting.**

If the white Form of Proxy for use at the Court Meeting is not received by 10.00 a.m. on 5 March 2015, it may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting. However, if the blue Form of Proxy for the General Meeting is not received by 10.15 a.m. on 5 March 2015, it will be invalid.

If you hold your Networkers Shares in CREST, you may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual via CREST (please also refer to the accompanying notes for the notices of the Shareholder Meetings set out in Parts VII and VIII of this document).

Proxies submitted electronically through CREST must be sent as soon as possible, and in any event, so as to be received by no later than 10.00 a.m. on 5 March 2015 in the case of the Court Meeting and by 10.15 a.m. on 5 March 2015 in the case of the General Meeting (or in the case of any adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting).

Networkers Shareholders entitled to attend and vote at the Shareholder Meetings may appoint a proxy electronically by logging on to [www.capitashareportal.com](http://www.capitashareportal.com) and following the instructions provided. For an electronic proxy to be valid, your appointment must be received by no later than 10.00 a.m. on 5 March 2015 in the case of the Court Meeting and by 10.15 a.m. on 5 March 2015 in the case of the General

Meeting (or in the case of an adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting).

The Court Meeting and the General Meeting will be held on 9 March 2015 at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE. The Court Meeting will commence at 10.00 a.m. and the General Meeting at 10.15 a.m. (or, if later, as soon as the Court Meeting has concluded or adjourned).

**Completing and returning the Forms of Proxy, completing and transmitting a CREST Proxy Instruction or appointing a proxy electronically will not prevent you from attending and voting in person at either of the Shareholder Meetings, or any adjournment of either of the Shareholder Meetings, if you so wish and are so entitled.**

Networkers Shareholders are entitled to appoint a proxy in respect of some or all of their Networkers Shares. Networkers Shareholders are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow Networkers Shareholders entitled to attend and vote at the relevant meeting to specify the number of Networkers Shares in respect of which that proxy is appointed. Networkers Shareholders who return a Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their Networkers Shares. Networkers Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Capita Asset Services for further Forms of Proxy or photocopy the Forms of Proxy as required. Such Networkers Shareholders should also read the sections headed "Notes" included in the notices of Shareholder Meetings set out in Parts VII and VIII of this document and the Forms of Proxy and note the principles that will be applied in relation to the appointment of multiple proxies.

The Matchtech Shares will not be, and are not required to be, registered with the US Securities and Exchange Commission under the US Securities Act of 1933 and may be subject to transferability restrictions within the United States.

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR TRANSMIT A PROXY INSTRUCTION (EITHER ELECTRONICALLY OR THROUGH CREST) AS SOON AS POSSIBLE.**

#### **Helpline for further information**

**If you have any questions relating to this document, either of the Shareholder Meetings or the completion and return of the Forms of Proxy, please telephone Capita Asset Services on 0871 664 0321 from within the UK or on +44 (0)20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.**

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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

| <i>Event</i>                                                                                                        | <i>Time and date</i>                       |
|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Latest time for lodging Forms of Proxy for the:                                                                     |                                            |
| Court Meeting (white Form of Proxy)                                                                                 | 10.00 a.m. on 5 March 2015 <sup>1</sup>    |
| General Meeting (blue Form of Proxy)                                                                                | 10.15 a.m. on 5 March 2015 <sup>2</sup>    |
| Voting Record Time                                                                                                  | 6.00 p.m. on 5 March 2015 <sup>3</sup>     |
| <b>Court Meeting</b>                                                                                                | 10.00 a.m. on 9 March 2015                 |
| <b>General Meeting</b>                                                                                              | 10.15 a.m. on 9 March 2015 <sup>4</sup>    |
| <i>Certain of the following dates are subject to change (please see note (5) below):</i>                            |                                            |
| Scheme Court Hearing                                                                                                | 30 March 2015 <sup>5</sup>                 |
| <b>Last day of dealings in, and for registration of transfer of, and disablement of CREST of, Networkers Shares</b> | 31 March 2015 <sup>5</sup>                 |
| Scheme Record Time                                                                                                  | 6.00 p.m. on 31 March 2015 <sup>5</sup>    |
| Suspension of admission of, and dealings, settlement and transfers in, Networkers Shares                            | 7.30 a.m. on 1 April 2015 <sup>5</sup>     |
| Reduction Court Hearing                                                                                             | 1 April 2015 <sup>5</sup>                  |
| <b>Effective Date</b>                                                                                               | 2 April 2015 <sup>5</sup>                  |
| Date for cancellation of admission to trading of Networkers Shares                                                  | by no later than 7.00 a.m. on 7 April 2015 |
| Admission to trading of the New Matchtech Shares and CREST accounts credited with New Matchtech Shares              | 8.00 a.m. on 7 April 2015                  |
| Latest date of despatch of cheques and settlement through CREST of cash Consideration                               | within 14 days of the Effective Date       |
| Long Stop Date                                                                                                      | 30 June 2015                               |

The Court Meeting and the General Meeting will each be held at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE.

1. It is requested that the white Form of Proxy for the Court Meeting be received before 10.00 a.m. on 5 March 2015, or, if the Court Meeting is adjourned, not later than 48 hours (excluding any part of the day which is not a working day) before the time fixed for the holding of the adjourned meeting. White Forms of Proxy not so received may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting.
2. The blue Form of Proxy for the General Meeting must be lodged before 10.15 a.m. on 5 March 2015 in order for it to be valid, or, if the General Meeting is adjourned, not later than 48 hours (excluding any part of the day which is not a working day) before the time fixed for the holding of the adjourned meeting. The blue Form of Proxy cannot be handed to the Chairman of the General Meeting at that meeting.
3. If either the Court Meeting or the General Meeting is adjourned, the voting record time for the adjourned meeting will be 6.00 p.m. on the day which is two days (excluding non-working days) before the adjourned meeting.
4. Or as soon thereafter as the Court Meeting shall have been concluded or adjourned.
5. These times and dates are indicative only and will depend, among other things, on the date on which the Conditions are either satisfied, or (if capable of waiver) waived, and the dates upon which the Court sanctions the Scheme and confirms the associated Capital Reduction. It will also depend on whether the Court Order(s) sanctioning the Scheme and confirming the Capital Reduction and, in relation to the Capital Reduction, the Statement of Capital are delivered to the Registrar of Companies, and if required by the Court, when the Reduction Court Order is registered. Networkers will give notice of the change(s) by issuing an announcement through a Regulatory Information Service and, if required by the Panel, post notice of the change(s) to Networkers Shareholders and, for information only, to participants in the Networkers Share Schemes.

## DEFINITIONS

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

|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Acquisition”</b>                              | the recommended acquisition by Matchtech of the entire issued and to be issued share capital of Networkers, to be implemented by the Scheme as described in this document (or Offer under certain circumstances as described in this document) on the terms and subject to the conditions set out in this document including, where the context requires, any subsequent revision, variation, extension or renewal of such offer and includes any election available thereunder; |
| <b>“Admission”</b>                                | the admission of the New Matchtech Shares to trading on AIM;                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“AIM”</b>                                      | the AIM Market of the London Stock Exchange;                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“AIM Rules”</b>                                | the AIM Rules for Companies as published by the London Stock Exchange (as amended from time to time);                                                                                                                                                                                                                                                                                                                                                                            |
| <b>“Announcement”</b>                             | the announcement of the Acquisition made in accordance with Rule 2.7 of the Code by Matchtech and released on the Announcement Date, including its summary and appendices;                                                                                                                                                                                                                                                                                                       |
| <b>“Announcement Date”</b>                        | 28 January 2015;                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>“Authorisations”</b>                           | authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals;                                                                                                                                                                                                                                                                                                                              |
| <b>“Business Day”</b>                             | a day (other than a Saturday, Sunday or a public holiday) on which banks in the City of London are open for business generally;                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Capita Asset Services” or the “Registrar”</b> | a trading name of Capita Registrars Limited, a company incorporated in England and Wales with registered number 2605568;                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Capital Reduction”</b>                        | the proposed reduction of the issued and to be issued ordinary share capital of Networkers pursuant to the Scheme;                                                                                                                                                                                                                                                                                                                                                               |
| <b>“certificated” or “in certificated form”</b>   | in relation to a Scheme Share, a share title to which is recorded in the relevant register of Networkers as being held in certificated form (that is, not in CREST);                                                                                                                                                                                                                                                                                                             |
| <b>“Closing Price”</b>                            | the middle market price for a Networkers Share or Matchtech Share, as the case may be, at the close of business on the day to which the price relates, derived from the AIM Appendix to the Daily Official List for that day;                                                                                                                                                                                                                                                    |

|                                                  |                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“CMA Phase 2 Reference”</b>                   | a reference pursuant to sections 22, 33, 45 or 62 of the Enterprise Act 2002 of the Acquisition to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 (as amended);                                                                            |
| <b>“Code” or “Takeover Code”</b>                 | the City Code on Takeovers and Mergers;                                                                                                                                                                                                                                                                                                          |
| <b>“Combined Group”</b>                          | following completion of the Acquisition, the combined Matchtech Group and Networkers Group;                                                                                                                                                                                                                                                      |
| <b>“Community”</b>                               | the European Community;                                                                                                                                                                                                                                                                                                                          |
| <b>“Companies Act”</b>                           | the Companies Act 2006, as amended from time to time;                                                                                                                                                                                                                                                                                            |
| <b>“Competition and Markets Authority”</b>       | the independent public body which conducts second phase, in-depth inquiries into mergers, markets and the regulation of the major regulated industries in the United Kingdom (or any successor body or bodies carrying out the same functions in the United Kingdom from time to time);                                                          |
| <b>“Conditions”</b>                              | the conditions to the Acquisition, as set out in Part III of this document;                                                                                                                                                                                                                                                                      |
| <b>“Confidentiality Agreement”</b>               | has the meaning given to that term in paragraph 9 of Part 1 of this document;                                                                                                                                                                                                                                                                    |
| <b>“connected person” or “persons connected”</b> | in relation to person A, any person whose interests in shares person A is taken to be interested in pursuant to Part 22 of the Companies Act and related regulations;                                                                                                                                                                            |
| <b>“Consideration”</b>                           | the consideration payable under the terms of the Acquisition of 34 pence in cash and 0.063256 New Matchtech Shares for each Networkers Share;                                                                                                                                                                                                    |
| <b>“Court”</b>                                   | the High Court of Justice in England and Wales;                                                                                                                                                                                                                                                                                                  |
| <b>“Court Hearings”</b>                          | the Scheme Court Hearing and the Reduction Court Hearing;                                                                                                                                                                                                                                                                                        |
| <b>“Court Meeting”</b>                           | the meeting or meetings of the Scheme Shareholders as may be convened pursuant to an order of the Court under section 896 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment) including any adjournment thereof, notice of which is set out in Part VII of this document; |
| <b>“Court Order(s)”</b>                          | the Scheme Court Order and the Reduction Court Order, or, where the context requires, either of them;                                                                                                                                                                                                                                            |
| <b>“CREST”</b>                                   | the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the Operator (as defined in the CREST Regulations);                                                                                                      |

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <b>“CREST Manual”</b>            | the rules governing the operation of CREST, consisting of the CREST Reference Manual, the CREST International Manual, the CREST Rules, the Registrars Service Standards, the Settlement Discipline Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedure and the CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996);                                                                                                                                             |
| <b>“CREST Proxy Instruction”</b> | a proxy appointment or instruction made using the CREST service, by way of the appropriate CREST message, which must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual;                                                                                                                                                                                                                                                                  |
| <b>“CREST Regulations”</b>       | the Uncertificated Securities Regulations 2001 (SI 2001/3755);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Daily Official List”</b>     | the daily official list published by the London Stock Exchange;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Dealing Disclosure”</b>      | an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer;                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“EBITA”</b>                   | earnings before interest, tax and amortisation;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Effective”</b>               | in the context of the Acquisition: (i) if the Acquisition is implemented by way of a Scheme, the Scheme having become fully effective in accordance with its terms, upon the delivery of the Court Order and Statement of Capital relating to the Capital Reduction to the Registrar of Companies and, if the Court so orders, registration by the Registrar of Companies; or (ii) if the Acquisition is implemented by way of an Offer, the Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code; |
| <b>“Effective Date”</b>          | the date upon which <ul style="list-style-type: none"> <li>(a) the Scheme becomes Effective; or</li> <li>(b) if Matchtech elects and the Takeover Panel consents to implement the Acquisition by way of an Offer, the Offer becomes Effective;</li> </ul>                                                                                                                                                                                                                                                                                                        |
| <b>“EPS”</b>                     | earnings per share;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>“Euroclear”</b>               | Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 2878738;                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>“Fairly Disclosed”</b>        | the information which has been fairly disclosed: (i) in any document delivered prior to the date of the Announcement by or on behalf of Networkers to Matchtech or Matchtech’s financial, accounting, tax or legal advisers (specifically as Matchtech’s advisers in relation to the Acquisition), including but not limited to minutes so delivered of any disclosure meetings and any information disclosed in electronic form by way of a data room or otherwise; (ii) in Networkers’ 2013 Annual                                                             |



|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               | Report, Networkers' interim results for the six month period ended 30 June 2014 or Networkers' trading update for the year ended 31 December 2014 as provided to Matchtech prior to the date of the Announcement; (iii) in any public announcement by Networkers published through a Regulatory Information Service prior to the date of the Announcement; or (iv) in the Announcement;                                          |
| <b>"FCA" or "Financial Conduct Authority"</b> | the U.K. Financial Conduct Authority or its successor from time to time;                                                                                                                                                                                                                                                                                                                                                         |
| <b>"FSMA"</b>                                 | the Financial Services and Markets Act 2000, as amended;                                                                                                                                                                                                                                                                                                                                                                         |
| <b>"Forms of Proxy"</b>                       | the white form of proxy for use by Scheme Shareholders in connection with the Court Meeting and the blue form of proxy for use by Networkers Shareholders in connection with the General Meeting, both of which accompany this document;                                                                                                                                                                                         |
| <b>"General Meeting"</b>                      | the general meeting (or any adjournment, postponement or reconvention thereof) of Networkers to be convened in connection with the Scheme and the Capital Reduction, notice of which is set out in Part VIII of this document, to be held at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE at 10.15 a.m. on 9 March 2015 (or as soon thereafter as the Court Meeting shall have been concluded or adjourned); |
| <b>"HSBC"</b>                                 | has the meaning given to that term in paragraph 10 of Part II of this document;                                                                                                                                                                                                                                                                                                                                                  |
| <b>"HSBC Facility Agreement"</b>              | has the meaning given to that term in paragraph 10 of Part II of this document;                                                                                                                                                                                                                                                                                                                                                  |
| <b>"holder"</b>                               | a registered holder and includes any person entitled by transmission;                                                                                                                                                                                                                                                                                                                                                            |
| <b>"Irrevocable Undertakings"</b>             | the irrevocable undertakings to vote (or procure votes) in favour of the Acquisition from Networkers Shareholders received by Matchtech, details of which are set out in paragraph 6 of Part II and paragraph 6 of Part V of this document;                                                                                                                                                                                      |
| <b>"ISIN"</b>                                 | International Securities Identification Number;                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>"Last Dealing Date"</b>                    | the last day of dealings in Networkers Shares, expected to be 31 March 2015;                                                                                                                                                                                                                                                                                                                                                     |
| <b>"Liberum"</b>                              | Liberum Capital Limited, a private company incorporated in England and Wales with registered number 05912554;                                                                                                                                                                                                                                                                                                                    |
| <b>"Lock-Up Agreements"</b>                   | has the meaning given to that term in paragraph 9 of Part II of this document;                                                                                                                                                                                                                                                                                                                                                   |
| <b>"London Stock Exchange"</b>                | London Stock Exchange plc;                                                                                                                                                                                                                                                                                                                                                                                                       |

|                                             |                                                                                                                                                                                                                              |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Long Stop Date”</b>                     | 30 June 2015, or such later date, if any, as Matchtech and Networkers may, subject to the Takeover Code and the consent of the Panel, agree and, if required, the Court may approve;                                         |
| <b>“Matchtech”</b>                          | Matchtech Group plc, a public limited company incorporated in England and Wales with registered number 4426322 and with its registered address at 1450 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire PO15 7AF; |
| <b>“Matchtech Board”</b>                    | the board of directors of Matchtech;                                                                                                                                                                                         |
| <b>“Matchtech Directors”</b>                | the directors of Matchtech whose names are set out in paragraph 2.2 of Part V of this document and <b>“Matchtech Director”</b> shall mean any one of them;                                                                   |
| <b>“Matchtech Group”</b>                    | Matchtech and its subsidiary undertakings and associated undertakings and, where the context permits, each of them, and <b>“member of the Matchtech Group”</b> shall be construed accordingly;                               |
| <b>“Matchtech Shareholders”</b>             | holders of Matchtech Shares;                                                                                                                                                                                                 |
| <b>“Matchtech Shares”</b>                   | the ordinary shares of £0.01 each in the capital of Matchtech;                                                                                                                                                               |
| <b>“Matchtech Share Schemes”</b>            | the Matchtech Group plc Deferred Annual Bonus Plan 2009 and the Matchtech Group plc 2006 Long-Term Incentive Plan;                                                                                                           |
| <b>“Matchtech's 2013 Annual Report”</b>     | the Annual Report and Accounts of Matchtech for the financial year ended 31 July 2013;                                                                                                                                       |
| <b>“Matchtech’s 2014 Annual Report”</b>     | the Annual Report and Accounts of Matchtech for the financial year ended 31 July 2014;                                                                                                                                       |
| <b>“Networkers”</b> or the <b>“Company”</b> | Networkers International plc, a public limited company incorporated in England and Wales with registered number 03950639 and with its registered office at Hanover Place, 8 Ravensbourne Road, Bromley, Kent BR1 1HP;        |
| <b>“Networkers Articles”</b>                | the articles of association of Networkers, as amended from time to time;                                                                                                                                                     |
| <b>“Networkers Board”</b>                   | the board of directors of Networkers;                                                                                                                                                                                        |
| <b>“Networkers Directors”</b>               | the directors of Networkers whose names are set out in paragraph 2.1 of Part V of this document and <b>“Networkers Director”</b> shall mean any one of them;                                                                 |
| <b>“Networkers Group”</b>                   | Networkers and its subsidiary undertakings and associated undertakings and, where the context permits, each of them, and <b>“member of the Networkers Group”</b> shall be construed accordingly;                             |
| <b>“Networkers Options”</b>                 | the options granted under or pursuant to the Networkers Share Schemes;                                                                                                                                                       |

|                                                       |                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Networkers Shareholders” or “Shareholders”</b>    | holders of Networkers Shares;                                                                                                                                                                                                                                                                                                                                             |
| <b>“Networkers Share Schemes”</b>                     | the Networkers International plc Share Option Scheme, the Networkers International plc EMI Scheme, the Networkers International plc 2007 Approved Share Option Scheme and the Networkers International plc 2014 Unapproved Share Option Plan;                                                                                                                             |
| <b>“Networkers Shares” or “Ordinary Shares”</b>       | the ordinary shares of £0.01 each in the capital of Networkers;                                                                                                                                                                                                                                                                                                           |
| <b>“Networkers’ 2012 Annual Report”</b>               | the Annual Report and Accounts of Networkers for the year ended 31 December 2012;                                                                                                                                                                                                                                                                                         |
| <b>“Networkers’ 2013 Annual Report”</b>               | the Annual Report and Accounts of Networkers for the year ended 31 December 2013;                                                                                                                                                                                                                                                                                         |
| <b>“Networkers’ 2014 Interim Financial Statement”</b> | the interim financial statements of Networkers for the six month period ended 30 June 2014;                                                                                                                                                                                                                                                                               |
| <b>“New Matchtech Shares”</b>                         | the new Matchtech Shares to be issued to Scheme Shareholders in connection with the Acquisition;                                                                                                                                                                                                                                                                          |
| <b>“New Networkers Shares”</b>                        | the new Ordinary Shares to be created and allotted to Matchtech or its nominee(s) credited as fully paid in accordance with Clause 1.2 of the Scheme;                                                                                                                                                                                                                     |
| <b>“NFI”</b>                                          | net fee income;                                                                                                                                                                                                                                                                                                                                                           |
| <b>“Numis”</b>                                        | Numis Securities Limited, a private company incorporated in England and Wales with registered number 02285918;                                                                                                                                                                                                                                                            |
| <b>“Offer” or “Takeover Offer”</b>                    | should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the recommended offer to be made by or on behalf of Matchtech to acquire the entire issued and to be issued share capital of Networkers and, where the context permits, any subsequent revision, variation, extension or renewal of such offer; |
| <b>“Offer Period”</b>                                 | the offer period relating to Networkers, which commenced on the Announcement Date;                                                                                                                                                                                                                                                                                        |
| <b>“Opening Position Disclosure”</b>                  | has the meaning given to that term in Rule 8 of the Code;                                                                                                                                                                                                                                                                                                                 |
| <b>“Optionholder Letters”</b>                         | the letters and enclosures to be sent to the holders of Networkers Options in connection with the Scheme;                                                                                                                                                                                                                                                                 |
| <b>“Overseas Shareholders”</b>                        | Networkers Shareholders who are resident in, ordinarily resident in, or citizens of, a jurisdiction outside the UK;                                                                                                                                                                                                                                                       |
| <b>“Reduction Court Hearing”</b>                      | the hearing (or any adjournment thereof) at which the Reduction Court Order will be sought;                                                                                                                                                                                                                                                                               |
| <b>“Reduction Court Order”</b>                        | the order of the Court under section 648 of the Companies Act confirming the Capital Reduction;                                                                                                                                                                                                                                                                           |

|                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Registrar of Companies” or<br/>“Companies House”</b> | the Registrar of Companies in England and Wales;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Regulatory Information Service”</b>                  | any information service authorised from time to time by the FCA for the purposes of disseminating regulatory announcements;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Restricted Jurisdiction”</b>                         | any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available in that jurisdiction;                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Scheme” or “Scheme of Arrangement”</b>               | the scheme of arrangement under Part 26 of the Companies Act proposed to be entered into between Networkers and the Scheme Shareholders, the principal terms of which are set out in this document (with or subject to any modification, addition or condition which Networkers and Matchtech may agree and, if required, the Court may approve or impose);                                                                                                                                                                                                                                                                                          |
| <b>“Scheme Court Hearing”</b>                            | the hearing of the Court to sanction the Scheme under section 899 of the Companies Act and if such hearing is adjourned references to commencement of any such hearing shall mean the commencement of the final adjournment thereof;                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>“Scheme Court Order”</b>                              | the order of the Court sanctioning the Scheme under section 899 of the Companies Act;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Scheme Record Time”</b>                              | 6.00 p.m. on the Business Day immediately prior to the date of the Reduction Court Hearing;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Scheme Resolutions”</b>                              | the resolution to be proposed by Networkers at the Court Meeting in connection with the approval of the Scheme as set out in the notice of Court Meeting in Part VII of this document, and the Special Resolution;                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Scheme Shareholders”</b>                             | the holders of Scheme Shares;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Scheme Shares”</b>                                   | <ul style="list-style-type: none"> <li>(i) Networkers Shares in issue at the date of this document;</li> <li>(ii) any Networkers Shares issued after the date of this document and prior to the Voting Record Time; and</li> <li>(iii) any Networkers Shares issued on or after the Voting Record Time but on or prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme,</li> </ul> <p>in each case, save for any Networkers Shares legally or beneficially held by any member of the Matchtech Group;</p> |
| <b>“Shareholder Meetings”</b>                            | the Court Meeting and the General Meeting;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Special Resolution”</b>                      | the special resolution to be proposed by Networkers at the General Meeting in connection with, among other things, the implementation of the Scheme and confirmation of the Capital Reduction, the alteration of the Networkers Articles and such other matters as may be necessary to implement the Acquisition and the delisting of the Networkers Shares, as set out in the notice of General Meeting in Part VIII of this document; |
| <b>“Statement of Capital”</b>                    | the statement of capital (approved by the Court) showing, with respect to Networkers’s share capital, as altered by the Reduction Court Order, the information required by section 649 of the Companies Act;                                                                                                                                                                                                                            |
| <b>“Takeover Panel” or “Panel”</b>               | the UK Panel on Takeovers and Mergers;                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Third Party”</b>                             | a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, professional, environmental or investigative body or authority (including any anti-trust or merger control authority), court, trade agency, professional association, institution, works council, employee representative body or any other body or person whatsoever in any relevant jurisdiction;                               |
| <b>“Treasury” or “Treasury Shares”</b>           | shares held as treasury shares as provided for in section 724 of the Companies Act;                                                                                                                                                                                                                                                                                                                                                     |
| <b>“uncertificated” or “in uncertified form”</b> | a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;                                                                                                                                                                                                                                 |
| <b>“United Kingdom”, “U.K.” or “UK”</b>          | the United Kingdom of Great Britain and Northern Ireland;                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“U.S.”, “US” or “United States”</b>           | the United States of America, its possessions and territories, all areas subject to its jurisdiction or any subdivision thereof, any State of the United States and the District of Columbia;                                                                                                                                                                                                                                           |
| <b>“US Exchange Act”</b>                         | the United States Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder;                                                                                                                                                                                                                                                                                                                                 |
| <b>“US Holders”</b>                              | holders of Networkers Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Networkers Shares for persons in the US or with a registered address in the US;                                                                                                                                                                                                        |
| <b>“VAT” or “Value Added Tax”</b>                | value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature;                                                                                                                                                                                                                                                                                                                                  |
| <b>“Voting Record Time”</b>                      | 6.00 p.m. on the day which is two days (excluding non-working days) before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days (excluding non-working days) before the date of such adjourned meeting;                                                                                                                                                                          |

**“Wider Matchtech Group”**

Matchtech and its subsidiary undertakings, associated undertakings and any other undertaking, body corporate, partnership, joint venture or person in which Matchtech and/or such undertakings (aggregating their interests) have a direct or indirect interest in 10 per cent. or more of the voting rights or equity share capital (as defined in the Companies Act) or the equivalent; and

**“Wider Networkers Group”**

Networkers and its subsidiary undertakings, associated undertakings and any other undertaking, body corporate, partnership, joint venture or person in which Networkers and/or such undertakings (aggregating their interests) have a direct or indirect interest in 10 per cent. or more of the voting rights or equity share capital (as defined in the Companies Act) or the equivalent.

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

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

All references in this document are to London time unless otherwise stated.

References to **“£”**, or **“pence”** are to the lawful currency of the UK.

References to **“adjusted EPS”** means EPS excluding amortisation of acquired intangibles.

## PART I

### LETTER OF RECOMMENDATION FROM THE CHAIRMAN OF NETWORKERS

*Directors:*

Neville Roger Goodman (*Non-Executive Chairman*)  
Spencer Manuel (*Chief Executive Officer*)  
Jon Plassard (*Chief Financial Officer*)  
Nigel Wray (*Non-Executive Director*)  
Lord William Astor (*Non-Executive Director*)

*Registered and Head Office:*

Hanover Place  
8 Ravensbourne Road  
Bromley  
Kent  
BR1 1HP

Registered in England and Wales  
under company number 03950639

12 February 2015

*To all holders of Networkers Shares and, for information only, to participants in the Networkers Share Schemes*

Dear Networkers Shareholder,

#### **Recommended Acquisition of Networkers by Matchtech**

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

On 28 January 2015, the Networkers Board and the Matchtech Board announced that they had reached agreement on the terms of a recommended offer by which the entire issued and to be issued share capital of Networkers will be acquired by Matchtech.

I am writing to you today to set out the terms to, and provide further details of, the Acquisition, and the background to and reasons why the Networkers Directors consider the terms to be fair and reasonable and are unanimously recommending that you vote in favour of the Scheme and the resolutions to be proposed at the Shareholder Meetings to implement the Scheme.

The Acquisition is to be effected by way of a scheme of arrangement between Networkers and Scheme Shareholders under Part 26 of the Companies Act. In order to approve the terms of the Acquisition, those Networkers Shareholders entitled to vote will need to vote in favour of the Scheme Resolutions to be proposed at the Shareholder Meetings to be held on 9 March 2015.

**The Networkers Directors, who have been so advised by Liberum, consider the terms of the Acquisition to be fair and reasonable. Accordingly, the Networkers Directors unanimously recommend that Networkers Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting, as each Networkers Director who holds Networkers Shares has irrevocably undertaken to do in respect of their entire beneficial holdings in Networkers which they control, being, in aggregate, a total of 41,597,703 Networkers Shares, representing approximately 49.5 per cent. of the existing issued share capital of Networkers. In providing its advice, Liberum has taken into account the commercial assessments of the Networkers Directors.**

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

The Acquisition, which is subject to the Conditions and further terms set out in Part III of this document, will be effected by way of the Scheme. The Scheme is subject to, among other things, the satisfaction (or, if applicable, waiver) of the Conditions set out in Part III to this document. In order to become Effective, the Scheme must, among other things, be approved by a majority in number of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares voted by the Scheme Shareholders present and voting in person or by proxy at such Court Meeting. Following the Scheme becoming Effective, the entire issued and to be issued share capital of Networkers will be held by Matchtech.

If the Scheme becomes Effective in accordance with its terms, the Scheme Shares will be cancelled. If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting. The Scheme Shareholders holding Scheme Shares at the Scheme Record Time will be entitled to receive:

**For each Networkers Share 34 pence in cash and 0.063256 New Matchtech Shares**

Based on the Closing Price of a Matchtech Share of 527.5 pence on 27 January 2015, being the latest practicable date prior to the date of the Announcement, the Acquisition values the entire issued and to be issued share capital of Networkers at approximately £57.9 million and each Networkers Share at approximately 67.4 pence.

The value of the consideration payable under the Acquisition based on the Closing Price of a Matchtech Share of 527.5 pence on 27 January 2015 being the latest practicable date prior to the Announcement represents a premium of approximately:

- 22.5 per cent. to the Closing Price of 55.0 pence per Networkers Share on 27 January 2015 (being the latest practicable date prior to the date of the Announcement);
- 28.6 per cent. to the average Closing Price per Networkers Share for the one month period up to and including 27 January 2015 (being the latest practicable date prior to the date of the Announcement); and
- 20.4 per cent. to the average Closing Price per Networkers Share for the 12 month period up to and including 27 January 2015 (being the latest practicable date prior to the date of the Announcement).

The Networkers Shares which will be acquired by Matchtech pursuant to the Acquisition, will be acquired fully paid and free from all liens, charges and encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all the rights now or thereafter attaching thereto, including the right to receive and retain all dividends and other distributions declared, made or paid after the date of the Announcement.

The New Matchtech Shares to be issued pursuant to the Scheme are expected to represent approximately 17.9 per cent. of the enlarged issued share capital of Matchtech following the Effective Date. The New Matchtech Shares will be issued credited as fully paid and will rank equally in all respects with the existing Matchtech Shares in issue including the right to receive in full all dividends and other distributions if any, declared, made or paid by reference to a record date falling after the Effective Date.

Subject to satisfaction or waiver of the Conditions and sanction by the Court of the Scheme and the confirmation by the Court of the associated Capital Reduction, it is expected that the Scheme will become Effective on or around 2 April 2015. The Scheme becomes Effective when the Court Orders and the associated Statement of Capital are delivered to the Registrar of Companies.

Fractions of New Matchtech Shares will not be allotted or issued to Networkers Shareholders pursuant to the Scheme, Fractional entitlements will be aggregated and sold in the market after the Effective Date and the net proceeds (after dealing costs) of sale will be paid in cash to the Networkers Shareholders entitled thereto as nearly as practicable in accordance with what would otherwise have been their respective fractional entitlements.

If the Scheme becomes Effective, it will be binding on all Networkers Shareholders, whether or not they were present or voted in favour of the Scheme and related issues at the Court Meeting and at the General Meeting.

The Acquisition is subject to the Conditions and certain further terms set out in Part III of this document. The Scheme can only become Effective if all Conditions have been satisfied or waived.

Overseas Shareholders should note the matters set forth in paragraph 17 of Part II of this document.



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

Networkers was admitted to trading on AIM in May 2006 via the reverse takeover of Streetnames PLC by Networkers, with the acquisition shares being issued at a price of 26 pence per share.

Since its Admission, Networkers has successfully executed its strategy of supplying clients locally, regionally and internationally with highly skilled staff on a permanent and temporary basis, in the Telecoms, IT and Energy and Engineering sectors. Networkers has increased its international footprint with offices in Canada, Malaysia and Singapore. In addition it has acquired and successfully integrated three companies into its three core sectors – MSB in 2006 (IT), Comms Group in 2009 (Telecom) and Cappo in 2014 (Oil & Gas). The acquisition of Cappo increased the international footprint further with an office in Qatar.

Adjusted profits (before tax and non-recurring items) have grown from £3.6 million for the 13 month period ended 31 December 2006 to £7.1 million in the year ended 31 December 2013. This has been achieved without the need by Networkers to raise any significant additional equity finance since its Admission in 2006.

While Networkers Shareholders have enjoyed significant value accretion since its Admission as a result of Networkers pursuing this strategy, the market for Networkers Shares has remained relatively illiquid. Matchtech made a proposal to the Networkers Directors in December 2014 of offer terms which represented a compelling strategic combination of the two businesses and an exit for Networkers Shareholders at a premium. Whilst the Networkers Directors anticipate a period of continuing organic growth, and the markets in which Networkers operates present acquisition opportunities, the Networkers Directors are conscious of the potential risks and timescales involved with achieving material strategic scale from which Networkers Shareholders could derive the associated benefits.

After due consideration, the Networkers Directors have concluded that Matchtech's proposal substantially recognises Networkers' growth prospects and provides a degree of certainty in the form of a partial cash exit to Networkers Shareholders today. In addition, the element of consideration in the form of Matchtech Shares gives Networkers Shareholders exposure to the future growth prospects of the Combined Group which, the Networkers Directors believe, is capable of deriving the benefits of strategic scale and improved stock market liquidity from which Networkers Shareholders do not currently benefit.

Accordingly, the Networkers Directors have concluded that the Acquisition is fair and reasonable and unanimously recommend that Networkers Shareholders vote in favour of the resolutions at the Court Meeting and the General Meeting to approve and implement the Scheme as the Networkers Directors have irrevocably undertaken to do in respect of the Networkers Shares they control, amounting to, in aggregate, 41,597,703 Networkers Shares, representing approximately 49.5 per cent. of the existing issued share capital of Networkers.

### **4. Irrevocable undertakings**

Matchtech has received irrevocable undertakings to vote in favour of the Scheme Resolutions (or in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) from the following Networkers Shareholders:

- (i) Networkers Directors, in respect of the 41,597,703 Networkers Shares, in aggregate, which they control, representing approximately 49.5 per cent. of the existing issued share capital of Networkers; and
- (ii) Jon Moulton, Hargreave Hale and Dowgate Capital in respect of 19,688,328 Networkers Shares, in aggregate, representing approximately 23.4 per cent. of the existing issued share capital of Networkers.

In aggregate, therefore, Matchtech has received irrevocable undertakings to vote in favour of the Scheme Resolutions (or in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) in respect of a total of 61,286,031 Networkers Shares, representing approximately 72.9 per cent. of the existing issued share capital of Networkers.

Further details of the irrevocable undertakings are set out in paragraph 6 of Part II and paragraph 6 of Part V of this document.

## **5. Networkers current trading and prospects**

For the six months ended 30 June 2014, Networkers reported revenue of £81m, NFI of £13.8m, adjusted profit before tax of £2.7m and adjusted EPS of 2.13 pence. As at 30 June 2014, Networkers had net debt of £5.7m.

On the Announcement Date, Networkers released its Pre-close Statement and Trading Update covering the year ended 31 December 2014.

Trading activity during the second half of the year was much improved compared with H1. This was driven by improved market conditions in the Networkers Group's Telecoms division as well as continued strong growth in the Energy and Engineering division. The second half of the year's trading also showed an improvement compared to H2 last year.

On a full year basis, the Networkers Group expects NFI and underlying business performance to be in line with Networkers management's expectations.

## **6. Management, employees and location**

Matchtech attaches great importance to the skills, knowledge and expertise of Networkers' existing management and employees and believes that they will be well placed to benefit from enhanced career and business opportunities as part of the Combined Group. Matchtech intends to work with the senior management of Networkers closely following the Acquisition to develop an appropriate strategic plan to become the market leading specialist recruiter in engineering and technology; the employer of choice in the recruitment industry; and the best partner to its clients and candidates; whilst developing a strong international business and delivering increased value for investors. One aspect of such strategic plan is to consider how best to reduce costs where appropriate, including the cost savings of Networkers no longer maintaining a listing as a publicly traded company (including the associated reporting and corporate governance compliance costs). Matchtech also recognises the strength of the Networkers brand and intends to retain it at an operating level.

The Matchtech Board recognises that in order to achieve some of the expected benefits of the Acquisition, it will be necessary to perform a detailed review of how best to integrate Networkers into the Combined Group. This review will be carried out by the new management board to identify integration and market opportunities. The analysis carried out to date has indicated the potential to generate cost-savings for the Combined Group in areas where there is an overlap of functions, which could involve some headcount reductions, although Matchtech has not yet developed proposals as to the quantum of any headcount reductions nor the specific functional areas which may be affected by any headcount reductions. Following completion of the Acquisition, Matchtech will seek to reduce costs where appropriate which have historically been related to Networkers' status as a publicly traded company and otherwise (including the associated reporting and corporate governance compliance costs).

The review will also consider the Combined Group's operations and resources in order to ensure that they are optimal for the Combined Group's business. The number of employees and locations actually affected by the Acquisition will depend on the outcome of the detailed review.

Matchtech has given assurances to the Networkers Directors and confirms that the existing contractual and statutory employment rights of all Networkers employees – including rights to participate in applicable pension and retirement plans, or comparable plans – will be fully respected following completion of the Acquisition and that no material changes to the terms and conditions of any Networkers employees are currently envisaged. Networkers operates a defined contribution pension scheme and Matchtech confirms that, following completion of the Acquisition, it does not intend to implement any changes with regard to employer contributions into the Networkers pension scheme, the accrual of benefits for its existing members, or the admission of new members to it. In addition, Matchtech intends to put in place appropriate retention plans for those individuals who are identified as key to the ongoing success of the Combined Group. However, Matchtech has not proposed any management incentivisation arrangement with members of the Networkers' management team.

Other than as set out above, Matchtech does not currently intend to effect any material changes to the conditions of employment of Networkers or Matchtech employees.

Subject to the outcome of the detailed review referred to above of how best to integrate Networkers into the Combined Group, Matchtech does not currently intend to (i) change the location of Networkers' places of business (unless relocation is required due to (a) the entering into of a new lease or (b) the expiration of an existing lease within the next 12 months); or (ii) redeploy the fixed assets, if any, of Networkers.

The Combined Group's headquarters and registered office will be located at Matchtech's office at 1450 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire PO15 7AF.

The Networkers Directors have considered the effects of the implementation of the Acquisition on Networkers' interests and Matchtech's stated plans for the business. The Networkers Directors believe that becoming part of the Combined Group could bring opportunities for employees of Networkers as a result of the implementation of the Scheme, and they have given due consideration to Matchtech's stated intentions and assurances in deciding to recommend the Acquisition.

## **7. The Networkers Directors and the effect of the Acquisition on their interests**

Details of the interests of the Networkers Directors in the share capital of Networkers are set out in paragraphs 5.2.1 and 5.2.2 of Part V of this document. Scheme Shares held by the Networkers Directors at the Scheme Record Time will be subject to the Scheme.

The Networkers Directors have provided voting undertakings for the Shareholder Meetings in respect of their interest in Networkers Shares which they control (details of which are set out in paragraph 4 of this Part I and paragraph 6 of Part V of this document). The total number of Networkers Shares to which these voting undertakings relate is 41,597,703 Networkers Shares, representing approximately 49.5 per cent. of the existing issued share capital of Networkers.

The effect of the Scheme on the interests of the Networkers Directors does not differ from its effect on the like interest of any other person.

In common with other participants in the Networkers Share Schemes, appropriate proposals will be made to the Networkers Directors in respect of Networkers Options held by them.

Particulars of the service contracts (including termination provisions) and letters of appointment of the Networkers Directors are set out in paragraph 10 of Part V of this document.

## **8. Networkers Share Schemes**

The Acquisition will extend to any Networkers Shares (including any Treasury Shares) which are unconditionally allotted, issued or transferred, on or prior to the Scheme Record Time to satisfy the exercise of existing options under the Networkers Share Schemes.

Further details in relation to the effect of the Acquisition on Networkers Options can be found in paragraph 8 of Part II of this document. Participants in the Networkers Share Schemes (other than the Networkers International plc 2014 Unapproved Share Option Plan) will receive separate Optionholder Letters explaining the effect of the Scheme on their Networkers Options and the actions they may take in respect of such Networkers Options.

## **9. Offer-related arrangements**

### *Confidentiality Agreement*

Matchtech and Networkers entered into a confidentiality agreement dated 12 December 2014 pursuant to which each of Matchtech and Networkers have agreed to keep confidential information about the other party and not to disclose to third parties (other than permitted recipients) confidential information exchanged by them unless required by law or regulation (the "**Confidentiality Agreement**"). The Confidentiality Agreement also contains customary provisions relating to non-solicitation of the other party's senior employees, customers and suppliers. The Confidentiality Agreement will remain in force until completion of the Acquisition, or for a period of two years from the date of the Confidentiality Agreement.

### *Lock-Up Agreements*

Jon Plassard, Spencer Manuel, Scott Simons and Saul Penhallow have, respectively, entered into lock-up agreements dated 27 January 2015 with Matchtech pursuant to which they have each agreed, subject to certain customary exceptions, not to dispose of any of their respective interests in all or any of the New Matchtech Shares which they are to receive pursuant to the Acquisition for a period of two (2) years from the Effective Date or, if earlier, until the date such relevant individual has his position as a director or employee of Matchtech or Networkers terminated by the Company or Networkers other than for misconduct, misfeasance, gross negligence or serious breach of any material condition of employment (the “**Lock-Up Agreements**”).

## **10. De-listing and re-registration**

### *De-listing*

The last day of dealings and for registration of transfers of Networkers Shares (other than to Matchtech and/or its nominee) is expected to be 31 March 2015. Application will be made to the London Stock Exchange to suspend dealings in Networkers Shares on AIM with effect from 7.30 a.m. on 1 April 2015. Prior to the Scheme becoming Effective application will be made to the London Stock Exchange to cancel the admission to trading of the Networkers Shares on AIM on, or shortly after the Effective Date.

### *Re-registration as a private limited company*

It is also intended that Networkers be re-registered as a private limited company as soon as practicable after the Effective Date.

## **11. United Kingdom taxation**

Your attention is drawn to paragraph 18 of Part II of this document relating to United Kingdom taxation. Scheme Shareholders who are in any doubt about their taxation position or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom are strongly advised to contact an appropriate independent professional tax adviser immediately.

## **12. Overseas Shareholders**

Persons resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom should refer to paragraph 17 of Part II of this document.

## **13. Action to be taken**

Details of the Shareholder Meetings to be held and the action to be taken in respect of the Scheme are set out in paragraphs 13 and 14 of Part II of this document.

**It is particularly important that as many votes as possible are cast at the Court Meeting so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to return your Forms of Proxy or transmit a proxy instruction (either electronically or through CREST) as soon as possible.**

You will find notices of the Court Meeting and the General Meeting set out in Parts VII and VIII respectively of this document.

If you have any questions relating to this document, either of the Shareholder Meetings or the completion and return of the Forms of Proxy, please telephone Capita Asset Services on 0871 664 0321 from within the UK or on +44 (0)20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

#### **14. Further information**

Please read carefully the remainder of this document, including the letter from Liberum set out in Part II of this document, being the explanatory statement made in compliance with section 897 of the Companies Act. Please note that the information in this letter is not a substitute for reading the entirety of this document.

#### **15. Recommendation**

**The Networkers Directors, who have been so advised by Liberum (as the independent financial adviser for the purpose of Rule 3 of the Code), consider the terms of the Acquisition to be fair and reasonable. Accordingly, the Networkers Directors unanimously recommend that Networkers Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting, as each Networkers Director who holds Networkers Shares has irrevocably undertaken to do in respect of their entire beneficial holdings in Networkers which they control, being, in aggregate, a total of 41,597,703 Networkers Shares, representing approximately 49.5 per cent. of the existing issued share capital of Networkers. In providing its advice, Liberum has taken into account the commercial assessments of the Networkers Directors.**

Yours faithfully

**Neville Roger Goodman**  
Networkers International plc

## PART II

### EXPLANATORY STATEMENT

*(in compliance with section 897 of the Companies Act)*

Liberum Capital Limited  
Ropemaker Place, Level 12  
25 Ropemaker Street  
London EC2Y 9LY

12 February 2015

*To all holders of Networkers Shares and, for information only, to participants in the Networkers Share Schemes*

Dear Networkers Shareholder,

### **Recommended Acquisition of Networkers by Matchtech**

#### **1. Introduction**

On 28 January 2015, the Networkers Board and the Matchtech Board announced that they had reached agreement on the terms of a recommended offer by which the entire issued and to be issued share capital of Networkers will be acquired by Matchtech.

The Acquisition is to be effected by way of a scheme of arrangement under Part 26 of the Companies Act. In order to approve the terms of the Acquisition, those Networkers Shareholders entitled to vote will need to vote in favour of the Scheme Resolutions to be proposed at the Shareholder Meetings to be held on 9 March 2015.

We have been authorised by the Networkers Directors to write to you to set out the terms of the Acquisition and to provide you with other relevant information. Information contained in this letter concerning Networkers (other than Matchtech's reasons for the Acquisition, information concerning the financing of the Acquisition, the Matchtech Group, the Combined Group, the business of the Matchtech Group and the Combined Group and intentions or expectations of Matchtech and the irrevocable undertakings received by Matchtech) reflect the views of the Networkers Directors. Statements made or referred to in this letter regarding Matchtech's reasons for the Acquisition, information concerning the financing of the Acquisition, the Matchtech Group, the Combined Group, the business of the Matchtech Group and the Combined Group and intentions or expectations of Matchtech and the irrevocable undertakings reflect the views of the Matchtech Directors.

The terms of the Scheme are set out in full in Part VI of this document. Your attention is also drawn to the Conditions and further terms set out in Part III of this document which must be satisfied, or where capable of waiver, waived in order for the Scheme to become Effective. These Conditions include, among other things the Conditions referred to in paragraph 13.6 of this Part II.

#### **2. Recommendation of Networkers Directors**

Your attention is drawn to the letter from the Chairman of Networkers set out in Part I of this document. That letter contains, amongst other things, the unanimous recommendation by the Networkers Directors that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting and the reasons for the recommendation. The letter also states that the Networkers Directors, who have been so advised by Liberum, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, Liberum has taken into account the Networkers Directors' commercial assessments.

The reasons for recommending the Acquisition are set out in paragraph 3 of Part I of this document and details of the effect of the Acquisition on the interests of the Networkers Directors are referred to in paragraph 7 of Part I of this document.

### 3. The Acquisition

The Acquisition, which is subject to the Conditions and further terms set out in Part III of this document, will be effected by way of the Scheme. The Scheme is subject to, among other things, the satisfaction (or, if applicable, waiver) of the Conditions set out in Part III of this document. Following the Scheme becoming Effective, the entire issued and to be issued share capital of Networkers will be held by Matchtech.

If the Scheme becomes Effective in accordance with its terms, the Scheme Shares will be cancelled and Scheme Shareholders holding Scheme Shares at the Scheme Record Time will be entitled to receive:

**For each Networkers Share 34 pence in cash and 0.063256 New Matchtech Shares**

Based on the Closing Price of a Matchtech Share of 527.5 pence on 27 January 2015, being the latest practicable date prior to the date of the Announcement, the Acquisition values the entire issued and to be issued share capital of Networkers at approximately £57.9 million and each Networkers Share at approximately 67.4 pence.

The value of the consideration payable under the Acquisition based on the Closing Price of a Matchtech Share of 527.5 pence on 27 January 2015 being the latest practicable date prior to the Announcement, represents a premium of approximately:

- 22.5 per cent. to the Closing Price of 55.0 pence per Networkers Share on 27 January 2015 (being the last practicable date prior to the date of the Announcement);
- 28.6 per cent. to the average Closing Price per Networkers Share for the one month period up to and including 27 January 2015 (being the latest practicable date prior to the date of the Announcement); and
- 20.4 per cent. to the average Closing Price per Networkers Share for the twelve month period up to and including 27 January 2015 (being the latest practicable date prior to the date of the Announcement).

The Networkers Shares which will be acquired by Matchtech pursuant to the Acquisition, will be acquired fully paid and free from all liens, charges and encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all the rights now or thereafter attaching thereto, including the right to receive and retain all dividends and other distributions declared, made or paid after the date of the Announcement.

The New Matchtech Shares to be issued pursuant to the Scheme are expected to represent approximately 17.9 per cent. of the enlarged issued share capital of Matchtech following the Effective Date. The New Matchtech Shares will be issued credited as fully paid and will rank equally in all respects with the existing Matchtech Shares in issue including the right to receive in full all dividends and other distributions if any, declared, made or paid by reference to a record date falling after the Effective Date.

Subject to satisfaction or waiver of the Conditions and sanction by the Court of the Scheme and the confirmation by the Court of the associated Capital Reduction, it is expected that the Scheme will become Effective on or around 2 April 2015. The Scheme becomes Effective when the Court Orders and the associated Statement of Capital are delivered to the Registrar of Companies.

Fractions of New Matchtech Shares will not be allotted or issued to Networkers Shareholders pursuant to the Scheme. Fractional entitlements will be aggregated and sold in the market after the Effective Date and the net proceeds (after dealing costs) of sale will be paid in cash to the Networkers Shareholders entitled thereto as nearly as practicable in accordance with what would otherwise have been their respective fractional entitlements.

If the Scheme becomes Effective, it will be binding on all Networkers Shareholders, whether or not they were present or voted in favour of the Scheme and related issues at the Court Meeting and at the General Meeting.

The Acquisition is subject to the Conditions and certain further terms set out in Part III of this document. The Scheme can only become Effective if all Conditions have been satisfied or waived.

Overseas Shareholders should note the matters set forth in paragraph 17 of Part II of this document.

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

The Acquisition will enable Matchtech to accelerate the 2017 Vision referenced in the Chairman's Statement in Matchtech's 2014 Annual Report. This sets out Matchtech's ambition to become the market leading specialist recruiter in engineering and technology; the employer of choice in the recruitment industry; and the best partner to its clients and candidates; whilst developing a strong international business and delivering increased value for investors.

The Matchtech Directors believe that the Acquisition is strategically compelling, addressing all aspects of Matchtech's stated strategy:

*Sharpening focus* – both Matchtech and Networkers follow market segmentation principles, with recruitment teams aligned to clearly defined industry sectors/segments and skill sets. The Acquisition consolidates Matchtech's position as the UK's largest white collar engineering recruitment firm and through the proposed combination it would become the fifth largest UK technology recruitment business.

*Sector convergence* – Engineering, Technology and Telecoms skill sets are converging rapidly and the Combined Group is well placed to capitalise on the opportunities this presents.

*Moving up the value chain* – Matchtech has achieved organic improvement in gross profit margin in recent years, to 10 per cent. in the year to 31 July 2014 (2013: 9.4 per cent.), and expects this trend to continue. Networkers operates at higher price points than Matchtech, achieving a gross profit margin of 17.0 per cent. in the interim period to 30 June 2014, and Matchtech believes that the business combination will allow for the sharing of best practice in this area.

*Going global* – the Acquisition will enable Matchtech to further internationalise the service it currently provides to its clients by leveraging Networkers' existing international infrastructure. This global footprint will lower both the costs and risks of Matchtech's planned geographical expansion and will enable faster implementation of Matchtech's existing plans. The Acquisition will bring a previously missing competence in multi-site, multi-jurisdiction management to Matchtech. In addition, the combination of Networkers' international candidate database with Matchtech's largely UK contractor base will allow the Matchtech Group to better address the skill shortage issues reported by its clients worldwide.

*Improved opportunities for candidates* – by enhancing Matchtech's international capability, Matchtech will increase its attractiveness to UK qualified engineers, who are highly valued throughout the world and are increasingly seeking to gain experience on the largest and most prestigious global projects.

Overall the Acquisition creates a more geographically balanced business with scale in fast growing international markets whilst maintaining a healthy contract: permanent NFI split. Based on an illustrative combination of Matchtech's results for the year to 31 July 2014 and Networkers' performance in the 12 month period to 30 June 2014 (based on its interim results to 30 June 2014 plus H2 results for the year ending 31 December 2013), the combined NFI of the businesses would be split 73 per cent. Contract, 27 per cent. Permanent (in line with the existing Matchtech business) and 72 per cent. UK, 28 per cent. Rest of World (compared to 98 per cent. UK, 2 per cent. Rest of World for Matchtech in the year to 31 July 2014).

In summary, the Matchtech Board believes that the Acquisition will generate enhanced value for Matchtech Shareholders.

#### **5. Management and employees**

On the Announcement Date, the Matchtech Board announced that Adrian Gunn, the current Chief Executive Officer of Matchtech believed that it was the appropriate time to bring forward his retirement from the business (which he originally planned for 2016) and stepped down with immediate effect. In consequence, Brian Wilkinson moved from being Executive Chairman to being Chief Executive Officer; and Ric Piper, then Senior Independent Non-Executive Director of Matchtech, assumed the role of Interim Non-Executive Chairman until a permanent replacement is identified.

It is intended that, following completion of the Acquisition, a new management board will be formed to develop the strategy for the Combined Group going forward led by Brian Wilkinson in his new role as Group Chief Executive, Tony Dyer as Group Chief Financial Officer and Keith Lewis as Chief Operating Officer of



the existing Matchtech businesses, along with the current Networkers Chief Executive, Spencer Manuel, and Networkers Chief Financial Officer, Jon Plassard.

It is also intended that Roger Goodman, currently Non-Executive Chairman of Networkers, will join the Matchtech Board as a Non-Executive Director.

Matchtech attaches great importance to the skills, knowledge and expertise of Networkers' existing management and employees and believes that they will be well placed to benefit from enhanced career and business opportunities as part of the Combined Group. Matchtech intends to work with the senior management of Networkers closely following the Acquisition to develop an appropriate strategic plan to become the market leading specialist recruiter in engineering and technology; the employer of choice in the recruitment industry; and the best partner to its clients and candidates; whilst developing a strong international business and delivering increased value for investors. One aspect of such strategic plan is to consider how best to reduce costs where appropriate, including the cost savings of Networkers no longer maintaining a listing as a publicly traded company (including the associated reporting and corporate governance compliance costs). Matchtech also recognises the strength of the Networkers brand and intends to retain it at an operating level.

The Matchtech Board recognises that in order to achieve some of the expected benefits of the Acquisition, it will be necessary to perform a detailed review of how best to integrate Networkers into the Combined Group. This review will be carried out by the new management board to identify integration and market opportunities. The analysis carried out to date has indicated the potential to generate cost-savings for the Combined Group in areas where there is an overlap of functions, which could involve some headcount reductions, although Matchtech has not yet developed proposals as to the quantum of any headcount reductions nor the specific functional areas which may be affected by any headcount reductions. Following completion of the Acquisition, Matchtech will seek to reduce costs where appropriate which have historically been related to Networkers' status as a publicly traded company and otherwise (including the associated reporting and corporate governance compliance costs).

The review will also consider the Combined Group's operations and resources in order to ensure that they are optimal for the Combined Group's business. The number of employees and locations actually affected by the Acquisition will depend on the outcome of the detailed review.

Matchtech has given assurances to the Networkers Directors and confirms that the existing contractual and statutory employment rights of all Networkers employees – including rights to participate in applicable pension and retirement plans, or comparable plans – will be fully respected following completion of the Acquisition and that no material changes to the terms and conditions of any Networkers employees are currently envisaged. Networkers operates a defined contribution pension scheme and Matchtech confirms that, following completion of the Acquisition, it does not intend to implement any changes with regard to employer contributions into the Networkers pension scheme, the accrual of benefits for its existing members, or the admission of new members to it. In addition, Matchtech intends to put in place appropriate retention plans for those individuals who are identified as key to the ongoing success of the Combined Group. However, Matchtech has not proposed any management incentivisation arrangements with members of the Networkers' management team.

Other than as set out above, Matchtech does not currently intend to effect any material changes to the conditions of employment of Networkers or Matchtech employees.

Subject to the outcome of the detailed review referred to above of how best to integrate Networkers into the Combined Group, Matchtech does not currently intend to (i) change the location of Networkers' places of business (unless relocation is required due to (a) the entering into of a new lease or (b) the expiration of an existing lease within the next 12 months); or (ii) redeploy the fixed assets, if any, of Networkers.

The Combined Group's headquarters and registered office will be located at Matchtech's office at 1450 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire PO15 7AF.

## **6. Irrevocable undertakings**

Matchtech has received irrevocable undertakings to vote in favour of the Scheme Resolutions (or in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) from the following Networkers Shareholders:

- (i) Networkers Directors, in respect of the 41,597,703 Networkers Shares, in aggregate, which they control, representing approximately 49.5 per cent. of the existing issued share capital of Networkers; and
- (ii) Jon Moulton, Hargreave Hale and Dowgate Capital in respect of 19,688,328 Networkers Shares, in aggregate, representing approximately 23.4 per cent. of the existing issued share capital of Networkers.

In aggregate, therefore, Matchtech has received irrevocable undertakings to vote in favour of the Scheme Resolutions (or in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) in respect of a total of 61,286,031 Networkers Shares, representing approximately 72.9 per cent. of the existing issued share capital of Networkers.

Further details of the irrevocable undertakings are set out in paragraph 6 of Part V of this document.

## **7. The Networkers Directors and the effect of the Acquisition on their interests**

The Networkers Directors and details of their interests in the Ordinary Shares are set out in paragraph 5 of Part V of this document. Particulars of the Networkers Directors' service agreements are set out in paragraph 10 of Part V of this document.

Save as set out in this document, the effect of the Scheme on the interests of the Networkers Directors does not differ from the like interests of other persons.

## **8. Effect of the Acquisition on Networkers Share Schemes**

The Scheme will extend to any Networkers Shares which are unconditionally allotted or issued or transferred from Treasury on or prior to the Scheme Record Time to satisfy the exercise of existing options under the Networkers Share Schemes. The Scheme will not extend to any Networkers Shares allotted or issued or transferred from Treasury to satisfy options exercised at any time after the Scheme Record Time. Instead, any Networkers Shares allotted, issued or transferred from Treasury after the Scheme Record Time to satisfy such options will, subject to the Scheme becoming Effective, be immediately transferred to Matchtech (or its nominee) in exchange for the same consideration as Networkers Shareholders will be entitled to receive under the terms of the Acquisition. The terms of this exchange are set out in the proposed amendments to the Networkers Articles which will be considered at the General Meeting.

With the exception of options granted under the Networkers International plc 2014 Unapproved Share Option Plan, options granted under the Networkers Share Schemes are either already exercisable or will become exercisable immediately upon the Court sanctioning the Scheme at the Scheme Court Hearing.

All holders of outstanding options under the Networkers Share Schemes (other than options granted under the Networkers International plc 2014 Unapproved Share Option Plan) will be given the opportunity to exercise their options conditionally upon the sanction of the Scheme by the Court. Networkers Shares which are issued or transferred on or prior to the Scheme Record Time pursuant to any exercise of options which are conditional upon Court sanction will be subject to the terms of the Scheme.

Participants in the Networkers Share Schemes (other than the Networkers International plc 2014 Unapproved Share Option Plan) will receive separate Optionholder Letters explaining the effect of the Scheme on their Networkers Options and the action they may take in respect of their outstanding Networkers Options.

The Networkers Board has confirmed that the options granted under the Networkers International plc 2014 Unapproved Share Option Plan will not vest if the Acquisition becomes Effective on the terms set out in this document.

## 9. Offer related arrangements

### *Confidentiality Agreement*

Matchtech and Networkers entered into a confidentiality agreement dated 12 December 2014 pursuant to which each of Matchtech and Networkers have agreed to keep confidential information about the other party and not to disclose to third parties (other than permitted recipients) confidential information exchanged by them unless required by law or regulation (the “**Confidentiality Agreement**”). The Confidentiality Agreement also contains customary provisions relating to non-solicitation of the other party’s senior employees, customers and suppliers. The Confidentiality Agreement will remain in force until completion of the Acquisition, or for a period of two years from the date of the Confidentiality Agreement.

### *Lock-Up Agreements*

Jon Plassard, Spencer Manuel, Scott Simons and Saul Penhallow have, respectively, entered into lock-up agreements dated 27 January 2015 with Matchtech pursuant to which they have each agreed, subject to certain customary exceptions, not to dispose of any of their respective interests in all or any of the New Matchtech Shares which they are to receive pursuant to the Acquisition for a period of two (2) years from the Effective Date or, if earlier, until the date such relevant individual has his position as a director or employee of Matchtech or Networkers terminated by the Company or Networkers other than for misconduct, misfeasance, gross negligence or serious breach of any material condition of employment (the “**Lock-Up Agreements**”).

## 10. Financing of the Acquisition

### *Financing*

The cash consideration payment under the terms of the Acquisition (together with costs and expenses payable in connection with the Acquisition) will be funded by the proceeds of the term loan facility agreement dated 27 January 2015 between, among others, Matchtech and HSBC Bank plc (“**HSBC**”) (the “**HSBC Facility Agreement**”). In addition, under the terms of the HSBC Facility Agreement, Matchtech may also utilise the proceeds of the HSBC Facility Agreement to repay or discharge the existing indebtedness of the Networkers Group (together with associated fees, costs and/or expenses). The HSBC Facility Agreement is comprised of a term loan facility of £30 million.

In connection with the HSBC Facility Agreement, certain of the subsidiaries of Matchtech have granted floating charge security over their assets in favour of HSBC to secure the obligations owing under the HSBC Facility Agreement.

### *Amendments and waivers of the Acquisition documents*

Under the HSBC Facility Agreement, Matchtech has agreed, among other things:

- (i) except as required by law or regulation (including the Code), the Panel, an order of the Court, or with the consent of HSBC, not to waive, amend, declare or treat as satisfied any Condition where to do so would be materially prejudicial to the interests of HSBC; and
- (ii) (if Matchtech elects to make the Acquisition by way of an Offer), not declare the Offer unconditional as to acceptances until Matchtech has received valid acceptances (which have not been withdrawn) in respect of not less than 90 per cent. of the shares in Networkers to which the Offer relates.

Numis, financial adviser to Matchtech, is satisfied that resources are available to Matchtech to enable it to satisfy in full the cash consideration payable under the terms of the Acquisition.

## 11. Information on Networkers

Networkers was established in 2000 before being admitted to trading on AIM in 2006 via a reverse takeover. It is a global recruitment company specialised in delivering bespoke recruitment services to some of the world’s leading organisations. Working within specialist market sectors, Networkers’ focus is on supplying clients with high skilled staff on a permanent and temporary basis locally, regionally and internationally.

Networkers specialises in the Telecoms, IT and Energy and Engineering sectors, with NFI for the six month period ended 30 June 2014 split as to 46 per cent. Telco, 38 per cent. IT and 16 per cent. Energy and Engineering. The Energy and Engineering division is the newest division within the group having been established five years ago.

Networkers has operations in the UK and internationally, with its last interim results statement announced in September 2014 showing Networkers as having 387 employees as at 30 June 2014, of which 173 were based outside of the UK. In the same period, NFI was split between contract and permanent placements as to 72 per cent. contract and 28 per cent. permanent placements.

#### *Current trading, trends and prospects*

For the six months ended 30 June 2014, Networkers reported revenue of £81m, NFI of £13.8m, adjusted profit before tax of £2.7m and adjusted EPS of 2.13 pence. As at 30 June 2014, Networkers had net debt of £5.7m.

On the Announcement Date, Networkers released its Pre-close Statement and Trading Update covering the year ended 31 December 2014.

Trading activity during the second half of the year was much improved compared with H1. This was driven by improved market conditions in the Networkers Group's Telecoms division as well as continued strong growth in the Energy and Engineering division. The second half of the year's trading also showed an improvement compared to H2 last year.

On a full year basis, the Networkers Group expects NFI and underlying business performance to be in line with Networkers management's expectations.

## **12. Information on Matchtech and current trading and prospects**

Matchtech was established in 1984 and admitted to trading on AIM in 2006. Matchtech has become one of the UK's top specialist recruitment companies and generated annual revenue in excess of £450m in the year ended 31 July 2014.

Matchtech offers permanent and contracting recruitment solutions and is expanding its international offering in line with its strategic vision to 2017. Matchtech is split into two business units, Engineering and Professional Services.

The Engineering business unit operates under the Matchtech brand in six key markets, Aerospace, Automotive, Energy, Infrastructure, Maritime and General Engineering.

Engineering is predominantly a contract focused brand with 80 per cent. of its NFI in the interim period ended 31 January 2015 generated from contract recruitment and 20 per cent. from permanent placements.

The Professional Services business unit operates under four brands in the Technology and Professional Staffing markets.

Professional Services generated 58 per cent. of its NFI in the interim period ended 31 January 2015 from contract recruitment and 42 per cent. from permanent placements.

In the year ended 31 July 2014, Matchtech generated 98 per cent. of NFI in the UK.

#### *Current trading, trends and prospects*

For the year ended 31 July 2014, Matchtech reported revenue of £451.6m, NFI of £45.0m (including a £1.8m contribution from the Provanis acquisition made during the year), EBITA of £13.6m, adjusted profit before tax of £12.6m and adjusted EPS of 39.1 pence. As at 31 July 2014, Matchtech had net debt of £3.1m.

On the Announcement Date, Matchtech released its Pre-close Trading Update for the six months ended 31 January 2015.

Since Matchtech's last update on 14 November 2014, Matchtech has continued to see strong demand in the UK and worldwide for skilled engineers. The Matchtech Board believes that the Matchtech Group is well placed to continue to benefit from this demand due to its market leading position, balanced business model of contract and permanent recruitment and Matchtech's niche focus within the engineering and technology sectors.

The Matchtech Board expects the results for the full year to be in line with its expectations.

### **13. Description of the Scheme and the Shareholder Meetings**

#### **13.1 Structure of the Scheme**

The Acquisition is to be effected by way of a Court sanctioned scheme of arrangement between Networkers and the Scheme Shareholders under Part 26 of the Companies Act. The purpose of the Scheme is for Matchtech to become the owner of the entire issued and to be issued ordinary share capital of Networkers. This will be achieved by Networkers making an application to the Court to sanction the Scheme and confirm the Capital Reduction. Upon the Scheme becoming Effective, the Networkers Shares subject to the Scheme will be cancelled and the reserve arising from such cancellation will be applied in paying up in full a number of New Networkers Shares (which is equal, in nominal value, to the number of Networkers Shares cancelled) and issuing them to Matchtech, in consideration of which the holders of those Networkers Shares so cancelled will receive 34 pence in cash and 0.063256 New Matchtech Shares.

To become Effective, the Scheme requires, amongst other things, the approval of a majority in number of Scheme Shareholders (which, for the avoidance of doubt, excludes Matchtech and its concert parties) present and voting, whether in person or by proxy, at the Court Meeting representing 75 per cent. or more in value of the Scheme Shares voted. Upon the Scheme becoming Effective, it will become binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or General Meeting. All Scheme Shareholders are entitled to attend the Court Hearings in person or to be represented by counsel to support or oppose the sanctioning of the Scheme. Further details of the Shareholders' Meetings and the Conditions are set out in paragraphs 13.2-13.4 and 13.6 below.

Matchtech has agreed to subscribe for, and Networkers has agreed to allot, one fully paid Networkers Share prior to the Scheme Record Time and Matchtech has agreed to hold such share until after the Effective Date. This will mean that Matchtech will be a member of Networkers on the Effective Date and accordingly there will be no requirement under section 593 of the Companies Act for an independent valuation of the New Networkers Shares to be issued to Matchtech under the Scheme. The additional Networkers Share to be subscribed for by Matchtech and allotted by Networkers in advance of the Scheme Record Time, will not be a Scheme Share and will not be subject to the Scheme.

It is expected that the Scheme will become Effective on 2 April 2015, subject to the satisfaction or (where applicable) waiver of all relevant Conditions.

#### **13.2 The Shareholder Meetings**

The implementation of the Scheme will require the approval of the Scheme by the Scheme Shareholders at the Court Meeting to be held at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE at 10.00 a.m. on 9 March 2015 and the passing by the Networkers Shareholders of the Special Resolution to be proposed at the General Meeting to be held also at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE at 10.15 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned) on 9 March 2015.

Notices of both the Court Meeting and the General Meeting are set out in Part VII and Part VIII respectively of this document.

Whether or not you vote in favour of the Scheme Resolutions to be tabled at the Shareholder Meetings, if the Scheme becomes Effective, your Scheme Shares will be cancelled and you will receive the consideration due under the terms of the Acquisition.

As soon as practicable and, in any event, by no later than 7.00 a.m. on the Business Day following the Shareholder Meetings, Networkers shall make an announcement on a Regulatory Information Service stating whether or not the Scheme Resolutions were passed by the requisite majorities (and, if not, whether or not the Scheme has lapsed) and giving voting results in relation to the Shareholder Meetings.

### 13.3 **Court Meeting**

The Court Meeting will be held at the direction of the Court and has been convened for 10.00 a.m. on 9 March 2015 to enable the Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held by him.

The approval required at the Court Meeting is that those voting to approve the Scheme must represent the:

- (i) majority in number of; and
- (ii) at least 75 per cent. in value of the Scheme Shares held by, those Scheme Shareholders voting in person or by proxy.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion.**

### 13.4 **General Meeting**

The General Meeting has been convened for 10.15 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned) on the same date as the Court Meeting to enable all Networkers Shareholders to consider and, if thought fit, approve the Special Resolution to approve the Scheme and to authorise:

- (i) the cancellation of the Scheme Shares held by Scheme Shareholders;
- (ii) a reduction of Networkers's share capital equal to the nominal value of the Scheme Shares which are to be cancelled pursuant to the Scheme and the subsequent issue of New Networkers Shares to Matchtech in accordance with the Scheme;
- (iii) certain amendments to the Networkers Articles; and
- (iv) various related matters.

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

The Special Resolution, if passed, will authorise certain amendments to the Networkers Articles required in connection with the Scheme. The proposed amendments will provide, amongst other things, that: (i) any Networkers Shares issued between the Voting Record Time and the Scheme Record Time will be subject to the Scheme; and (ii) subject to the implementation of the Scheme, any Networkers Shares issued to any person (other than Matchtech or its nominee(s)) on or after the Scheme Record Time will be immediately transferred to Matchtech, in consideration of the payment of the same consideration per Networkers Share as was due to a holder of Scheme Shares under the Scheme. This will avoid any person (other than Matchtech or its nominee(s)) being left with Networkers Shares after dealings in such shares have ceased trading on AIM, which will occur at the close of business on the Last Dealing Date. The proposed changes to the Networkers Articles are contained in the notice of the General Meeting set out in Part VIII of this document.

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

Under the Companies Act, the Scheme also requires the sanction of the Court. The Scheme Court Hearing is expected to be held on 30 March 2015. The Reduction Court Hearing is expected to be held on 1 April 2015.

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

Following the Court Meeting and the General Meeting, the Scheme must be sanctioned and the Capital Reduction confirmed by the Court, and will only become Effective on:

- (i) the delivery of office copies of the Scheme Court Order and the Reduction Court Order (with the Statement of Capital attached thereto) to the Registrar of Companies; and
- (ii) in relation to the Capital Reduction, if required by the Court, the Reduction Court Order being registered by the Registrar of Companies,

this is expected to occur on or around 2 April 2015.

If the Scheme becomes Effective, it will be binding on all Networkers Shareholders irrespective of whether or not they attend or vote in favour of the Scheme at the Court Meeting or in favour of the Special Resolution at the General Meeting. If the Scheme is not implemented by the Long Stop Date (or such later date (if any) as Networkers and Matchtech may, with the consent of the Panel, agree and (if required) the Court may allow), the Scheme will not be implemented and the Acquisition will not proceed.

### 13.6 **Conditions**

The Conditions to the Scheme are set out fully in Part III of this document. In summary, the implementation of the Scheme is conditional, amongst other things, upon:

- (i) the Scheme becoming Effective by the Long Stop Date or such later date as Networkers and Matchtech may, with the consent of the Takeover Panel, agree and (if required) the Court may approve, failing which the Scheme will lapse;
- (ii) the approval of the Scheme by a majority in number of the Scheme Shareholders voting, either in person or by proxy, at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares voting, either in person or by proxy, at the Court Meeting;
- (iii) the passing of the Special Resolution by the requisite majority at the General Meeting;
- (iv) the sanction of the Scheme and subsequent confirmation of the Capital Reduction by the Court (in either case, with or without modification on terms agreed by Networkers and Matchtech) and the delivery of office copies of the Court Orders and the Statement of Capital to the Registrar of Companies and, if the Court so orders for the Scheme to become Effective, registration of the Reduction Court Order confirming the Capital Reduction and Statement of Capital with the Registrar of Companies; and
- (v) other conditions not otherwise identified above (but set out in Part III of this document) either being satisfied or, with the exception of certain conditions which are not capable of waiver, waived.

If any Condition referred to in paragraphs (i), (ii) and (iv) above is not capable of being satisfied by the date specified therein, Matchtech shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 8.00 a.m. on the Business Day following the date so specified, stating whether Matchtech has invoked that Condition, waived that Condition or, with the agreement of Networkers, specified a new date by which that Condition must be satisfied.

### 13.7 **Effective Date**

The Scheme will become Effective upon the later of (i) the delivery of office copies of the Scheme Court Order and the Reduction Court Order (with the Statement of Capital attached thereto) to the Registrar of Companies and (ii) in relation to the Capital Reduction, if required by the Court, the Reduction Court Order being registered by the Registrar of Companies.

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

Each holder of Networkers Shares who is entered in Networkers' register of members at the Voting Record Time will be entitled to attend and vote at the Court Meeting and the General Meeting. If either Shareholder Meeting is adjourned, only those Networkers Shareholders on the register of members at 6.00 p.m. on the day which is two days (excluding non-working days) before the adjourned meeting will be entitled to attend and vote.

Each Networkers Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a Networkers Shareholder. Please see paragraph 14 of this Part II of this document for further information on actions to be taken in order to vote at the Shareholder Meetings and to appoint proxies.

### 13.9 **Modifications and revision**

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

Matchtech reserves the right to elect, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer as it may determine in its absolute discretion. In such event, the Offer will be implemented on substantially the same terms as the Acquisition subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such less percentage, being more than 50 per cent., as Matchtech in its sole discretion may decide) of the shares to which such offer relates, so far as applicable, as those which would apply to the Scheme.

Any modification or revision to the Scheme shall be made no later than the date which is 14 days prior to the date of the Shareholder Meetings (or any later date to which such meetings are adjourned). Matchtech and Networkers shall only make a modification or revision to the Scheme either: (i) less than 14 days prior to the date of the Shareholder Meetings (or any later date to which such meetings are adjourned) or (ii) following the Shareholder Meetings, with the consent of the Panel.

## 14. **Action to be taken**

You will find notices of the Court Meeting and the General Meeting set out in Parts VII and VIII respectively of this document. You will also find enclosed with this document:

- a white Form of Proxy for use in respect of the Court Meeting;
- a blue Form of Proxy for use in respect of the General Meeting; and
- a reply paid envelope for use in the United Kingdom.

Whether or not you propose to attend either of the Shareholder Meetings in person, you are urged to complete BOTH Forms of Proxy in accordance with the instructions printed thereon and to return them to: Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and, in any event, so as to be received by no later than:

- **10.00 a.m. on 5 March 2015 in the case of the white Form of Proxy for the Court Meeting; and**
- **10.15 a.m. on 5 March 2015 in the case of the blue Form of Proxy for the General Meeting,**

(or, in the case of any adjournment, not later than 48 hours (excluding any part of the day which is not a working day) before the time fixed for the adjourned meeting). A reply paid envelope has been provided for this purpose for use in the United Kingdom only. The Scheme requires approval at both the Court Meeting and the General Meeting.



If the white Form of Proxy for the Court Meeting is not received by 10.00 a.m. on 5 March 2015, it may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting. However, if the blue Form of Proxy for the General Meeting is not received by 10.15 a.m. on 5 March 2015, it will be invalid.

If you hold your Networkers Shares in CREST, you may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual via CREST (please also refer to the accompanying notes for the notices of the Shareholder Meetings set out in Parts VII and VIII of this document and in the Forms of Proxy).

Proxies submitted electronically through CREST must be sent as soon as possible, and in any event, so as to be received by no later than 10.00 a.m. on 5 March 2015 in the case of the Court Meeting and by 10.15 a.m. on 5 March 2015 in the case of the General Meeting (or in the case of any adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting).

Networkers Shareholders entitled to attend and vote at the Shareholder Meetings may appoint a proxy electronically by logging on to [www.capitashareportal.com](http://www.capitashareportal.com) and following the instructions provided. For an electronic proxy to be valid, your appointment must be received by no later than 10.00 a.m. on 5 March 2015 in the case of the Court Meeting and by no later than 10.15 a.m. on 5 March 2015 in the case of the General Meeting (or in the case of an adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting).

The Court Meeting and the General Meeting will be held at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE at 10.00 a.m. and 10.15 a.m., respectively, on 9 March 2015.

If you propose to attend the Shareholder Meetings, please detach and bring with you the attendance slip to assist your admission.

**Completing and returning the Forms of Proxy, completing and transmitting a CREST Proxy Instruction or appointing a proxy electronically will not prevent you from attending and voting in person at either of the Shareholder Meetings, or any adjournment of either of the Shareholder Meetings, if you so wish and are so entitled. It is particularly important that as many votes as possible are cast at the Court Meeting so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to return your Forms of Proxy or transmit a proxy instruction (either electronically or through CREST) as soon as possible.**

## **15. Admission to trading, dealings in Networkers Shares, New Matchtech Shares and settlement**

An indicative timetable of principal events setting out, among other things, the expected date of the last day of trading in, and the suspension of, Networkers Shares on AIM is on page 13 of this document.

The last day of dealings in Networkers Shares on AIM is expected to be the Business Day immediately prior to the Reduction Court Hearing and no transfers will be registered after 5.00 p.m. on that date (other than the registration of Networkers Shares released, transferred or issued to satisfy the exercise of Networkers Options granted under the Networkers Share Schemes). Networkers will make an application to the London Stock Exchange for the suspension of dealings in Networkers Shares on AIM with effect from 7.30 a.m. on 2 April 2015.

Prior to the Effective Date, Networkers will make an application to the London Stock Exchange for the cancellation of the admission to trading of the Networkers Shares on AIM.

On the Effective Date, Networkers will become a wholly owned subsidiary of Matchtech and share certificates in respect of Networkers Shares shall cease to be valid and Scheme Shareholders should, if so requested by Networkers, send their Networkers share certificates to Networkers following receipt of the Consideration due under the terms of the Acquisition or destroy them. Entitlements to Networkers Shares held within the CREST system will be cancelled on the Effective Date.

Upon the Scheme becoming Effective, New Matchtech Shares will be allotted to former Networkers Shareholders.

It is also intended that Networkers be re-registered as a private limited company as soon as practicable after the Effective Date.

An application will be made to the London Stock Exchange for the New Matchtech Shares to be admitted to trading on AIM. It is expected that trading of the New Matchtech Shares on AIM will become effective, and that dealings for normal settlement in the New Matchtech Shares traded on AIM will commence not later than the Business Day after the date on which the Scheme becomes Effective.

Subject to the Scheme becoming Effective (and except as provided in paragraph 17 of this Part II in relation to certain Overseas Shareholders), settlement of the Consideration to which any Scheme Shareholder is entitled thereunder will be effected within 14 days of the Effective Date in the manner set out below.

Except with the consent of the Panel, settlement of Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set off, counterclaim or other analogous right to which Matchtech may otherwise be, or claim to be, entitled against such Scheme Shareholder.

All documents and remittances sent through the post will be sent at the risk of the person(s) entitled thereto, and shall be sent by first class post addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of Networkers at the Scheme Record Time, or in the case of joint holders, at the address of that member that stands first in the register of members in respect of that holding.

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

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, he or she will be issued with any New Matchtech Shares to which he or she is entitled through CREST. Matchtech will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant holder with such holder's entitlement to such New Matchtech Shares as soon as possible after 8.00 a.m. on the date of Admission of the New Matchtech Shares.

As from the Scheme Record Time, each holding of Scheme Shares held in uncertificated form in CREST will be disabled and all Scheme Shares will be removed from CREST in due course thereafter.

Settlement of cash consideration will be effected through CREST by the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds such uncertificated shares in respect of the cash consideration due to him in accordance with the terms of the Scheme no later than 14 days after the Effective Date.

Matchtech reserves the right to issue the New Matchtech Shares and settle the cash consideration referred to in this paragraph 15.1 to all or any Scheme Shareholder(s) who hold(s) Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in paragraph 15.2 of this Part II if, for reasons outside its reasonable control, it is not able to effect settlement in uncertificated form in accordance with this paragraph 15.1.

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

On the Effective Date, Scheme Shares held in certificated form will be cancelled and share certificates for such Scheme Shares will cease to be valid and should be destroyed.

Any New Matchtech Shares to which Scheme Shareholders are entitled pursuant to the Scheme in certificated form will be issued within 14 days after the Effective Date. Certificates for the New Matchtech Shares will be despatched by first class post no later than 14 days after the Effective Date in prepaid envelopes addressed to the persons entitled at their respective addresses, as appearing in the register of members of Networkers at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holding).

Pending the despatch of certificates for New Matchtech Shares, temporary documents of title will not be issued and transfers of New Matchtech Shares in certificated form will be certified against the register of members of Matchtech.

Settlement of the cash consideration in respect of Scheme Shares held in certificated form shall be despatched:

- (i) by first class post, by cheque drawn on a branch of a UK clearing bank; or
- (ii) by such other method as may be approved by the Panel.

All such cash payments shall be made in pounds sterling. Payments made by cheque shall be payable to the Scheme Shareholders concerned or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holding at the Scheme Record Time. Cheques shall be despatched within 14 days of the Effective Date.

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

In the case of Scheme Shares acquired by directors or employees of the Networkers Group on the exercise of Networkers Options, New Matchtech Shares to which such Scheme Shareholders are entitled will be issued in accordance with paragraphs 15.1 or 15.2 (as appropriate) and settlement of the cash Consideration shall be made either by cheque or directly into the relevant director or employee bank account within 14 days of the Effective Date in accordance with the Optionholder Letters.

## **16. Dividend Policy**

The Matchtech Board intends to continue Matchtech's current progressive dividend policy and will decide the absolute level of any future dividends taking into account the Combined Group's underlying earnings, cash flows, capital investment plans and the prevailing market outlook.

## **17. Overseas Shareholders**

The release, publication or distribution of this document and/or the accompanying documents and the availability of New Matchtech Shares issued pursuant to the Acquisition to persons resident in, or citizens of, jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Neither this document nor the accompanying documents are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. Nothing in this document or the accompanying documents should be relied upon for any other purpose.

The implications of the Scheme for Overseas Shareholders may be affected by the laws of the relevant jurisdiction in which they reside. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in which they reside in connection with the Scheme, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This document has been prepared for the purpose of complying with English law and the Code and the information disclosed may be different from that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. The New

Matchtech Shares to be issued pursuant to the Acquisition have not been, nor will they be, registered under the relevant securities laws of any jurisdiction other than the United Kingdom. Accordingly, the New Matchtech Shares may not be offered, sold, resold, delivered or transferred directly or indirectly in or into any such jurisdiction where the relevant action would constitute a violation of the relevant laws or regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent, registration, filing or formality by Matchtech or Networkers. Overseas Shareholders should consult their own legal and tax advisers with regard to the legal and tax consequences of the Scheme and the Acquisition on their particular circumstances.

If, in respect of any Overseas Shareholder, Matchtech is advised that the allotment and issue of New Matchtech Shares would or might infringe the laws of any jurisdiction outside the United Kingdom, or would or might require Matchtech to obtain any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of Matchtech, it would be unable to comply or which it regards as unduly onerous, then Matchtech may in its sole discretion either:

- (a) determine that no New Matchtech Shares shall be allotted and issued to such Overseas Shareholder, but that instead those New Matchtech Shares shall be allotted and issued to a nominee appointed by Matchtech, as trustee for such Overseas Shareholder, on terms that they shall be sold on behalf of such Overseas Shareholder as soon as reasonably practicable following the Scheme Effective Date, with the net proceeds of sale (after deduction of all expenses and commissions, including any amount in respect of Value Added Tax payable thereon) being remitted to the Overseas Shareholder concerned (by sending a cheque in sterling) as soon as reasonably practicable after the sale at the risk of the Overseas Shareholder; or
- (b) determine that such New Matchtech Shares shall be sold on behalf of such Overseas Shareholder, in which event the New Matchtech Shares shall be issued to such Overseas Shareholder and Matchtech shall appoint a person to procure that those shares be sold as soon as reasonably practicable following the Effective Date, with the net proceeds of sale (after deduction of all expenses and commissions, including any amount in respect of Value Added Tax payable thereon) being remitted to the Overseas Shareholder concerned (by sending a cheque in sterling) as soon as reasonably practicable after the sale at the risk of the Overseas Shareholder.

Any sale under paragraphs (a) and (b) above shall be carried out at the best price which can reasonably be obtained at the time of sale. To give effect to any such sale, the person or nominee so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give such instructions and to do all other things which he may consider expedient in connection with such sale. In the absence of bad faith or wilful default, none of Networkers, Matchtech or their respective directors and officers or the nominee or person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

**THIS DOCUMENT DOES NOT CONSTITUTE, OR FORM PART OF, ANY OFFER TO SELL, OR ANY SOLICITATION OF ANY OFFER TO BUY, ANY SECURITIES, NOR IS IT A SOLICITATION OF ANY VOTE OR APPROVAL IN ANY JURISDICTION, NOR WILL THERE BE ANY PURCHASE OR TRANSFER OF THE SECURITIES REFERRED TO IN THIS DOCUMENT IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW OR REGULATION.**

All Networkers Shareholders (including, without limitation, nominees, trustees or custodians) who would, or otherwise intend to, forward this document and its accompanying documents to any jurisdiction outside the United Kingdom, should seek appropriate independent professional advice before taking any action.

The Matchtech Board has confirmed that all Networkers Shareholders on the register of members of the Company on 11 February 2015 (being the latest practicable date prior to the date of this document) who hold Scheme Shares at the appropriate time will be issued and allotted New Matchtech Shares as contemplated by the Scheme.

## **18. United Kingdom taxation**

The following information is intended only as a general guide to current UK tax legislation and published HM Revenue and Customs practice as it applies to disposing of Networkers Shares. It is intended only for Networkers Shareholders who are resident and, in the case of individuals, ordinarily resident in the UK for tax purposes and who hold Networkers Shares beneficially as investments.

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

### 18.1 **UK Taxation of Chargeable Gains**

Liability to UK taxation of chargeable gains (“**UK CGT**”) will depend upon the particular circumstances of Networkers Shareholders and on the form of Consideration received.

#### (i) *Cash*

To the extent that he receives cash under the Acquisition, a Networkers Shareholder who is either resident or, in the case of an individual, ordinarily resident for tax purposes in the UK and whose Networkers Shares are subject to the Scheme will generally be treated as making a disposal of such Networkers Shares for the purposes of the UK CGT. Such a disposal may, depending upon the Networkers Shareholder’s circumstances and subject to available exemptions or reliefs, give rise to a chargeable gain or allowable loss for UK CGT purposes.

For UK resident or ordinarily resident individual Networkers Shareholders, any chargeable gain arising after taking account of reliefs and exemptions will generally be subject to UK CGT at the rate of 18 per cent. or, for higher rate taxpayers, 28 per cent. Personal representatives and trustees will also pay capital gains tax at a flat rate 28 per cent.

The capital gains annual exemption (£11,000 for 2014/2015) may be available for UK resident or ordinarily resident individual Networkers Shareholders to offset any chargeable gain (to the extent it has not already been utilised).

For UK resident Networkers Shareholders within the charge to corporation tax, an indexation allowance may be available to reduce the amount of the chargeable gain realised on a disposal of the Networkers Shares.

#### (ii) *Receipt of New Matchtech Shares*

A Networkers Shareholder not holding (either alone or together with persons connected with him) more than five per cent. of Networkers Shares or debentures of the Company should not, to the extent that he receives New Matchtech Shares under the Acquisition, be treated as having made a disposal of Networkers Shares for the purposes of UK CGT. Any chargeable gain or allowable loss which would otherwise have arisen on a disposal of his Networkers Shares will be “rolled over” into the New Matchtech Shares, and the New Matchtech Shares will be treated as the same asset as his Networkers Shares acquired at the same time and for the same consideration as he acquired his Networkers Shares.

#### (iii) *Disposal of New Matchtech Shares*

A subsequent disposal of New Matchtech Shares may result in a liability to UK CGT.

Any chargeable gain or allowable loss on a subsequent disposal of the New Matchtech Shares should be calculated taking into account the allowable cost to the holder of acquiring the relevant Networkers Shares. In broad terms it is expected that the allowable cost of the relevant Networkers Shares will be apportioned to the New Matchtech Shares and the cash received according to their respective market values on the Effective Date. For a Networkers Shareholder within the charge to UK corporation tax, an indexation allowance may be available to reduce a chargeable gain (but not increase an allowable loss) which would otherwise be subject to UK CGT.

### 18.2 **Stamp Duty and Stamp Duty Reserve Tax**

No UK stamp duty or stamp duty reserve tax should be payable by Networkers Shareholders as a result of the Acquisition.

## 19. De-listing and re-registration

### *De-listing*

The last day of dealings and for registration of transfers of Networkers Shares (other than to Matchtech and/or its nominee) is expected to be 31 March 2015. Application will be made to the London Stock Exchange to suspend dealings in Networkers Shares on AIM with effect from 7.30 a.m. on 1 April 2015. Prior to the Scheme becoming Effective application will be made to the London Stock Exchange to cancel the admission to trading of the Networkers Shares on AIM on, or shortly after the Effective Date.

### *Re-registration as a private limited company*

It is also intended that Networkers be re-registered as a private limited company as soon as practicable after the Effective Date.

## 20. Further information

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

Your attention is also drawn to the following sections, which form part of this document:

- Part III (Conditions and further terms of the Scheme and the Acquisition);
- Part IV (Financial Information);
- Part V (Additional Information);
- Part VII (Notice of Court Meeting); and
- Part VIII (Notice of General Meeting).

Yours faithfully

Tom Fyson  
**Liberum Capital Limited**

## PART III

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

The Acquisition is subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the AIM Rules and the FCA.

The Scheme is governed by English law and will be subject to the exclusive jurisdiction of the English courts. In addition, it is subject to the terms and conditions set out in this document.

Matchtech reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of an Offer.

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

#### PART 1: Conditions of the Acquisition

The Acquisition is subject to the satisfaction of the following Conditions:

##### Scheme approval

The Acquisition is conditional upon the Scheme becoming unconditional and becoming Effective by no later than the Long Stop Date.

(A) The Scheme is conditional upon:

- (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders who are on the register of members of Networkers at the Voting Record Time and who are present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting on or before 31 March 2015 (or such later, if any, as Matchtech and Networkers may, subject to the Takeover Code or with the consent of the Panel, agree and, if required, the Court may approve);
- (ii) all resolutions necessary to approve and implement the Scheme and Capital Reduction being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of that meeting on or before 31 March 2015 (or such later date, if any, as Matchtech and Networkers may, subject to the Takeover Code or with the consent of the Panel, agree and, if required, the Court may approve);
- (iii) the sanction of the Scheme by the Court and the confirmation of the Capital Reduction by the Court, in each case without modification or with modification on terms acceptable to Matchtech and Networkers, on or before 21 April 2015 (or such later date, if any, as Matchtech and Networkers may, subject to the Takeover Code or with the consent of the Panel, agree and, if required, the Court may approve) and:
  - (a) the delivery of office copies of each of the Court Orders and of the Statement of Capital to the Registrar of Companies; and
  - (b) if the Court so orders for it to become Effective, the registration of the Reduction Court Order and the Statement of Capital by the Registrar of Companies;
- (iv) the London Stock Exchange having acknowledged to Matchtech or its agent (and such acknowledgement not having been withdrawn) that the New Matchtech Shares will be admitted to trading on AIM; and
- (v) the Scheme becoming Effective on or before 6.00 p.m. on the Long Stop Date.

In addition, subject as stated in Part 2 of this Part III of this document and to the requirements of the Panel, the Acquisition is conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate)

have been satisfied (and continue to be satisfied pending the commencement of the Scheme Court Hearing) or, where relevant, waived in writing prior to the Scheme being sanctioned by the Court:

### **General anti-trust and regulatory**

- (B) no Third Party having given notice of its decision or threatened to take, institute or implement any action, proceeding, suit, investigation, enquiry or reference, or having required any action or step to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order that would or might reasonably be expected to (in any case to an extent or in a manner which is material in the context of the Wider Networkers Group or the Wider Matchtech Group, as the case may be, in each case, taken as a whole):
- (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Networkers by any member of the Wider Matchtech Group, void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, materially delay or otherwise to a material extent interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise impede, challenge, interfere, hinder the Acquisition or its implementation or require material amendment to the terms of the Acquisition or the acquisition or proposed acquisition of any Networkers Shares, or voting control of, Networkers by any member of the Wider Matchtech Group, or otherwise challenge or interfere therewith;
  - (ii) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Matchtech Group or by any member of the Wider Networkers Group of all or any material part of their respective businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own or voting control any of their assets or properties (or any material part thereof);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Matchtech Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in Networkers or on the ability of any member of the Wider Networkers Group or any member of the Wider Matchtech Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Networkers Group;
  - (iv) require, prevent or materially delay a divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Matchtech Group or the Wider Networkers Group of any shares or other securities (or the equivalent) in any member of the Wider Networkers Group or any member of the Wider Matchtech Group;
  - (v) except pursuant to Chapter 3 of Part 28 of the Companies Act in the event that Matchtech elects to implement the Acquisition by way of an Offer, require any member of the Wider Matchtech Group or the Wider Networkers Group to acquire, or offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Networkers Group or any asset owned by any third party (other than in connection with the implementation of the Acquisition);
  - (vi) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Matchtech Group or any member of the Wider Networkers Group to integrate all or any part of its business with all or any part of the business of any other member of the Wider Matchtech Group and/or the Wider Networkers Group;
  - (vii) require any member of the Wider Networkers Group to relinquish, terminate or amend in any way that is material any contract to which any member of the Wider Networkers Group is a party;



- (viii) result in any member of the Wider Networkers Group or any member of the Wider Matchtech Group ceasing to be able to carry on business under any name under which it currently does so in any jurisdiction; or
- (ix) otherwise materially adversely affect all or any of the business, assets or liabilities, profits or prospects of any member of the Wider Networkers Group or any member of the Wider Matchtech Group;

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

### **Notifications, waiting periods and Authorisations**

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

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

- (D) except as Fairly Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Networkers Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any event or circumstance, which, in each case as a consequence of the Acquisition, or the acquisition or proposed acquisition of any Networkers Shares, or because of a change in the voting control of Networkers, would or would reasonably be expected to result in (in any case to an extent that is or would be material in the context of the Wider Networkers Group taken as a whole):
  - (i) any monies borrowed by, or any other indebtedness (actual or contingent) of, or any grant available to, any member of the Wider Networkers Group being or becoming repayable or being capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or being capable of becoming withdrawn;
  - (ii) any such agreement, arrangement, licence, permit or other instrument being terminated or the rights, liabilities, obligations or interest of any member of the Wider Networkers Group thereunder, being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any member of the Wider Networkers Group ceasing to be able to carry on its business under any name under which it currently does so;
  - (iv) any assets or interests of or used by any member of the Wider Networkers Group being or being required to be disposed of or charged or ceasing to be available to any such member or any

right arising under which any such asset or interest would be required to be disposed of or charged or cease to be available to such member, in each case otherwise than in the ordinary course of business;

- (v) the creation, save in the ordinary course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Networkers Group or any such security (whenever created, arising or having arisen) becoming enforceable;
- (vi) except as agreed by Networkers and Matchtech any liability of any member of the Wider Networkers Group to make any severance, termination, bonus or other payment to any of its directors or other officers;
- (vii) any requirement on any member of the Wider Networkers Group to acquire, subscribe, pay up or repay any shares or other securities;
- (viii) the rights, liabilities, obligations or interests of any member of the Wider Networkers Group in, or the business of any such member under any such agreement, arrangement, licence, permit or other instrument or the interests or business of any such member in or with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder; or
- (ix) the financial or trading position or prospects of any member of the Wider Networkers Group being prejudiced or adversely affected;

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Networkers Group is a party or under which any of its assets are or may be bound or subject, would result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (ix) of this Condition;

#### **Certain events occurring since 31 December 2013**

- (E) since 31 December 2013, except as Fairly Disclosed, no member of the Wider Networkers Group having:
  - (i) save, where relevant, as between Networkers and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Networkers or upon the exercise of rights to subscribe for Networkers Shares pursuant to the exercise of options granted under any of the Networkers Share Schemes in the ordinary course of business and except for the issue or transfer out of treasury to the extent agreed between Matchtech and Networkers, issued or agreed to issue or authorised or announced its intention to authorise or propose the issue of additional shares (or other securities) of any class, or securities or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold, or agreed to transfer or sell or authorised the transfer or sale of any shares out of treasury or purchased, redeemed or reduced or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital;
  - (ii) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Networkers to Networkers or any of its wholly-owned subsidiaries, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
  - (iii) save for transactions between Networkers and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Networkers or pursuant to the Acquisition or otherwise in the ordinary course, disposed of or transferred, mortgaged or created any security interest over any material assets or any right, title or interest in any material asset (including shares or loan capital (or the equivalent thereof) in any undertaking or undertakings and further including trade investments) or implemented, effected, authorised or announced any intention to implement, effect or authorise any reconstruction, amalgamation, scheme, commitment, acquisition, disposal, transfer, mortgage, charge or security interest (which, in the case of any transfer, mortgage, charge or security interest, is other than in the ordinary course of business) and in any

- case to an extent that is or would be material in the context of the Wider Networkers Group taken as a whole;
- (iv) save for transactions between Networkers and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Networkers, made or authorised or announced an intention to propose any change in its loan capital or issued or authorised the issue of any debentures;
  - (v) entered into, implemented or authorised the entry into of, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which in any case is material in the context of the Wider Networkers Group taken as a whole;
  - (vi) save for transactions between Networkers and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Networkers or otherwise in the ordinary course, issued or agreed to issue or authorised or announced an intention to authorise the issue of, or made a material change in or to the terms of any debentures or (save for trade credit incurred in the ordinary course of business), incurred or increased, or agreed to incur or increase, any indebtedness or become, or agreed to become, subject to any liability (actual or contingent) to an extent which is material in the context of the Wider Networkers Group taken as a whole;
  - (vii) entered into or varied, or made any offer to enter into or vary, the terms of any contract, agreement or arrangement with any director or senior executive of any member of the Wider Networkers Group which in any case is material in the context of the Wider Networkers Group taken as a whole;
  - (viii) entered into or varied or announced its intention to enter into or vary any material agreement, contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) other than in the ordinary course of business which is of a long-term, onerous or unusual nature or magnitude or which is or involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or could be reasonably likely to be materially restrictive or onerous on the business of any member of the Wider Networkers Group or the Wider Matchtech Group which taken together with any other such material agreement, contract, transaction, arrangement or commitment is reasonably likely to be material in the context of the Wider Networkers Group taken as a whole;
  - (ix) other than in respect of a member which is dormant and was solvent at the relevant time, taken or proposed any step or corporate action, or had any legal proceedings instituted or threatened in writing against it, in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed and in any case to an extent that is or would be material in the context of the Wider Networkers Group taken as a whole;
  - (x) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
  - (xi) waived, compromised or settled any claim which is material in the context of the Wider Networkers Group taken as a whole otherwise than in the ordinary course of business;
  - (xii) terminated or varied the terms of any agreement or arrangement between any member of the Wider Networkers Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Networkers Group taken as a whole;
  - (xiii) made or agreed or consented to any change in any material respect to:
    - (a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Networkers Group for its directors, employees or their dependants;
    - (b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;

- (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined;
- (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to, in a manner which, in any such case, is material in the context of the Wider Networkers Group taken as a whole;
- (xiv) save as agreed in writing by Matchtech, proposed, agreed to provide or modified the terms of any share option scheme, pension scheme obligations, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Networkers Group, which are material in the context of the Wider Networkers Group taken as a whole;
- (xv) made any alteration to the articles of association or other incorporation documents of Networkers or any material alteration to the memorandum or articles of association of any member of the Networkers Group (in each case, other than an alteration in connection with the Scheme) which in any such case is material in the context of the Acquisition as a whole; or
- (xvi) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Networkers Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

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

(F) since 31 December 2013, except as Fairly Disclosed, there having been:

- (i) no material adverse change in the business, assets, liabilities, financial or trading position or prospects of any member of the Wider Networkers Group which, in any such case, is material in the context of the Wider Networkers Group taken as a whole;
- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been initiated, announced or threatened in writing by or against any member of the Wider Networkers Group and no enquiry, or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Networkers Group (or any person in respect of which any such member has responsibility or liability) having been threatened in writing, announced, instituted by or against or remaining outstanding against or in respect of any member of the Wider Networkers Group which, in any such case, has had, or would reasonably be expected to have, a material adverse effect on the Wider Networkers Group taken as a whole;
- (iii) no contingent or other material liability in respect of any member of the Wider Networkers Group having arisen or become apparent to Matchtech or increased which has had, or would reasonably be likely to have, a material adverse effect on the business, assets, financial or trading position or profits or prospects of any member of the Wider Networkers Group to an extent which is material in the context of the Wider Networkers Group taken as a whole;
- (iv) no amendment or termination of any material joint venture or material partnership to which any member of the Wider Networkers Group is a party having been agreed or permitted; and
- (v) no action having been taken and no omissions having been made which are reasonably likely to lead to or result in the withdrawal, cancellation, termination, modification or variation of any Authorisation held by or on behalf of any member of the Wider Networkers Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, a material adverse effect on the Wider Networkers Group taken as a whole;

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

(G) except as Fairly Disclosed, Matchtech not having discovered:

- (i) that any financial, business or other information concerning the Wider Networkers Group as contained in the information publicly disclosed prior to the date of the Announcement at any time by or on behalf of any member of the Wider Networkers Group or disclosed at any time to any member of the Wider Matchtech Group by or on behalf of any member of the Wider Networkers

Group in the context of the Acquisition is materially misleading, contains a misrepresentation of any material fact or omits to state a fact necessary to make that information not misleading in any material respect, in each case to an extent which is, in any case itself or together with other factors, material in the context of the Wider Networkers Group taken as a whole; and

- (ii) that any member of the Wider Networkers Group or any partnership, company or other entity in which any member of the Wider Networkers Group has a significant economic interest and which is not a subsidiary undertaking of Networkers is otherwise than in the ordinary course of business subject to any liability (contingent or otherwise) which, in any such case, is material in the context of the Wider Networkers Group taken as a whole.

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

- (H) except as Fairly Disclosed, Matchtech not having discovered:
  - (i) any past or present member, director, officer or employee of the Wider Networkers Group, or any other person for whom any member of the Wider Networkers Group is liable or responsible, has not complied with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and any laws implementing the same, the U.K. Bribery Act 2010 and/or the U.S. Foreign Corrupt Practices Act of 1977;
  - (ii) any past or present member of the Wider Networkers Group has engaged in any business with or made any investments in, or made any payments to, (a) any government, entity or individual with which U.S. or E.U. persons are prohibited from engaging in activities or doing business by U.S. or E.U. laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations or the European Union or any of their respective member states; and
  - (iii) any asset of any member of the Wider Networkers Group constitutes criminal property as defined by Section 340(3) of the Proceeds of Crime Act 2002 in circumstances that are material.

#### **PART 2: Certain further terms of the Acquisition**

1. Subject to the requirements of the Panel, Matchtech reserves the right in its sole discretion to waive (if capable of waiver) in whole or in part all or any of the above Conditions, except for Condition (A) (*Scheme approval*), which cannot be waived.
2. Conditions (B) (*General anti-trust and regulatory*) to (H) (*Anti-corruption, sanctions and criminal property*) (inclusive) must be fulfilled, be determined by Matchtech to be or remain satisfied or waived by, no later than the commencement of the Scheme Court Hearing, failing which the Acquisition will lapse. Matchtech shall be under no obligation to waive or treat as satisfied any of Conditions (B) (*General anti-trust and regulatory*) to (H) (*Anti-corruption, sanctions and criminal property*) (inclusive) by a date earlier than the latest date specified above for the fulfilment, satisfaction or waiver thereof, notwithstanding that any such Condition or the other Conditions of the Scheme and the Acquisition may at such earlier date have been waived, satisfied or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
3. If Matchtech is required by the Panel to make an offer for any Networkers Shares under the provisions of Rule 9 of the Code, Matchtech may make such alterations to the Conditions and further terms of the Acquisition as are necessary to comply with the provisions of that Rule.
4. Matchtech reserves the right to elect with the consent of the Takeover Panel (where necessary), to elect to implement the Acquisition by way of an Offer. In such event, the Acquisition will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Acquisition. The acceptance condition would be set at 90 per cent. of the shares to which such Offer relates (or such lesser percentage (being more than 50 per cent.) as Matchtech may decide with the consent of the Takeover Panel). Further, if sufficient acceptances of the Offer are received and/or sufficient Networkers Shares are otherwise acquired, it is the intention of Matchtech to apply the provisions of the Companies Act to compulsorily acquire any outstanding Networkers Shares to which such Offer relates.

5. The availability of the Acquisition to Networkers Shareholders who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom and any Networkers Shareholders who are not resident in the United Kingdom will need to inform themselves about, and observe, any applicable requirements.
6. Unless otherwise determined by Matchtech or required by the Code and permitted by applicable law and regulation, the Acquisition is not being made, and will not be made, directly or indirectly, in or into any Restricted Jurisdiction or by the use of the mails of, or by any other means or instrumentality (including, without limitation, electronic mail, fax transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national state or other securities exchange of any other Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from any Restricted Jurisdiction.
7. Networkers Shares which are acquired under the Acquisition will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any), and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid on or after the date of the Announcement.
8. Fractions of New Matchtech Shares will not be allotted or issued to Networkers Shareholders pursuant to the Scheme. Fractional entitlements will be aggregated and sold in the market after the Effective Date and the net proceeds (after dealing costs) of sale will be paid in cash to the Networkers Shareholders entitled thereto as nearly as practicable in accordance with what would otherwise have been their respective fractional entitlements.
9. The Acquisition shall lapse (unless otherwise agreed with the Takeover Panel) if:
  - (a) in so far as the Acquisition or any matter arising from the Scheme or Acquisition constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority of the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference; or
  - (b) in so far as the Acquisition or any matter arising from the Scheme or Acquisition does not constitute a concentration with a Community dimension within the scope of the Regulation, the Scheme or Acquisition or any matter arising from or relating to the Acquisition becomes subject to a CMA Phase 2 Reference, in each case, before the date of the Court Meeting. In such event, neither Networkers, Matchtech nor any Networkers Shareholder will be bound by any term of the Scheme.

## PART IV

### FINANCIAL INFORMATION

#### **Part A: Financial information relating to the Networkers Group**

The following table sets out financial information in respect of Networkers as required by Rule 24.3 of the Code. The following information comprises the audited accounts of Networkers for the last two financial years ended 31 December 2012 and 31 December 2013 respectively and the interim accounts of Networkers for the six month period ended 30 June 2014.

The documents referred to in the table below (the contents of which have previously been announced through the Regulatory Information Service) are incorporated into the document by reference pursuant to Rule 24.15 of the Code.

| <i>Code Reference</i> | <i>Financial Information</i>                                                            | <i>Reference</i>                                                                                                                                                                                 |
|-----------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rule 24.3 (a)(iii)    | Consolidated audited financial statements for the financial year ended 31 December 2012 | pages 19 to 63 of Networkers' 2012 Annual Report<br><a href="http://www.networkersplc.com/investors/financial-reports">http://www.networkersplc.com/investors/financial-reports</a>              |
| Rule 24.3 (a)(iii)    | Consolidated audited financial statements for the financial year ended 31 December 2013 | pages 17 to 44 of Networkers' 2013 Annual Report<br><a href="http://www.networkersplc.com/investors/financial-reports">http://www.networkersplc.com/investors/financial-reports</a>              |
| Rule 24.3 (a)(iv)     | Interim financial statements for the six month period ended 30 June 2014                | pages 7 to 17 of Networkers' 2014 Interim Financial Statement<br><a href="http://www.networkersplc.com/investors/financial-reports">http://www.networkersplc.com/investors/financial-reports</a> |

The above financial information is available in "read-only" format and can be printed from Networkers' website. Networkers will provide within two Business Days of being requested to do so, without charge, to each Networkers Shareholder, person with information rights or other person to whom a copy of this document has been sent, upon their written request, a copy of the financial information set out above, which is incorporated by reference in this document.

To obtain a hard copy of any of the information listed above as having been incorporated by reference into this document, please contact Networkers' registrars, Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or by calling 0871 664 0321 from within the UK or on +44 (0)20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

It is important to note that unless you make such a request, a hard copy of the information incorporated by reference in this document will not be sent to you.

## **Part B: Financial information relating to Matchtech**

The following table sets out financial information in respect of Matchtech as required by Rule 24.3 of the Code. The following information comprises the audited accounts of Matchtech for the last two financial years ended 31 July 2013 and 31 July 2014 respectively.

The documents referred to in the table below (the contents of which have previously been announced through the Regulatory Information Service) are incorporated into the document by reference pursuant to Rule 24.15 of the Code.

| <i>Code Reference</i> | <i>Financial Information</i>                                                        | <i>Reference</i>                                                                                                                                                                                     |
|-----------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rule 24.3 (a)(iii)    | Consolidated audited financial statements for the financial year ended 31 July 2013 | pages 46-67 of Matchtech's 2013 Annual Report<br><a href="http://www.matchtechgroupplc.com/media/ashx/annual-report-2013.pdf">http://www.matchtechgroupplc.com/media/ashx/annual-report-2013.pdf</a> |
| Rule 24.3 (a)(iii)    | Consolidated audited financial statements for the financial year ended 31 July 2014 | pages 41-63 of Matchtech's 2014 Annual Report<br><a href="http://www.matchtechgroupplc.com/media/ashx/annual-report-2014.pdf">http://www.matchtechgroupplc.com/media/ashx/annual-report-2014.pdf</a> |

The above financial information is available in "read-only" format and can be printed from Matchtech's website. Matchtech will provide within two Business Days of being requested to do so, without charge, to each Matchtech Shareholder, person with information rights or other person to whom a copy of this document has been sent, upon their written request, a copy of the financial information set out above, which is incorporated by reference in this document.

To obtain a hard copy of any of the information listed above as having been incorporated by reference into this document, please contact Matchtech's registrars, Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, or by calling 0871 664 0321 from within the UK or on +44 (0)20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

It is important to note that unless you make such a request, a hard copy of the information incorporated by reference in this document will not be sent to you.

### ***Effect of completion of the Acquisition***

The cash consideration and other costs which will become payable by Matchtech upon completion of the Acquisition will be funded by the HSBC Facility Agreement.

Following the completion of the Acquisition:

- (a) the assets of the Matchtech Group are expected to increase taking into account the consolidation of Networkers into the Matchtech Group;
- (b) the liabilities of the Matchtech Group are expected to increase as it has incurred debt in order to fund the Acquisition; and
- (c) the earnings of the Matchtech Group are envisaged to be positively affected by the inclusion of Networkers' earnings as it will be consolidated into the Matchtech Group.



## PART V

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Networkers Directors, whose names are set out at paragraph 2.1 of this Part V, each accept responsibility for the information contained in this document other than the information contained in this document in respect of Matchtech, the Matchtech Group, the Combined Group, the Matchtech Directors and their respective connected persons, for which responsibility is taken by the Matchtech Directors pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the Networkers Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Matchtech Directors, whose names are set out at paragraph 2.2 of this Part V, each accept responsibility for the information contained in this document relating to Matchtech, the Matchtech Group, the Combined Group, the Matchtech Directors and persons connected with them including, without limitation, information relating to or, as the case may be, contained in the following:
- 1.2.1 paragraph 6 of Part I (Management, employees and location);
  - 1.2.2 paragraph 4 of Part II (Background to and reasons for the Acquisition);
  - 1.2.3 paragraph 5 of Part II (Management, employees and location);
  - 1.2.4 paragraph 10 of Part II (Financing of the Acquisition);
  - 1.2.5 paragraph 12 of Part II (Information on Matchtech and current trading and prospects);
  - 1.2.6 paragraph 16 of Part II (Dividend Policy);
  - 1.2.7 paragraph 5 of this Part V (Disclosure of interests and dealings in shares and persons acting in concert) only to the extent it relates to Matchtech, the Matchtech Group, the Matchtech Directors and persons connected with them;
  - 1.2.8 paragraph 7 of this Part V (Financing Arrangements); and
  - 1.2.9 paragraph 8.1 of this Part V (Material contracts).

To the best of the knowledge and belief of the Matchtech Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

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

| <i>Name</i>           | <i>Position held</i>           |
|-----------------------|--------------------------------|
| Neville Roger Goodman | <i>Non-Executive Chairman</i>  |
| Spencer Manuel        | <i>Chief Executive Officer</i> |
| Jon Plassard          | <i>Chief Financial Officer</i> |
| Nigel Wray            | <i>Non-Executive Director</i>  |
| Lord William Astor    | <i>Non-Executive Director</i>  |

The business address of each of the Networkers Directors is Networkers' registered office at Hanover Place, 8 Ravensbourne Road, Bromley, Kent BR1 1HP.

The company secretary of Networkers is Andrew Jackman whose business address is Networkers' registered office at Hanover Place, 8 Ravensbourne Road, Bromley, Kent BR1 1HP.

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

| <i>Name</i>      | <i>Position held</i>                                                  |
|------------------|-----------------------------------------------------------------------|
| Ric Piper        | <i>Senior Independent Director and interim Non-Executive Chairman</i> |
| Brian Wilkinson  | <i>Chief Executive Officer of the Matchtech Group</i>                 |
| Tony Dyer        | <i>Chief Financial Officer</i>                                        |
| Keith Lewis      | <i>Managing Director, Matchtech UK</i>                                |
| George Materna   | <i>Non-Executive Deputy Chairman</i>                                  |
| Stephen Burke    | <i>Non-Executive Director</i>                                         |
| Richard Bradford | <i>Non-Executive Director</i>                                         |
| Rudi Kindts      | <i>Non-Executive Director</i>                                         |

The business address of each of the Matchtech Directors is Matchtech's registered office at 1450 Parkway, Solent Business Park Whiteley, Fareham, Hampshire PO15 7AF.

The company secretary of Matchtech is Neil Ayton whose business address is Matchtech's registered office at 1450 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire PO15 7AF.

### **3. Networkers Share and Networkers Share Schemes**

At the close of business on 11 February 2015 (being the latest practicable date prior to the publication of this document), the following Networkers Shares were in issue and Networkers Options were outstanding:

- Networkers Shares in issue: 84,056,832 (excluding 8,446,155 Networkers Shares held in Treasury)
- Networkers Options outstanding: 1,930,097 (excluding further Networkers Options in respect of 2,972,913 Networkers Shares which are not anticipated to be exercised under the terms of the Acquisition).

### **4. Stock Exchange quotations**

The following table sets out the Closing Price for Networkers Shares and Matchtech Shares on the first Business Day in each of the six months prior to the date of this document, on 27 January 2015 (the Business Day prior to the commencement of the Offer Period) and on 11 February 2015 (being the last practicable date prior to the publication of this document):

| <i>Date</i>      | <i>Networkers Share Closing Price (pence)</i> | <i>Matchtech Share Closing Price (pence)</i> |
|------------------|-----------------------------------------------|----------------------------------------------|
| 1 September 2014 | 62.5                                          | 577.5                                        |
| 1 October 2014   | 56.0                                          | 577.5                                        |
| 3 November 2014  | 52.5                                          | 560.0                                        |
| 1 December 2014  | 53.5                                          | 565.0                                        |
| 2 January 2015   | 51.5                                          | 555.0                                        |
| 27 January 2015  | 55.0                                          | 527.5                                        |
| 2 February 2015  | 64.5                                          | 507.5                                        |
| 11 February 2015 | 64.0                                          | 510.0                                        |

### **5. Disclosure of interests and dealings in shares and persons acting in concert**

#### **5.1 Definitions and references**

For the purposes of this paragraph 5:

- 5.1.1 **“acting in concert”** with Networkers or Matchtech, as the case may be, means any such person acting or deemed to be acting in concert with Networkers or Matchtech, as the case may be, for the purposes of the Code;
- 5.1.2 **“arrangement”** includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

- 5.1.3 **“connected adviser”** includes an organisation which (A) is advising Matchtech or (as the case may be) Networkers in relation to the Acquisition, (B) is a corporate broker to Matchtech or (as the case may be) Networkers, (C) is advising a person acting in concert with Matchtech or (as the case may be) Networkers in relation to the Acquisition or in relation to the matter which is the reason for that person being a member of the concert party, in each case above excluding any exempt principal traders and any exempt fund managers;
- 5.1.4 ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and **“control”** means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings gives de facto control;
- 5.1.5 **“dealing”** or **“dealt”** means:
- (i) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or of general control of relevant securities;
  - (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant securities;
  - (iii) subscribing or agreeing to subscribe for relevant securities;
  - (iv) exercising or converting, whether in respect of any new or existing securities, or any relevant securities carrying conversion or subscription rights;
  - (v) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
  - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
  - (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- 5.1.6 **“derivative”** includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- 5.1.7 **“disclosure period”** means the period which began on 28 January 2014 (the date which is 12 months prior to the commencement of the Offer Period) and ended on 11 February 2015 (being the latest practicable date prior to the publication of this document);
- 5.1.8 a person has an **“interest”** or is **“interested”** in relevant securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but not if he only has a short position in such securities) and in particular if:
- (i) he owns them;
  - (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
  - (iii) by virtue of any agreement to purchase, option or derivative he:
    - (a) has the right or option to acquire them or call for their delivery; or
    - (b) is under an obligation to take delivery of them
 whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
  - (iv) he is party to any derivative:
    - (a) whose value is determined by reference to their price; and
    - (b) which results, or may result, in his having a long position in them.

5.1.9 “**related parties**” means, in relation to a director those persons whose interests in shares the director would be required to disclose pursuant to Part 22 of the Companies Act and related regulations;

5.1.10 “**relevant securities**” means:

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

5.1.11 “**securities**” has the meaning given to it by the Code;

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

## 5.2 **Interests and dealings in Networkers Shares**

5.2.1 As at the close of business on the last day of the disclosure period, the interests, rights to subscribe for and short positions in respect of relevant securities of Networkers held by the Networkers Directors, their immediate families and related trusts (excluding options under the Networkers Share Schemes as set out in paragraph 5.2.2 below), all of which are beneficial unless otherwise stated, were as follows:

| <i>Name</i>        | <i>Number of Networkers Shares</i> |
|--------------------|------------------------------------|
| Roger Goodman      | 1,266,977                          |
| Nigel Wray         | 14,129,264 <sup>1</sup>            |
| Spencer Manuel     | 13,101,535 <sup>2</sup>            |
| Jon Plassard       | 13,099,927 <sup>3</sup>            |
| Lord William Astor | 2,582,307 <sup>4</sup>             |

5.2.2 As at the close of business on the last day of the disclosure period, the following options over Networkers Shares had been granted to the Networkers Directors under the Networkers Share Schemes which awards are still subsisting and capable of exercise:

### *Networkers International plc Share Option Scheme*

| <i>Director</i>    | <i>Date of Grant</i> | <i>Exercisable from</i> | <i>Exercise price per share</i> | <i>Number of Networkers Shares under option</i> |
|--------------------|----------------------|-------------------------|---------------------------------|-------------------------------------------------|
| Lord William Astor | 12/10/2007           | 12/10/2007              | 31.5 pence                      | 50,000                                          |

5.2.3 Save as otherwise disclosed in this paragraph 5.2, as at the close of business on the last day of the disclosure period, none of the directors of Networkers, nor any of their immediate families, related trusts or related parties nor any person acting in concert with Networkers, nor any person with whom Networkers has an arrangement was interested in or had a right to subscribe for any relevant securities of Networkers nor any short position (whether conditional

1 Includes 1,157,700 Networkers Shares registered in the name of Pershing Nominees Limited; 1,000,000 Networkers Shares registered in the name of CITCO London; 750,000 Networkers Shares registered in the name of RBC Trustees (CI) Limited; and 11,221,564 Networkers Shares registered in the name of RBC Trust Company (International) Limited.

2 Includes 250,000 Networkers Shares registered in the name of Hargreave Hale Nominees Limited and 158,641 Networkers Shares beneficially owned by Spencer Manuel through a SIPP.

3 Includes 250,000 Networkers Shares registered in the name of Hargreave Hale Nominees Limited and 90,000 Networkers Shares registered in the name of Pershing Nominees Limited.

4 Registered in the name of nominee companies and held on trust for members of Lord Astor's family.

or absolute and whether in money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery nor had any such person dealt for value in relevant securities of Networkers during the period from 28 January 2015, being the commencement of the Offer Period, until the last day of the disclosure period.

- 5.2.4 As at the last day of the disclosure period, the interests and short positions in Networkers securities of Matchtech or of persons acting in concert with Matchtech in respect of the Scheme were as follows:

| <i>Name</i> | <i>Details of Networkers securities</i> |
|-------------|-----------------------------------------|
| Matchtech   | 1 Networkers Share <sup>1</sup>         |

- 5.2.5 Save as otherwise disclosed in paragraph 5.2.4 of this Part V, as at the close of business on the last day of the disclosure period, neither Matchtech nor any of the directors of Matchtech, nor any such director's immediate family, related trusts or related parties, nor any person acting in concert with Matchtech, nor any person with whom Matchtech or a person acting in concert with Matchtech has an arrangement was interested in or had a right to subscribe for relevant securities of Networkers nor any short position (whether conditional or absolute and whether in money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery nor had any of the foregoing dealt in any relevant securities of Networkers during the disclosure period.

- 5.2.6 As at the close of business on the last day of the disclosure period, neither Matchtech nor any person acting in concert with Matchtech, nor any person with whom Matchtech or a person acting in concert with Matchtech has an arrangement, nor Networkers nor any person acting in concert with Networkers, nor any person with whom Networkers or a person acting in concert with Networkers has an arrangement, has borrowed or lent any relevant securities of Networkers including for their purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code, save for any borrowed shares which have been either on-lent or sold.

- 5.2.7 During the disclosure period, Networkers has not redeemed or purchased any of its securities or securities convertible into, or rights to subscribe for or options in respect of, or derivatives referenced to, Networkers Shares.

### 5.3 ***Interests and dealings in Matchtech Shares***

- 5.3.1 As at the close of business on the last day of the disclosure period, the interests, rights to subscribe for and short positions in respect of relevant securities of Matchtech held by the Matchtech Directors, their immediate families and related trusts (excluding options under the Matchtech Share Schemes as set out in paragraph 5.3.2 below) all of which are beneficial unless otherwise stated, were as follows:

| <i>Name</i>     | <i>Number of Matchtech Shares</i> |
|-----------------|-----------------------------------|
| George Materna  | 7,837,405                         |
| Tony Dyer       | 309,960                           |
| Keith Lewis     | 283,690                           |
| Brian Wilkinson | 10,000                            |

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<sup>1</sup> See paragraph 13.1 in Part II of this document.

- 5.3.2 As at the close of business on the last day of the disclosure period, the following options and awards over Matchtech Shares had been granted to the directors of Matchtech under the Matchtech Share Scheme which awards are still subsisting and capable of exercise:

| <i>Director</i> | <i>Date of grant</i> | <i>Exercisable from:</i> | <i>Exercise price (p)</i> | <i>Number of Matchtech Shares under option</i> |
|-----------------|----------------------|--------------------------|---------------------------|------------------------------------------------|
| Brian Wilkinson | 21/01/2014           | 24/01/2017               | 1.0                       | 34,896                                         |
| Tony Dyer       | 31/01/2012           | 31/01/2015               | 1.0                       | 16,000                                         |
| Tony Dyer       | 31/01/2013           | 31/01/2016               | 1.0                       | 16,000                                         |
| Tony Dyer       | 31/01/2013           | 24/01/2015               | 1.0                       | 5,200                                          |
| Tony Dyer       | 31/01/2013           | 24/01/2016               | 1.0                       | 5,200                                          |
| Tony Dyer       | 24/01/2014           | 24/01/2017               | 1.0                       | 34,450                                         |
| Keith Lewis     | 31/01/2012           | 31/01/2015               | 1.0                       | 10,000                                         |
| Keith Lewis     | 31/01/2013           | 31/01/2016               | 1.0                       | 16,000                                         |
| Keith Lewis     | 31/01/2013           | 24/01/2015               | 1.0                       | 5,200                                          |
| Keith Lewis     | 31/01/2013           | 24/01/2016               | 1.0                       | 5,200                                          |
| Keith Lewis     | 24/01/2014           | 24/01/2017               | 1.0                       | 34,450                                         |

- 5.3.3 As at the close of business on the last day of the disclosure period, no person acting in concert with Matchtech was interested in or had rights to subscribe for securities of Matchtech.

- 5.3.4 The following dealings in relevant securities of Matchtech by the directors of Matchtech, their immediate families, related trusts, persons acting in concert with Matchtech and persons with whom Matchtech or persons acting in concert with Matchtech have an arrangement, have taken place during the disclosure period:

| <i>Date</i> | <i>Party</i>    | <i>Transaction</i>       | <i>Number of Matchtech Shares</i> | <i>Price per Matchtech Share (£)</i> |
|-------------|-----------------|--------------------------|-----------------------------------|--------------------------------------|
| 10/12/2013  | Tony Dyer       | ISA Transfer             | 7,499                             | £5.625                               |
| 19/12/2013  | Tony Dyer       | Buy                      | 965                               | £5.7254                              |
| 19/12/2013  | Keith Lewis     | Buy                      | 537                               | £5.7254                              |
| 17/04/2014  | George Materna  | Sell                     | 20,000                            | £6.25                                |
| 24/06/2014  | Keith Lewis     | ISA Transfer             | 5,800                             | £5.650                               |
| 27/06/2014  | Tony Dyer       | Option Exercise          | 8,000                             | £5.65                                |
| 27/06/2014  | Tony Dyer       | Sell                     | 8,000                             | £5.65                                |
| 27/06/2014  | Keith Lewis     | Option Exercise          | 5,000                             | £5.65                                |
| 27/06/2014  | Keith Lewis     | Sell                     | 5,000                             | £5.65                                |
| 30/07/2014  | George Materna  | Transfer to family trust | 700,000                           | £5.800                               |
| 04/08/2014  | Tony Dyer       | ISA Transfer             | 11,507                            | £5.825                               |
| 05/11/2014  | Brian Wilkinson | ISA Transfer             | 2,703                             | £5.60                                |

- 5.3.5 As at the close of business on the last day of the disclosure period, save as disclosed in this paragraph 5.3, none of the directors of Matchtech, nor any of their immediate families, related trusts or related parties, nor any person acting in concert with Matchtech, nor any person with whom Matchtech or a person acting in concert with Matchtech has an arrangement was interested in or had a right to subscribe for relevant securities of Matchtech nor any short position (whether conditional or absolute and whether in money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery on the latest practicable date nor had any such person dealt for value in relevant securities of Matchtech during the disclosure period.

- 5.3.6 As at the close of business on the last day of the disclosure period, neither Networkers nor any of the directors of Networkers, nor any such director's immediate family, related trusts or related parties, nor any person acting in concert with Networkers, nor any person with whom Networkers or a person acting in concert with Networkers has an arrangement was interested in or had a right to subscribe for relevant securities of Matchtech nor any short position

(whether conditional or absolute and whether in money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery nor had any of the foregoing dealt in any relevant securities of Matchtech from 28 January 2015, being the commencement of the Offer Period, until the close of business on the last day of the disclosure period.

5.3.7 As at the close of business on the last day of the disclosure period, neither Networkers nor any person acting in concert with Networkers, nor any person with whom Networkers or a person acting in concert with Networkers has an arrangement, nor Matchtech nor any person acting in concert with Matchtech, nor any person with whom Matchtech or a person acting in concert with Matchtech has an arrangement, has borrowed or lent any relevant securities of Matchtech including for their purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code, save for any borrowed shares which have been either on-lent or sold.

5.3.8 During the disclosure period, Matchtech has not redeemed or purchased any of its securities or securities convertible into, or rights to subscribe for or options in respect of or derivatives referenced to, Matchtech Shares.

#### 5.4 **General**

5.4.1 Save as disclosed in this paragraph 5 or paragraph 6 of this Part V, as at the last day of the disclosure period, neither Networkers nor any person acting in concert with Networkers has any arrangement of the kind referred to in Note 11 of the definition of **acting in concert** in the Code with any person relating to relevant securities of Networkers or Matchtech.

5.4.2 Save as disclosed in this paragraph 5 or paragraph 6 of this Part V, as at the last day of the disclosure period, neither Matchtech nor any person acting in concert with Matchtech has any arrangement of the kind referred to in Note 11 of the definition of **acting in concert** in the Code with any person relating to relevant securities of Networkers or Matchtech.

5.4.3 The persons (other than the Matchtech Directors) who, for the purposes of the Code, are acting in concert or deemed to be acting in concert with Matchtech are:

5.4.3.1 Numis of The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT, as connected adviser.

5.4.4 The persons (other than the Networkers Directors) who, for the purposes of the Code, are acting in concert or deemed to be acting in concert with Networkers are:

5.4.4.1 Liberum of Ropemaker Place, Level 12, 25 Ropemaker Street, London EC2Y 9LY, as connected adviser.

### 6. Irrevocable undertakings

6.1 Irrevocable undertakings to vote in favour of the Scheme and the resolutions at the Court Meeting and the General Meeting have been received by Matchtech from the following directors of Networkers in respect of the following holdings of Networkers Shares (representing approximately 49.5 per cent., of Networkers issued share capital):

| <i>Name</i>           | <i>Number of Networkers Shares</i> | <i>Percentage of Networkers issued share capital</i> |
|-----------------------|------------------------------------|------------------------------------------------------|
| Nigel Wray            | 14,129,264                         | 16.8 per cent.                                       |
| Spencer Manuel        | 13,101,535                         | 15.6 per cent.                                       |
| Jon Plassard          | 13,099,927                         | 15.6 per cent.                                       |
| Neville Roger Goodman | 1,266,977                          | 1.5 per cent.                                        |
| Total                 | <u>41,597,703</u>                  | <u>49.5 per cent.</u>                                |

These undertakings will cease to be binding in the event that:

- 6.1.1 Matchtech announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer is announced by Matchtech in accordance with Rule 2.7 of the Code within ten business days;
- 6.1.2 the Scheme or offer lapses, closes or is withdrawn (as applicable) and no new, revised or replacement offer is announced in its place in accordance with Rule 2.7 of the Code within ten business days; or
- 6.1.3 the Scheme does not become Effective on or before 30 June 2015.

These irrevocable undertakings do not lapse in the event of a higher competing offer being made for Networkers.

- 6.2 Irrevocable undertakings to vote in favour of the Scheme and the resolutions at the Court Meeting and the General Meeting have been received by Matchtech from the following Networkers Shareholders in respect of the following holdings of Networkers Shares (representing approximately 23.4 per cent., of Networkers' issued share capital):

| <i>Name</i>     | <i>Number of<br/>Networkers Shares</i> | <i>Percentage of<br/>Networkers issued<br/>share capital</i> |
|-----------------|----------------------------------------|--------------------------------------------------------------|
| Jon Moulton     | 8,279,128                              | 9.8 per cent.                                                |
| Dowgate Capital | 6,234,200                              | 7.4 per cent.                                                |
| Hargreave Hale  | 5,175,000                              | 6.2 per cent.                                                |
| Total           | <u>19,688,328</u>                      | <u>23.4 per cent.</u>                                        |

*Jon Moulton*

The irrevocable commitments given by Jon Moulton will continue to be binding in the event that a higher competing offer is made for Networkers save as set out below. The irrevocable commitments given by Jon Moulton will cease to be binding on the earliest to occur of the following events:

- (a) if the Acquisition is implemented by way of an Offer and the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects;
- (b) if Matchtech announces, with the consent of any relevant authority (if required) and before this document is posted, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Matchtech in accordance with the Code at the same time or within 28 days thereafter;
- (c) if the Scheme does not become effective by 30 June 2015 (or such later date as Jon Moulton agrees in writing); or
- (d) if:
  - (i) a competing offer for the entire issued and to be issued ordinary share capital of Networkers has been announced in accordance with the requirements of the Code that values each ordinary share in the capital of Networkers at a price which equals or exceeds 110 per cent. of the value of the consideration per Networkers Share available under the terms of the Acquisition, having regard to the total amount of the cash and non-cash elements of the Acquisition and the competing offer;
  - (ii) Matchtech does not, within ten days of announcement of the competing offer, announce a revised offer which Jon Moulton determines values each Networkers Share at a price equal to or greater than the value of the consideration per Networkers Share under the relevant competing offer, having regard to the total amount of the cash and non-cash elements of the revised offer and the competing offer; and
  - (iii) Jon Moulton notifies Matchtech within ten days of the expiry of such ten day period that his obligations under the irrevocable commitments have ceased to have effect.



### *Dowgate Capital*

The irrevocable commitments given by Dowgate Capital will continue to be binding in the event that a higher competing offer is made for Networkers. The irrevocable commitments given by Dowgate Capital will cease to be binding on the earliest to occur of the following events:

- (a) if the Acquisition is implemented by way of an Offer and the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects;
- (b) if Matchtech announces, with the consent of any relevant authority (if required) and before this document is posted, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Matchtech in accordance with the Code at the same time or within 28 days thereafter; or
- (c) if the Scheme does not become effective by 30 June 2015 (or such later date as Dowgate Capital agrees in writing).

### *Hargreave Hale*

The irrevocable commitments given by Hargreave Hale will continue to be binding in the event that a higher competing offer is made for Networkers save as set out below. The irrevocable commitments given by Hargreave Hale will cease to be binding on the earliest to occur of the following events:

- (a) if the Acquisition is implemented by way of an Offer and the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects;
- (b) if Matchtech announces, with the consent of any relevant authority (if required) and before this document is posted, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Matchtech in accordance with the Code at the same time or within 28 days thereafter;
- (c) if the Scheme does not become effective by 30 June 2015 (or such later date as Hargreave Hale agrees in writing); or
- (d) if:
  - (i) a competing offer for the entire issued and to be issued ordinary share capital of Networkers has been announced in accordance with the requirements of the Code that values each ordinary share in the capital of Networkers at a price which equals or exceeds 110 per cent. of the value of the consideration per Networkers Share available under the terms of the Acquisition, having regard to the total amount of the cash and non-cash elements of the Acquisition and the competing offer;
  - (ii) Matchtech does not, within ten days of announcement of the competing offer, announce a revised offer which Hargreave Hale determines values each Networkers Share at a price equal to or greater than the value of the consideration per Networkers Share under the relevant competing offer, having regard to the total amount of the cash and non-cash elements of the revised offer and the competing offer; and
  - (iii) Hargreave Hale notifies Matchtech within ten days of the expiry of such ten day period that its obligations under the irrevocable commitments have ceased to have effect.

6.3 Irrevocable undertakings to vote in favour of the Scheme and the resolutions at the Court Meeting and the General Meeting have therefore been received in respect of an aggregate of 61,286,031 Networkers Shares, representing approximately 72.9 per cent., of Networkers's issued share capital.

## **7. Financing Arrangements**

### *Financing*

7.1 The cash consideration payment under the terms of the Acquisition (together with costs and expenses payable in connection with the Acquisition) will be funded by the proceeds of the HSBC Facility Agreement. In addition, under the terms of the HSBC Facility Agreement, Matchtech may also utilise the proceeds of the HSBC Facility Agreement to repay or discharge the existing indebtedness of the Networkers Group (together with associated fees, costs and/or expenses). The HSBC Facility Agreement is comprised of a term loan facility of £30 million.

- 7.2 In connection with the HSBC Facility Agreement, certain of the subsidiaries of Matchtech have granted floating charge security over their assets in favour of HSBC to secure the obligations owing under the Facility Agreement.

*Amendments and waivers of the Acquisition documents*

- 7.3 Under the HSBC Facility Agreement, Matchtech has agreed, among other things:
- 7.3.1 except as required by law or regulation (including the Code), the Panel, an order of the Court, or with the consent of HSBC, not to waive, amend, declare or treat as satisfied any Condition where to do so would be materially prejudicial to the interests of HSBC; and
  - 7.3.2 (if Matchtech elects to make the Acquisition by way of an Offer), not declare the Offer unconditional as to acceptances until Matchtech has received valid acceptances (which have not been withdrawn) in respect of not less than 90 per cent. of the shares in Networkers to which the Offer relates.
- 7.4 Numis as financial adviser to Matchtech is satisfied that sufficient resources are available to Matchtech to enable it to satisfy in full the cash consideration payable to Networkers Shareholders under the terms of the Acquisition.

## **8. Material contracts**

### **8.1 Matchtech**

Save as set out below, there are no contracts, other than contracts entered into in the ordinary course of business, which have been entered into by Matchtech or any of its subsidiaries during the period beginning two years before the commencement of the Offer Period to the latest practicable date prior to the publication of this document which are or may be material.

#### **HSBC Facility Agreement**

The HSBC Facility Agreement makes available to Matchtech a £30,000,000 term loan facility, the proceeds of which may be used to:

- (a) finance the cash consideration payable by or on behalf of Matchtech to the holders of the Networkers Shares (including shares issued as a result of the exercise of options) pursuant to the Acquisition;
- (b) pay fees, costs and expenses, stamp, registration and other taxes incurred in connection with the Acquisition; and
- (c) repay or discharge existing indebtedness of the Networkers Group together with any broken funding costs, redemption premia and other fees, costs and/or expenses in connection with that repayment or discharge.

The obligations owing under the HSBC Facility Agreement are secured by floating charges granted by Matchtech Group (UK) Limited, Barclay Meade Limited, Connectus Technology Limited and Alderwood Education Limited.

The obligations owing under the HSBC Facility Agreement are guaranteed by Matchtech Group (UK) Limited, Barclay Meade Limited, Connectus Technology Limited, Alderwood Education Limited, Application Services Ltd, Matchtech Group (Holdings) Limited and Matchtech (the "**Guarantors**"). Following the Effective Date, the Company must ensure that the aggregate of earnings before interest, tax, depreciation and amortisation of the Guarantors and the aggregate turnover of the Guarantors represents not less than 85 per cent. of EBITDA and consolidated turnover of the Matchtech Group. In order to comply with this requirement following the Acquisition, certain members of the Networkers Group may be required to accede to the HSBC Facility Agreement as Guarantors.

The loans made available under the HSBC Facility Agreement will bear interest at a rate per annum equal to LIBOR plus a margin equal to:

- (a) for the period up until the delivery of the first compliance certificate, 3 per cent.; and

- (b) following delivery of the first compliance certificate, the percentage per annum set out in the table below:

| <i>Adjusted Leverage<sup>4</sup></i>                   | <i>Facility Margin<br/>percentage p.a.</i> |
|--------------------------------------------------------|--------------------------------------------|
| Greater than or equal to 3.0:1.0                       | 3.00                                       |
| Less than 3.0:1.0 but greater than or equal to 2.5:1.0 | 2.50                                       |
| Less than 2.5:1.0 but greater than or equal to 2.0:1.0 | 2.25                                       |
| Less than 2.0:1.0 but greater than or equal to 1.5:1.0 | 2.00                                       |
| Less than 1.5:1.0 but greater than or equal to 1.0:1.0 | 1.75                                       |
| Less than 1.0:1.0                                      | 1.50                                       |

4 As defined in the HSBC Facility Agreement

The loans made available under the HSBC Facility Agreement are repayable in full on the termination date (being 27 January 2018). However, Matchtech must ensure that on or prior to 27 January 2016, it shall have repaid such amounts so that the outstanding loans on that date do not exceed £15,000,000. The HSBC Facility Agreement also includes mandatory prepayment provisions which require the loans to be prepaid upon a change of control or the sale of all or substantially all of the assets of the Matchtech Group.

The HSBC Facility Agreement contains general covenants customary for a loan of this nature. In relation to financial covenants, Matchtech must ensure that it operates above a certain interest cover ratio and below a certain adjusted leverage ratio (the level of which depends on the period of calculation). There is also a requirement that Matchtech maintains a certain minimum tangible net worth.

The HSBC Facility Agreement also contains various events of default, including failure to comply with the covenants (including financial covenants), cross default in relation to financial indebtedness exceeding £500,000 (in aggregate) and certain insolvency events.

#### ***Acquisition of Application Services Limited (Trading as Provanis)***

On 5 September 2013, Matchtech entered into a sale and purchase agreement with Neale Provan, Rajesh Thakrar, Alex Schembri and Robin Miller (together the “**Sellers**”) whereby Matchtech agreed to acquire the entire issued share capital of Application Services Limited (“**ASL**”) for £4,047,000, subject to a net asset adjustment (the “**Provanis SPA**”).

The Provanis SPA contains a number of warranties given by the Sellers jointly and severally. The Sellers also gave indemnities under the Provanis SPA in relation to, among other things, all claims, proceedings, and demands made or brought against any member of the Provanis Group (as defined in the Provanis SPA) by any Seller and his connected persons which existed prior to completion, any liability or obligation arising from ASL’s occupation of the Property (as defined in the Provanis SPA) and claims which may be made against ASL relating to the resignation or termination of employment of a former ASL employee.

The expiry date for notification of warranty claims under the Provanis SPA was 31 December 2014, for indemnities was 30 September 2014 and for tax warranties is seven years from completion. The maximum aggregate liability of the Sellers pursuant to the Provanis SPA is capped at the purchase price paid by Matchtech to the Sellers.

In addition, the Sellers entered into non-compete and non-solicitation covenants in relation to the business of the ASL which are effective for a period of 24 months (in respect of Neale Provan) and 18 months (in respect of all other Sellers).

#### ***Lock-Up Agreements***

Jon Plassard, Spencer Manuel, Scott Simons and Saul Penhallow have, respectively, entered into lock-up agreements dated 27 January 2015 with Matchtech pursuant to which they have each agreed, subject to certain customary exceptions, not to dispose of any of their respective interests in all or any of the New Matchtech Shares which they are to receive pursuant to the Acquisition for a

period of two (2) years from the Effective Date or, if earlier, until the date such relevant individual has his position as a director or employee of Matchtech or Networkers terminated by the Company or Networkers other than for misconduct, misfeasance, gross negligence or serious breach of any material condition of employment.

## 8.2 **Networkers**

Save as set out below, there are no contracts, other than contracts entered into in the ordinary course of business, which have been entered into by Networkers or any of its subsidiaries during the period beginning two years before the commencement of the Offer Period to the latest practicable date prior to the publication of this document which are or may be material.

### **Cappo Group SPA**

On 30 May 2014, Networkers entered into a sale and purchase agreement with Peter Allington and Christine Phillips (“**Sellers**”) whereby Networkers agreed to acquire the entire issued share capital of Cappo Group Limited (“**Cappo**”) for £1,200,000, subject to adjustment on the basis of completion accounts (the “**Cappo Group SPA**”).

The Cappo Group SPA contains a number of warranties given severally and proportionately between the Sellers. The Sellers also gave indemnities under the Cappo Group SPA in relation to certain matters concerning the payment of invoices by one of Cappo’s clients and the termination payment made to a former Cappo employee.

The expiry date for notification of warranty claims under the Cappo Group SPA is 30 May 2021 in relation to the tax warranties and 30 November 2015 in relation to all other warranties. The maximum aggregate liability of the Sellers pursuant to the Cappo Group SPA is capped at the purchase price (as adjusted).

In addition, Peter Allington entered into non-compete and non-solicitation covenants in relation to the Cappo business which are effective for a period of two years from the date of the Cappo Group SPA in the case of the non-compete covenant and 12 months in the case of the non-solicitation covenants.

## 9. **Offer related arrangements**

### **Confidentiality agreement**

Please refer to paragraph 9 of Parts I and II of this document for further details in respect of the Confidentiality Agreement.

### **Lock-Up Agreements**

Please refer to paragraph 9 of Parts I and II of this document for further details in respect of the Lock-Up Agreements.

## 10. **Service contracts and letters of appointment for the Networkers Directors**

### 10.1 **Executive Directors of Networkers**

10.1.1 Spencer Manuel and Jon Plassard are the current executive directors of Networkers (“**Networkers Executive Directors**”). They are both employed by Networkers.

10.1.2 A summary of the Networkers Executive Directors’ services agreements is set out below:

| <i>Name</i>    | <i>Period of continuous employment from:</i> | <i>Contract date</i> | <i>Notice period (either party)</i> | <i>Annual Salary</i> |
|----------------|----------------------------------------------|----------------------|-------------------------------------|----------------------|
| Spencer Manuel | 1 June 2000                                  | 26 May 2006          | 12 months                           | £259,000             |
| Jon Plassard   | 1 June 2000                                  | 26 May 2006          | 12 months                           | £239,000             |

- 10.1.3 The Networkers Executive Directors' service agreements can be terminated by either party serving written notice as specified in paragraph 10.1.2 above. The service agreements will terminate automatically upon each of the Networkers Executive Directors reaching his 65th birthday.
- 10.1.4 At any point after notice of termination has been given by either party, Networkers may terminate the Networkers Executive Directors' service agreements by making a payment in lieu of notice together with such further amount as is equal to the fair value of any other benefits to which the Networkers Executive Director is entitled under the service agreement.
- 10.1.5 The Networkers Executive Directors' salary is reviewed annually by Networkers' remuneration committee, however there is no obligation on Networkers to implement an upward review.
- 10.1.6 The service agreements of the Networkers Executive Directors contain post termination restrictive covenants that apply for a period of six months following termination of employment.
- 10.1.7 Each of the Networkers Executive Directors is entitled to the following employment benefits in addition to their basic salary outlined in paragraph 10.1.2:
- 10.1.7.1 to participate in a life and critical illness insurance scheme which provides for benefits equivalent to the value of £500,000 in accordance with the arrangements made between Networkers and such reputable insurer as Networkers may decide from time to time;
  - 10.1.7.2 to private medical insurance in accordance with the arrangements made between Networkers and such reputable insurer as Networkers may decide from time to time;
  - 10.1.7.3 to full remuneration for a period of up to 6 months in aggregate in any period of 12 consecutive months, and thereafter half remuneration for up to 6 months in aggregate in any period of 12 consecutive months, if absent from work due to sickness or injury (such payment to include any entitlement to statutory sick pay);
  - 10.1.7.4 to reimbursement of such travel, hotel, and other out of pocket expenses as are wholly, necessarily and exclusively incurred by him in the course of his duties;
  - 10.1.7.5 to the use of a mobile phone provided by Networkers for the purposes of carrying out his duties;
  - 10.1.7.6 to an annual car allowance of £9,000 payable in monthly installments;
  - 10.1.7.7 to 25 working days' holiday per annum (in addition to normal bank and public holidays); and
  - 10.1.7.8 to be paid a discretionary bonus.
- 10.1.8 In addition, Jon Plassard receives a pension entitlement of an amount equal to 8 per cent. of his annual salary.

## 10.2 **Non Executive Directors of Networkers**

- 10.2.1 Neville Roger Goodman, Nigel Wray and Lord William Astor are the non executive directors of Networkers ("**Networkers Non Executive Directors**").

10.2.2 The provisions of the Networkers Non Executive Director appointment letters and details of their current fees are set out in the table below.

| <i>Name</i>           | <i>Title</i>           | <i>Date of initial appointment</i> | <i>Notice period</i> | <i>Gross fee per annum</i> |
|-----------------------|------------------------|------------------------------------|----------------------|----------------------------|
| Neville Roger Goodman | Non-Executive Chairman | 23 May 2006                        | 3 months             | £47,500 <sup>1</sup>       |
| Nigel Wray            | Non-Executive Director | 23 May 2006                        | 3 months             | £30,000                    |
| Lord William Astor    | Non-Executive Director | 23 May 2006                        | 3 months             | £30,000                    |

1. with effect from 1 January 2015

10.2.3 Each Networkers Non Executive Director is entitled to be reimbursed by Networkers in respect of reasonable travelling and subsistence expenses incurred in the performance of his duties.

10.2.4 Each of the Networkers Non Executive Directors' letters of appointment can be terminated by either party serving written notice as set out in paragraph 10.2.2 above.

10.2.5 Each of the Networkers Non Executive Directors are bound by certain confidentiality provisions pursuant to their letters of appointment.

10.2.6 There are no provisions for the payment of compensation or benefits upon termination of appointment of the Networkers Non Executive Directors other than payment in lieu of notice.

10.3 Networkers has made qualifying third party indemnity provisions for the benefit of each of the Networkers Directors.

10.4 Save as disclosed in this paragraph 10:

10.4.1 no director of Networkers is entitled to commission or profit sharing arrangements;

10.4.2 other than statutory compensation and payment in lieu of notice, no compensation is payable by Networkers to any director of Networkers upon early termination of their appointment; and

10.4.3 there are no service agreements or letters of appointment between any member of the Networkers Group and any director of Networkers and no such agreement has been entered into or amended within six months preceding the date of this document.

## **11. Ratings and outlooks**

There are no current ratings and outlooks publicly accorded to either Networkers or Matchtech by rating agencies.

## **12. Rights attaching to New Matchtech Shares**

12.1 The holders of New Matchtech Shares shall be entitled to receive notice of, and to vote, at every meeting of the shareholders of Matchtech and shall have one vote thereat for each such Matchtech Share so held.

12.2 The holders of Matchtech Shares shall be entitled to receive such dividend as the directors of Matchtech may from time to time, by resolution, declare on the Matchtech Shares.

12.3 In the event of liquidation, dissolution or winding up of Matchtech or upon any distribution of the assets of Matchtech among its shareholders being made (other than by way of dividend out of monies properly applicable to the payment of dividends) the holders of New Matchtech Shares shall be entitled to share *pro rata* in any residual assets of Matchtech as unsecured creditors with all other holders of Matchtech Shares.

### 13. Other Information

- 13.1 Liberum has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 13.2 Numis has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 13.3 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangements) between Matchtech or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of Networkers or any person interested or recently interested in Networkers Shares having any connection with or dependence on or which is conditional upon the outcome of the Acquisition.
- 13.4 There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Networkers Shares to be acquired by Matchtech will be transferred to any other person, save that Matchtech reserves the right to transfer any such shares to any member of the Matchtech Group. Save as disclosed in this document, no member of the Matchtech Group holds any interest in the relevant securities of Networkers.
- 13.5 The aggregate fees and expenses which are expected to be incurred by Matchtech in connection with the Acquisition are estimated to amount to approximately £1,875,000, excluding applicable VAT. This aggregate number consists of the following categories:
- 13.5.1 financing arrangements: £180,000;
  - 13.5.2 financial and corporate broking advice: £800,000;
  - 13.5.3 legal advice: £554,000;
  - 13.5.4 accounting advice: £125,000;
  - 13.5.5 public relations advice: £20,000;
  - 13.5.6 other professional services (including Registrar, paying agent and printing services): £92,000; and
  - 13.5.7 other costs and expenses: £104,000.
- 13.6 The aggregate fees and expenses which are expected to be incurred by Networkers in connection with the Acquisition are estimated to amount to approximately £800,000 excluding applicable VAT. This aggregate number consists of the following categories:
- 13.6.1 financial and corporate broking advice: £415,000;
  - 13.6.2 legal advice: £325,000;
  - 13.6.3 accounting advice: £30,000;
  - 13.6.4 other professional services (including Registrar, receiving agent and printing services): £15,000; and
  - 13.6.5 other costs and expenses: £25,000.
- 13.7 Save as disclosed in this document, the Networkers Directors are not aware of any significant change in the financial or trading position of Networkers which has occurred since 30 June 2014, being the date to which the interim financial information for the six month period ended 30 June 2014 of Networkers was published.
- 13.8 Save as disclosed in this document, the Matchtech Directors are not aware of any significant change in the financial or trading position of Matchtech which has occurred since 31 July 2014, the date to which the latest audited accounts of Matchtech were published.
- 13.9 The emoluments of the directors of Matchtech will not be varied as a consequence of the Acquisition or by any other associated transaction.

13.10 A consolidated list of information incorporated by reference in this document is set out in Part IV of this document. You may request a hard copy of any information incorporated by reference in this document by contacting Networker's registrars, Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, or by calling 0871 664 0321 from within the UK or on +44 (0)20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice. It is important that you note that unless you make such a request, a hard copy of any information incorporated by reference in this document will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

13.11 Save with the consent of the Panel, settlement of the consideration to which any Networkers Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set off, counterclaim or other analogous right to which Matchtech may otherwise be, or claim to be, entitled as against such Networkers Shareholder.

13.12 The Scheme is governed by the laws of England and Wales and is subject to the jurisdiction of the courts of England and Wales. The rules of the City Code will, so far as they are appropriate, apply to the Scheme.

#### **14. Calculations and sources of information**

In this document:

14.1 as at the close of business on 27 January 2015, being the latest practicable date prior to the date of commencement of the Offer Period, Matchtech had in issue 24,966,817 Matchtech Shares all of which were fully paid and Networkers had in issue 84,056,832 Shares all of which were fully paid. This number excludes 8,446,155 Networkers Shares held in Treasury. The total paid up share capital of Matchtech is £249,668.17 and of Networkers is £925,029.87 (including Networkers Shares held in Treasury). The ISIN for Matchtech Shares is GB00B1FMDQ43 and for Networkers Shares is GB00B1319W10;

14.2 the value placed on the issued and to be issued share capital of Networkers is based on 84,056,832 Networkers Shares in issue on 27 January 2015, being the latest practicable date prior to the date of commencement of the Offer Period and a further 1,930,097 Networkers Shares which are expected to be issued and allotted or transferred from Treasury to the participants in the Networkers Share Schemes before the Scheme Record Time (excluding further options in respect of 2,972,913 Networkers Shares which are not anticipated to be exercised under the terms of the Acquisition);

14.3 the closing share price of Matchtech Shares of 527.5 pence on 27 January 2015, being the latest practicable date prior to the date of commencement of the Offer Period, is derived from the AIM Appendix of the Daily Official List;

14.4 the closing share price of Networkers Shares of 55.0 pence on 27 January 2015, being the last practicable date prior to the date of commencement of the Offer Period, is derived from the AIM Appendix of the Daily Official List;

14.5 unless otherwise stated, the financial information relating to Networkers is extracted or derived from the audited annual report and accounts of Networkers for the financial year ended 31 December 2013 (without any material adjustment) and the unaudited interim report of Networkers for the six months ended 30 June 2014 (without any material adjustment);

14.6 unless otherwise stated, the financial information relating to Matchtech is extracted or derived from the audited annual report and accounts of Matchtech for the financial year ended 31 July 2014 (without any material adjustment);



- 14.7 certain figures included in this document have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them; and
- 14.8 any statements in this document that the Acquisition is expected to be earnings enhancing for Matchtech in the first full year of ownership and materially earnings enhancing thereafter relate to future actions and circumstances which, by their nature, involve risks, uncertainties and other factors. These statements do not constitute a profit forecast and should not be interpreted to mean that earnings for that year or any subsequent financial period would necessarily match or be greater than those for any preceding financial period. Earnings in this context represent net after tax earnings before the amortisation of intangible assets and non operating items.

## **15. Documents on display**

- 15.1 Copies of the following documents are available on [www.matchtechgroupplc.com](http://www.matchtechgroupplc.com) until and including the Effective Date (or the date on which the Scheme lapses or is withdrawn, if earlier):
- 15.1.1 the articles of association of Matchtech;
  - 15.1.2 the audited consolidated accounts of Matchtech for the two financial years ended 31 July 2013 and 31 July 2014;
  - 15.1.3 the written consents referred to in paragraph 13 above;
  - 15.1.4 copies of the irrevocable undertakings referred to in paragraph 7 above;
  - 15.1.5 copies of the Lock-Up Agreements referred to in paragraph 9 above;
  - 15.1.6 the Provanis SPA referred to in paragraph 8 above;
  - 15.1.7 the Cappo SPA referred to in paragraph 8 above;
  - 15.1.8 the HSBC Facility Agreement referred to in paragraph 8 above;
  - 15.1.9 the Confidentiality Agreement referred to in paragraph 9 above; and
  - 15.1.10 this document and the accompanying Forms of Proxy.
- 15.2 Copies of the following documents are available on <http://info.networkersplc.com> until and including the Effective Date (or the date on which the Scheme lapses or is withdrawn if earlier):
- 15.2.1 the existing articles of association of Networkers and the articles of association of Networkers as amended by the special resolution to be proposed at the General Meeting;
  - 15.2.2 the articles of association of Matchtech;
  - 15.2.3 the audited consolidated accounts of Networkers for the two financial years ended 31 December 2012 and 31 December 2013 and the unaudited interim results of Networkers for the six months ended 30 June 2014;
  - 15.2.4 the written consents referred to in paragraph 13 above;
  - 15.2.5 copies of the irrevocable undertakings referred to in paragraph 7 above;
  - 15.2.6 copies of the Lock-Up Agreements referred to in paragraph 9 above;
  - 15.2.7 the Provanis SPA referred to in paragraph 8 above;
  - 15.2.8 the Cappo SPA referred to in paragraph 8 above;
  - 15.2.9 the HSBC Facility Agreement referred to in paragraph 8 above;
  - 15.2.10 the Confidentiality Agreement referred to in paragraph 9 above; and
  - 15.2.11 this document and the accompanying Forms of Proxy.

Dated: 12 February 2015

**PART VI**

**THE SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT**

No. 969 of 2015

**IN THE MATTER OF NETWORKERS INTERNATIONAL PLC**

**– and –**

**IN THE MATTER OF THE COMPANIES ACT 2006**

**SCHEME OF ARRANGEMENT**

**(under Part 26 of the Companies Act 2006)**

**BETWEEN**

**NETWORKERS INTERNATIONAL PLC**

**AND**

**THE HOLDERS OF SCHEME SHARES**

**(as defined below)**

**Preliminary**

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

|                                                 |                                                                                                                                                                      |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Act” or “Companies Act”</b>                 | the Companies Act 2006 (as amended)                                                                                                                                  |
| <b>“Articles”</b>                               | the articles of association of the Company as adopted or amended from time to time                                                                                   |
| <b>“Business Day”</b>                           | any day (not being a Saturday, Sunday or public holiday) on which the banks are open for general banking business in London                                          |
| <b>“Capital Reduction”</b>                      | the reduction of the Company’s share capital under section 648 of the Companies Act provided for by the Scheme                                                       |
| <b>“Cash Consideration”</b>                     | the cash consideration due to each holder of Scheme Shares pursuant to Clause 2.1 of the Scheme                                                                      |
| <b>“certificated” or “in certificated form”</b> | in relation to a Scheme Share, a share title to which is recorded in the relevant register of the Company as being held in certificated form (that is, not in CREST) |
| <b>“Company” or “Networkers”</b>                | Networkers International plc, a company incorporated in England and Wales with registered number 03950639                                                            |
| <b>“Conditions”</b>                             | the terms and conditions to implementation of the Offer (including the Scheme) set out in Part III of this document                                                  |

|                                                    |                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Contractual Offer”</b>                         | a takeover offer as defined in section 974 of the Companies Act                                                                                                                                                                                                                                                                    |
| <b>“Court”</b>                                     | the High Court of Justice in England and Wales                                                                                                                                                                                                                                                                                     |
| <b>“Court Meeting”</b>                             | the meeting of Scheme Shareholders convened pursuant to an order of the Court under section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), and any adjournment thereof                                                                             |
| <b>“Court Orders”</b>                              | the Scheme Court Order and the Reduction Court Order                                                                                                                                                                                                                                                                               |
| <b>“CREST”</b>                                     | the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations in respect of which Euroclear is the Operator (as defined in the CREST Regulations)                                                                                          |
| <b>“Effective Date” or “Scheme Effective Date”</b> | the date on which the Scheme becomes Effective pursuant to its terms in accordance with Clause 7 of the Scheme and references to the <b>“effective time”</b> means the time on such date at which the Scheme becomes effective                                                                                                     |
| <b>“Encumbrances”</b>                              | all mortgages, pledges, liens, charges, options, encumbrances, equitable rights, rights of pre-emption, assignments, hypothecations or any other third party rights of any nature whatsoever                                                                                                                                       |
| <b>“Euroclear”</b>                                 | Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 2878738                                                                                                                                                                                                                         |
| <b>“General Meeting”</b>                           | the meeting of Networkers Shareholders to be convened for the purposes of considering and, if thought fit, approving the special resolution required to approve the Capital Reduction, amendments to the Networkers Articles and certain other matters ancillary to the Scheme and its implementation, and any adjournment thereof |
| <b>“holder”</b>                                    | a registered holder of shares and includes a person entitled by transmission                                                                                                                                                                                                                                                       |
| <b>“Matchtech”</b>                                 | Matchtech Group plc, a company incorporated in England and Wales with registered number 04426322                                                                                                                                                                                                                                   |
| <b>“Matchtech Group”</b>                           | Matchtech and its subsidiary undertakings and associated undertakings and, where the context permits, each of them, and <b>“member of the Matchtech Group”</b> shall be construed accordingly                                                                                                                                      |
| <b>“Matchtech Shares”</b>                          | ordinary shares of £0.01 each in the capital of Matchtech                                                                                                                                                                                                                                                                          |
| <b>“members”</b>                                   | members of the Company on the register of members at any relevant date                                                                                                                                                                                                                                                             |
| <b>“Networkers Options”</b>                        | the options granted under or pursuant to the Networkers Share Schemes;                                                                                                                                                                                                                                                             |

|                                                           |                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Networkers Share Schemes”</b>                         | the Networkers International plc Share Option Scheme, the Networkers International plc EMI Scheme, the Networkers International plc 2007 Approved Share Option Scheme and the Networkers International plc 2014 Unapproved Share Option Plan                                                                                                                                  |
| <b>“Networkers Shareholders”</b> or <b>“Shareholders”</b> | the holders of Ordinary Shares and a <b>“Networkers Shareholder”</b> or <b>“Shareholder”</b> means any one of them                                                                                                                                                                                                                                                            |
| <b>“New Matchtech Shares”</b>                             | the new Matchtech Shares to be issued to holders of Scheme Shareholders and credited as fully paid pursuant to Clause 2.1 of the Scheme                                                                                                                                                                                                                                       |
| <b>“New Networkers Shares”</b>                            | the new Ordinary Shares to be created and allotted to Matchtech or its nominees(s) credited as fully paid in accordance with Clause 1.2 of the Scheme                                                                                                                                                                                                                         |
| <b>“Offer”</b>                                            | the offer by Matchtech for the entire issued and to be issued ordinary share capital of the Company to be implemented by means of the Scheme (or if Matchtech so elects, by means of a Contractual Offer) on the terms and subject to the Conditions set out in this document and, where the context admits, any subsequent revision, variation, extension or renewal thereof |
| <b>“Optionholder Letters”</b>                             | the letters and enclosures to be sent to the holders of Networkers Options in connection with the Scheme;                                                                                                                                                                                                                                                                     |
| <b>“Ordinary Shares”</b> or <b>“Networkers Shares”</b>    | ordinary shares of £0.01 each in the capital of the Company                                                                                                                                                                                                                                                                                                                   |
| <b>“Overseas Shareholders”</b>                            | Scheme Shareholders (or nominees, or custodians or trustees of Scheme Shareholders) who are resident in, or nationals, or citizens of, jurisdictions outside of the United Kingdom or who are citizens or residents of countries other than the United Kingdom                                                                                                                |
| <b>“Reduction Court Order”</b>                            | the order of the Court confirming the Capital Reduction                                                                                                                                                                                                                                                                                                                       |
| <b>“Reduction Court Hearing”</b>                          | the hearing by the Court to confirm the Capital Reduction                                                                                                                                                                                                                                                                                                                     |
| <b>“Registrar”</b> or <b>“Capita Asset Services”</b>      | a trading name of Capita Registrars Limited, a company incorporated in England and Wales with registered number 2605568                                                                                                                                                                                                                                                       |
| <b>“Registrar of Companies”</b>                           | the Registrar of Companies of England and Wales                                                                                                                                                                                                                                                                                                                               |
| <b>“Scheme”</b>                                           | the scheme of arrangement proposed to be made under Part 26 of the Companies Act between the Company and the Scheme Shareholders in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Matchtech and the Company                                                                                |
| <b>“Scheme Court Order”</b>                               | the order of the Court sanctioning this Scheme pursuant to section 899 of the Act                                                                                                                                                                                                                                                                                             |
| <b>“Scheme Document”</b>                                  | this document sent by the Company to Scheme Shareholders, and for information purposes only, to                                                                                                                                                                                                                                                                               |

participants in the Networkers Share Schemes, comprising the particulars required by Part 26 of the Companies Act, of which the Scheme forms part, and the notices convening the Court Meeting and the General Meeting

**“Scheme Record Time”**

6.00 p.m. on the Business Day immediately prior to the date of the Reduction Court Hearing

**“Scheme Shareholders”**

holders of Scheme Shares

**“Scheme Shares”**

the Networkers Shares:

- (a) in issue at the date of this document;
- (b) (if any) issued after the date of this document but before the Voting Record Time; and
- (c) (if any) issued on or after the Voting Record Time but on or before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time,

in each case other than any Networkers Shares legally or beneficially owned by any member of the Matchtech Group

**“subsidiary undertaking”**

has the meaning give to it under the Companies Act

**“uncertificated or in uncertificated form”**

in relation to a Scheme Share recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST

**“Voting Record Time”**

6.00 p.m. on the day which is two days (excluding non-working days) before the date of the Court Meeting and the General Meeting or, if the Court Meeting and the General Meeting are adjourned, 6.00 p.m. on the day which is two days (excluding non-working days) before the date set for the adjourned Court Meeting and General Meeting

and references to Clauses are to Clauses of this Scheme, and references to time are to London time.

- (B) At close of business on 11 February 2015 (being the latest practicable date prior to the publication of this document) the share capital (including treasury shares) of the Company was £925,029.87 divided into 92,502,987 ordinary shares of 1 pence each all of which have been issued and are credited as fully paid.
- (C) Matchtech was incorporated in 2002. The issued and outstanding share capital of Matchtech at the close of business on 11 February 2015 (being the latest practicable date prior to the publication of this document) is £249,668.17 divided into 24,966,817 ordinary shares of 1 pence each, all of which are credited as fully paid.
- (D) There are subsisting options to acquire up to 4,903,010 Ordinary Shares under the Networkers Share Schemes. It is anticipated that 1,930,097 of such options will be exercised prior to the Scheme Record Time. The resulting Ordinary Shares acquired by participants in the applicable share scheme will be Scheme Shares.

- (E) The Company proposes to cancel any Treasury Shares, to the extent they are not applied in relation to the exercise of options under the Networkers Share Schemes prior to the Scheme Record Time, pursuant to section 729 of the Companies Act.
- (F) As at the date of this document, Matchtech does not own any Ordinary Shares. Matchtech has agreed to subscribe for or acquire and become the registered holder of one Ordinary Share prior to the Scheme Record Time. Matchtech has undertaken not to transfer such Ordinary Share until after the Scheme Effective Date or, if earlier, the date on which the Scheme lapses or is withdrawn.
- (G) Matchtech has agreed to appear by Counsel at the hearing of the claim form to sanction the Scheme and to submit to be bound by, and to undertake to the Court to be bound by, the Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme.
- (H) The provisions of the Scheme are subject to the confirmation by the Court of the Capital Reduction provided for by Clause 1.1 and accordingly may not be implemented until a copy of the order of the Court confirming the Capital Reduction provided for by Clause 1.1 has been delivered to and, if the Court so orders for the Capital Reduction to take effect, registered by the Registrar of Companies.

## **THE SCHEME**

### **1. Cancellation of the Scheme Shares and Issue of New Networkers Shares**

- 1.1 The share capital of the Company shall be reduced by cancelling and extinguishing all of the Scheme Shares.
- 1.2 Subject to and forthwith upon the Capital Reduction referred to in Clause 1.1 above taking effect and notwithstanding anything to the contrary in the Articles, the reserve arising in the books of account of the Company as a result of the cancellation of the Scheme Shares referred to in Clause 1.1 shall be capitalised and applied in paying up in full at par such number of New Networkers Shares as shall be equal to the aggregate number of Ordinary Shares cancelled pursuant to Clause 1.1; which shall be allotted and issued credited as fully paid and free from Encumbrances to Matchtech (and/or its nominee(s)).

### **2. Consideration for the cancellation of the Scheme Shares, and issue of New Networkers Shares**

- 2.1 In consideration for the cancellation of the Scheme Shares pursuant to Clause 1.1 and the allotment and issue of the New Networkers Shares as provided in Clause 1.2, Matchtech shall (subject to as hereinafter provided) pay to each holder of Scheme Shares (as appearing in the register of members of the Company at the Scheme Record Time) cash on the basis set out below and Matchtech shall allot and issue to each holder of Scheme Shares (as appearing in the register of members of the Company at the Scheme Record Time), free from Encumbrances and credited as fully paid, New Matchtech Shares on the following basis:

**for every Scheme Share                      34 pence in cash  
and  
0.063256 New Matchtech Shares**

- 2.2 Fractions of New Matchtech Shares will not be allotted or issued to Networkers Shareholders pursuant to the Scheme. Fractional entitlements will be aggregated and sold in the market after the Effective Date and the net proceeds (after dealing costs) of sale will be paid in cash to the Networkers Shareholders entitled thereto as nearly as practicable in accordance with what would otherwise have been their respective fractional entitlements.
- 2.3 The New Matchtech Shares shall rank equally in all respects with all other fully paid Matchtech Shares in issue following the Scheme Effective Date and shall be entitled to all dividends and other

distributions declared, made or paid by Matchtech by reference to a record date on or after the Scheme Effective Date.

### **3. Settlement**

- 3.1 In the case of Scheme Shares which at the Scheme Record Time are held in uncertificated form (that is, in CREST):
- (a) the New Matchtech Shares to which holders of such Scheme Shares are entitled will be issued through CREST. Matchtech will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant holder with such shareholder's entitlement to such New Matchtech Shares as soon as possible after 8.00 a.m. on the date of admission of the New Matchtech Shares;
  - (b) upon the Scheme becoming Effective, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
  - (c) settlement of the Cash Consideration will be effected through CREST by the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds such uncertificated Scheme Shares in respect of the Cash Consideration due to him in accordance with the terms of the Scheme no later than 14 days after the Scheme Effective Date; and
  - (d) Matchtech reserves the right to issue the New Matchtech Shares to all or any Scheme Shareholder who holds Scheme Shares in uncertificated form in CREST at the Scheme Record Time in the manner referred to in sub-clause 3.2(a) below if, for any reason, it wishes to do so.
- 3.2 In the case of Scheme Shares which at the Scheme Record Time are held in certificated form:
- (a) the New Matchtech Shares to which holders of Scheme Shares are entitled shall be issued in certificated form. Definitive certificates or statements of ownership will be issued as soon as practicable and no later than 14 days after the Scheme Effective Date; and
  - (b) settlement of the Cash Consideration due pursuant to the Scheme will be effected by cheque posted no later than 14 days after the Scheme Effective Date.
- 3.3 In the case of Scheme Shares acquired by directors or employees of the Networkers Group on the exercise of Networkers Options, New Matchtech Shares to which such Scheme Shareholders are entitled will be issued in accordance with paragraphs 3.1 or 3.2 (as appropriate) and settlement of the Cash Consideration shall be made either by cheque or directly into the relevant director or employee bank account within 14 days of the Effective Date in accordance with the Optionholder Letters.
- 3.4 All deliveries of share certificates, statements of ownership or cheques required to be made pursuant to the Scheme shall be effected by sending the same by first class post in prepaid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register in respect of such joint holding at the Scheme Record Time), and none of Matchtech or the Company or their respective directors, officers, advisers or agents shall be responsible for any loss or delay in the transmission or delivery of any share certificates, statements of ownership or cheques sent in accordance with this Clause 3 which shall be sent at the risk of the persons entitled thereto.
- 3.5 All cheques shall be in pounds sterling drawn on a UK clearing bank and shall be made payable to the persons respectively entitled to the moneys represented thereby (in the case of joint holders, cheques will be made payable to all joint holders, however, Matchtech reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company at the Scheme Record Time in respect of such joint holding) and the dispatch of any such cheque or the creation of any such assured payment obligation as is required to be made pursuant to the Scheme shall be a complete discharge by Matchtech for the monies represented thereby. Payments will not be sent via CHAPS, BACS or any other method of electronic transfer with the exception of an assured payment obligation through CREST in the case of Scheme Shares that were held in uncertificated form.

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

- 4.1 With effect from and including the Scheme Effective Date:
- 4.1.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares represented thereby and every holder of Scheme Shares shall be bound at the request of the Company to deliver up the same to the Company or to any person appointed by the Company to receive the same for cancellation or to destroy the same;
  - 4.1.2 Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form; and
  - 4.1.3 as regards all Scheme Shares, appropriate entries shall be made in the register of members of the Company to reflect their cancellation with effect from the Scheme Effective Date.

#### **5. Overseas Shareholders**

- 5.1 Without prejudice to the generality of the foregoing, if, in respect of any holders of Scheme Shares with a registered address in a jurisdiction outside the United Kingdom, or whom Matchtech and the Company reasonably believe to be a citizen, national or resident of a jurisdiction outside the United Kingdom, Matchtech or the Company is advised that the allotment and/or issue of New Matchtech Shares pursuant to Clause 3 would or may infringe the laws of such jurisdiction or would or may require Matchtech or the Company to comply with any governmental or other consent or any registration, filing or other formality with which Matchtech and the Company, in their opinion, is unable to comply or ensure compliance with which Matchtech and the Company regards as unduly onerous, then Matchtech may, in its sole direction, either:
- 5.1.1 determine that such New Matchtech Shares shall be sold, in which event the New Matchtech Shares shall be issued to such Scheme Shareholder and Matchtech shall appoint a person to act pursuant to this Clause 5.1.1 and such person shall be authorised on behalf of such Scheme Shareholder to procure that any New Matchtech Shares in respect of which Matchtech have made such determination shall, as soon as practicable following the Scheme Effective Date, be sold; or
  - 5.1.2 determine that such New Matchtech Shares shall not be allotted and/or issued to such Scheme Shareholder but shall instead be allotted and issued to a nominee for such Scheme Shareholder appointed by Matchtech, as trustee for such holder, on terms that the nominee shall, as soon as practicable following the Scheme Effective Date, sell the New Matchtech Shares so issued.
- 5.2 Any sale under Clause 5.1 shall be carried out as soon as reasonably practicable following the Effective Date at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any value added or other tax or duty payable on the proceeds of sale) shall within seven days after such sale be paid to such Scheme Shareholder by sending a cheque or creating an assured payment obligation in accordance with the provisions of Clause 3.
- 5.3 To give effect to any sale under Clause 5.1, the person appointed by Matchtech in accordance with Clause 5.1.1 shall be authorised as attorney on behalf of the Scheme Shareholder concerned, and the nominee appointed by Matchtech in accordance with Clause 5.1.2 shall be authorised, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all other things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of Matchtech and the Company or their respective directors, officers, advisers or agents or the person or nominee so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.



## **6. Dividend mandates and communications**

All mandates relating to the payment of dividends on Scheme Shares and all instructions (or deemed instructions) given (or deemed given) to the Company or the Registrar in relation to notices and other communications which are in force on the Scheme Effective Date shall, unless and until revoked or amended, be deemed as from the Scheme Effective Date to be valid and effective mandates or instructions to Matchtech in relation to the corresponding New Matchtech Shares allotted and issued pursuant to the Scheme, save for any consent to receive communication by means of a website which shall terminate on the Scheme Effective Date.

## **7. Effective Date**

7.1 This Scheme shall become effective in accordance with its terms as soon as copies of the Court Orders and the related statement of capital approved by the Court shall have been delivered to the Registrar of Companies and, if the Court so orders, the Reduction Court Order and the related statement of capital have been registered by the Registrar of Companies.

7.2 Unless this Scheme shall have become effective in accordance with its terms on or before 30 June 2015, or such later date, if any, as Matchtech and the Company may, with the consent of the panel, agree and the Court may allow, the Scheme shall never become effective.

## **8. Modification**

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

## **9. Governing law**

This Scheme and any dispute or claim arising out of or in connection with it shall be governed by and construed in accordance with the laws of England and Wales. The Courts of England and Wales shall have exclusive jurisdiction in relation to any dispute or claim arising out of or in connection with this Scheme.

Dated: 12 February 2015

## PART VII

### NOTICE OF COURT MEETING

**IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT**

No. 969 of 2015

**REGISTRAR JONES**

#### **IN THE MATTER OF NETWORKERS INTERNATIONAL PLC**

and

#### **IN THE MATTER OF THE COMPANIES ACT 2006**

**NOTICE IS HEREBY GIVEN** that, by an Order dated 12 February 2015 made in the above matters, the Court has given permission for a meeting to be convened of the holders of the Scheme Shares (as defined in the scheme of arrangement hereinafter mentioned) ("**Court Meeting**") for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 ("**Scheme**") proposed to be made between Networkers International plc ("**Company**") and the holders of Scheme Shares, and that such meeting shall be held at the offices of DLA Piper UK LLP, 3 Noble Street, London, EC2V 7EE at 10.00 a.m. on 9 March 2015 at which place and time all holders of Scheme Shares are requested to attend and vote. Defined terms used in this notice shall have the meaning given to them in the scheme document dated 12 February 2015 of which this notice forms part.

A copy of the said Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 in relation to the Scheme are incorporated in the document of which this notice forms part.

Scheme Shareholders who are entitled to attend and vote at the Court Meeting may vote in person at the said meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend, speak and vote in their place. A white Form of Proxy for use at the Court Meeting is enclosed with this notice.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their shares. Scheme Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A space has been included in the white Form of Proxy to allow Scheme Shareholders to specify the number of shares in respect of which that proxy is appointed. Scheme Shareholders who return a white Form of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their Scheme Shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's registrar, Capita Asset Services on 0871 664 0321 from within the UK or on +44 (0)20 8639 3399 if calling from outside the UK for further white Forms of Proxy or photocopy the white Form of Proxy as required. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice. Scheme Shareholders should also read the instructions set out on the white Form of Proxy and note the principles that shall be applied in relation to multiple proxies.

**It is requested that white Forms of Proxy (together with any power of attorney or authority under which they are signed, or a duly certified copy of such power of attorney or other authority, if**

**applicable) be lodged with the Company's registrar at the following address: Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, so as to be received by no later than 10.00 a.m. on 5 March 2015 (or, in the case of an adjournment of the Court Meeting not later than 48 hours (excluding any part of a day which is not a working day) before the time and date set for the adjourned Court Meeting but if forms are not so lodged they may be handed to Capita Asset Services, on behalf of the chairman of the Court Meeting at the meeting, before the taking of the poll.**

Scheme Shareholders entitled to attend and vote at the Court Meeting who hold their Scheme Shares through CREST may appoint a proxy using the CREST electronic proxy appointment service as more particularly set out in Note 19 of this notice.

Completion of the white Form of Proxy or the appointment of a proxy or proxies electronically or through CREST shall not prevent a Scheme Shareholder from attending and voting at the Court Meeting or any adjournment thereof.

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may vote by a corporate representative in accordance with the Companies Act 2006.

Entitlement to attend and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two days (excluding non-working days) before the date of the Court Meeting or adjourned Court Meeting (as the case may be). In each case, changes to the register of members of the Company after such time shall be disregarded in determining the right of any person to attend and vote at the Court Meeting, including the number of votes which may be cast thereat.

Voting at the Court Meeting will be conducted on a poll and not a show of hands.

By the said Order, the Court has appointed Jon Plassard or, failing him, Neville Roger Goodman, or, failing him, Spencer Manuel to act as chairman of the said meeting and has directed the chairman to report the result thereof to the Court.

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

Dated 12 February 2015

DLA Piper UK LLP  
3 Noble Street  
London  
EC2V 7EE

*Solicitors for the Company*

Notes:

- (1) Members of the Company entitled to attend and vote at the meeting may vote in person at the said meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A proxy need not be a member of the Company.
- (2) A white form of proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning a form of proxy will not prevent the shareholder from attending and voting at the meeting (or any adjournment of the meeting) in person, should he subsequently decide to do so.
- (3) To be valid, a white form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be received at the offices of Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours (excluding any part of the day which is not a working day) before the time of the meeting (in other words, by 10.00 a.m. on 5 March 2015) or, as the case may be, the adjourned meeting. A reply paid envelope has been provided for this purpose for use in the United Kingdom only.
- (4) You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
- (5) If you wish to appoint multiple proxies, you may: (a) photocopy a white form of proxy, fill in each copy in respect of different shares and send the multiple forms together to Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, or alternatively (b) call Capita Asset Services on the number in note (22) below who will then issue you with multiple proxy forms. In each case, please ensure that all of the multiple proxy forms in respect of one registered holding are sent in the same envelope if possible.

- (6) Subject to the following principles where more than one proxy is appointed, where a white form of proxy does not state the number of shares to which it applies (a "blank proxy") then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name (the "member's entire holding"). In the event of a conflict between a blank proxy and white form of proxy which does state the number of shares to which it applies (a "specific proxy"), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).
- (7) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
- (8) If two or more valid but different instruments of proxy are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was the last received, none of them shall be treated as valid in respect of that share.
- (9) If conflicting proxies are sent or received at the same time which are each in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
- (10) Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced pro rata (on the basis that as far as possible, conflicting forms of proxy should be judged to be in respect of different shares).
- (11) Where the application of note (10) above gives rise to fractions of shares, such fractions will be rounded down.
- (12) If you appoint a proxy or proxies and then decide to attend the meeting in person and vote using your poll card, then your vote in person will override the proxy vote(s). If your vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting in respect of less than your entire holding, if you indicate on your polling card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then your vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.
- (13) In relation to note (12) above, in the event that you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
- (14) Entitlement to attend and vote at the meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.00 p.m. on 5 March 2015 or, if the meeting is adjourned, on the day which is two days (excluding non-working days) before the date of such adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.
- (15) Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (16) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The appointment must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST Participant IDRA10) at least 48 hours (excluding any part of the day which is not a working day) prior to the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (17) CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (18) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (19) Networkers Shareholders entitled to attend and vote at the Court Meeting may appoint a proxy electronically by logging on to [www.capitashareportal.com](http://www.capitashareportal.com) and following the instructions provided. For an electronic proxy to be valid, your appointment must be received by no later than 10.00 a.m. on 5 March 2015 in the case of the Court Meeting (or in the case of an adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting).

- (20) A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
- (21) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
- (22) If you are in any doubt about completing the white form of proxy please telephone Capita Asset Services between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday on 0871 664 0321 from within the UK or +44208 639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10p per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.
- (23) Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by way of a letter addressed to the Chairman.

## PART VIII

### NOTICE OF GENERAL MEETING

#### NETWORKERS INTERNATIONAL PLC

*(Registered in England and Wales No.03950639)*

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Networkers International plc (the “**Company**”) shall be held at the offices of DLA Piper UK LLP, 3 Noble Street, London EC2V 7EE on 9 March 2015 at 10.15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which shall be proposed as a special resolution. Defined terms used in this notice shall have the meaning given to them in the scheme document dated 12 February 2015 of which this notice forms part.

#### SPECIAL RESOLUTION

1. THAT for the purpose of giving effect to the Scheme proposed to be made between the Company and the holders of Scheme Shares (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman thereof, in its original form or subject to any modification, addition or condition agreed by the Company and Matchtech and approved or imposed by the Court:
  - (a) the Scheme be and is hereby approved and the directors of the Company be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
  - (b) the share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares in accordance with, and subject to, the terms of the Scheme;
  - (c) subject to and forthwith upon the reduction of capital referred to in paragraph (b) above, taking effect and notwithstanding any other provision in the articles of association of the Company:
    - (i) the reserve arising in the books of account of the Company as a result of the reduction of capital referred to in paragraph (b) above be capitalised and applied in paying up in full at par the New Networkers Shares, such New Networkers Shares to be allotted and issued credited as fully paid to Matchtech and/or its nominee(s) in accordance with the terms of the Scheme; and
    - (ii) the directors of the Company be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to allot the New Networkers Shares referred to in paragraph (c)(i) above, provided that (1) the maximum aggregate nominal amount of the shares which may be allotted under this authority shall be the aggregate nominal amount of the New Networkers Shares created pursuant to paragraph (c)(i) above, (2) this authority shall expire (unless previously revoked, varied or renewed) on the fifth anniversary of the date on which this resolution is passed and (3) this authority shall be in addition and without prejudice to any other authority under the said section 551 previously granted and in force on the date on which this resolution is passed; and
  - (d) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new Article 5.3 after Article 5.2:

#### “5.3 SCHEME OF ARRANGEMENT

- (a) In this Article 5.3, references to, the “**Scheme**” means the scheme of arrangement dated 12 February 2015 between the Company and the holders of its Scheme Shares under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Matchtech. Expressions defined in the Scheme shall have the same meanings in this Article 5.3 (save as expressly defined in these Articles).

- (b) Notwithstanding any other provision of these Articles, if the Company issues or transfers any shares on or after the Voting Record Time other than to Matchtech or any person identified by written notice by Matchtech to the Company as Matchtech nominee(s) but on or before the Scheme Record Time, such shares shall be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or any subsequent holder or holders of such ordinary shares shall be bound by the Scheme accordingly.
- (c) Notwithstanding any other provision of these Articles, if, at any time after the Scheme Record Time any shares ("**New Shares**") are issued or transferred to any person (a "**New Member**") other than Matchtech or any person identified by written notice to the Company by Matchtech as its nominee(s), such New Shares shall be transferred immediately after the time at which the Scheme becomes effective or, if later, upon the issue or transfer of the New Shares free of all encumbrances, to Matchtech (or as Matchtech may direct by notice in writing to the Company) who shall be obliged to acquire all New Shares in consideration for, and conditionally upon, the payment to the New Member of the same cash consideration and the issue free of all encumbrances to the New Member of such number of fully paid shares of Matchtech, as the New Member would have been entitled to receive in aggregate if the New Shares transferred hereunder had been Scheme Shares and the New Member had been the holder thereof at the Scheme Record Time, being ordinary shares of one pence each in the capital of Matchtech ("**Matchtech Ordinary Shares**") which rank *pari passu* with all other Matchtech Ordinary Shares for the time being in issue subject to the articles of association of Matchtech and applicable law, and rank for any dividends or other distributions declared, made or paid thereon after the date of their issue (in each case, as soon as is practicable after the Effective Date).
- (d) If the Company is advised that the allotment or issue of Matchtech Ordinary Shares to any person (a "**Restricted Person**") pursuant to this Article would or may infringe the laws of a jurisdiction outside the United Kingdom or would or may require Matchtech to comply with any governmental or other consent or any registration, filing or other formality with which Matchtech is in its opinion unable to comply or compliance with which Matchtech regards as unduly onerous, the Company may, in its sole discretion, determine that such Matchtech Ordinary Shares shall be sold, in which event the Company shall appoint a person as attorney for such Restricted Person to sell such Matchtech Ordinary Shares at the best price which can reasonably be obtained at the time of sale and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to sell such Matchtech Ordinary Shares as soon as practicable following the allotment or issue of such Matchtech Ordinary Shares, and the net proceeds of such sale (after the deduction of all expenses and commissions, including any value added tax payable thereon) shall be paid to such Restricted Person. The attorney shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the Restricted Person in favour of the purchaser(s) of such Matchtech Ordinary Shares.
- (e) The value of the consideration per share in the capital of the Company to be paid and the number of Matchtech Ordinary Shares to be issued to the New Member under Article 5.3(c) may be adjusted by the directors of Matchtech on any reorganisation of, or material alteration to the share capital of the company or Matchtech effected after the Effective Date in such manner as the auditors of Matchtech shall (in their absolute discretion) determine to ensure (as nearly as may be) parity of treatment with that provided for by Article 5.3(c) and the determination by the auditors, in the absence of manifest error, shall be final and binding on all concerned.
- (f) Fractions of Matchtech Ordinary Shares will not be allotted or issued to New Members pursuant to this Article 5.3 and will be aggregated and sold in the market after the Effective Date and the net proceeds (after dealing costs) of sale will be paid in cash to the New Members entitled thereto as nearly as practicable in accordance with what would otherwise have been their respective fractional entitlements.
- (g) To give effect to any transfer required by Article 5.3(c) above, the Company may appoint any person as attorney or agent for the New Member to transfer the New Shares to Matchtech and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney or agent be necessary or desirable to vest the New Shares

in Matchtech or its nominee(s) and pending such vesting to exercise all rights attaching to the New Shares as Matchtech may direct. If an attorney or agent is so appointed, the New Member shall not thereafter be entitled to exercise any rights attaching to the New Shares unless so agreed by Matchtech. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or subsequent holder) in favour of Matchtech and the Company may give good receipt for the consideration due in respect of the New Shares and may register Matchtech as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the New Shares.

- (h) Matchtech shall or shall procure that a cheque in favour of the New Member (or any subsequent holder) for the cash consideration due in respect of such New Shares is sent within 5 Business Days of the date on which the New Shares are issued or transferred to the New Member by ordinary post at the risk of the New Member concerned.
- (i) The allotment and issue of any Matchtech Ordinary Shares in respect of any shares transferred pursuant to this Article 5.3 shall be made within 14 days of the date of transfer of such shares. The Matchtech Ordinary Shares to be allotted and issued pursuant to this Article 5.3 shall be issued in certificated or uncertificated form as Matchtech may determine in its absolute discretion. In the case of Matchtech Ordinary Shares issued in certificated form Matchtech shall, not less than 14 days after the date of issue of the Matchtech Ordinary Shares to the New Member in respect of which such shares are issued, send (without charge) to such New Member or his nominee a certificate for the Matchtech Ordinary Shares so issued by ordinary post at the risk of the New Member concerned.
- (j) If the Scheme has not become effective by the Long Stop Date, this Article 5.3 shall be of no effect.
- (k) Notwithstanding any other provision of these Articles, both the Company and the directors shall refuse to register the transfer of any New Shares between the Scheme Record Time and the Effective Date save in accordance with this Article 5.3.

By order of the Networkers Board

**Andrew Jackman**

*Company Secretary*

Dated 12 February 2015

*Registered office*

Hanover Place  
8 Ravensbourne Road  
Bromley  
Kent  
BR1 1HP

Notes:

- (1) Members of the Company entitled to attend and vote at the meeting may vote in person at the said meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A proxy need not be a member of the Company.
- (2) A blue form of proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning a form of proxy will not prevent the shareholder from attending and voting at the meeting (or any adjournment of the meeting) in person, should he subsequently decide to do so.
- (3) To be valid, a blue form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be received at the offices of Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours (excluding any part of the day which is not a working day) before the time of the meeting (in other words, by 10.15 a.m. on 5 March 2015) or, as the case may be, the adjourned meeting. A reply paid envelope has been provided for this purpose for use in the United Kingdom only.
- (4) You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
- (5) If you wish to appoint multiple proxies, you may: (a) photocopy a blue form of proxy, fill in each copy in respect of different shares and send the multiple forms together to Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, or alternatively (b) call Capita Asset Services on the number in note (22) below who will then issue you with multiple proxy



forms. In each case, please ensure that all of the multiple proxy forms in respect of one registered holding are sent in the same envelope if possible.

- (6) Subject to the following principles where more than one proxy is appointed, where a blue form of proxy does not state the number of shares to which it applies (a "blank proxy") then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name (the "member's entire holding"). In the event of a conflict between a blank proxy and blue form of proxy which does state the number of shares to which it applies (a "specific proxy"), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).
- (7) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
- (8) If two or more valid but different instruments of proxy are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was the last received, none of them shall be treated as valid in respect of that share.
- (9) If conflicting proxies are sent or received at the same time which are each in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
- (10) Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced pro rata (on the basis that as far as possible, conflicting forms of proxy should be judged to be in respect of different shares).
- (11) Where the application of note (10) above gives rise to fractions of shares, such fractions will be rounded down.
- (12) If you appoint a proxy or proxies and then decide to attend the meeting in person and vote using your poll card, then your vote in person will override the proxy vote(s). If your vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting in respect of less than your entire holding, if you indicate on your polling card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then your vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.
- (13) In relation to note (12) above, in the event that you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
- (14) Entitlement to attend and vote at the meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.00 p.m. on 5 March 2015 or, if the meeting is adjourned, on the day which is two days (excluding non-working days) before the date of such adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.
- (15) Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (16) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The appointment must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST Participant IDRA10) at least 48 hours (excluding any part of the day which is not a working day) prior to the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (17) CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (18) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (19) Networkers Shareholders entitled to attend and vote at the General Meeting may appoint a proxy electronically by logging on to [www.capitashareportal.com](http://www.capitashareportal.com) and following the instructions provided. For an electronic proxy to be valid, your appointment must be received by no later than 10.15 a.m. on 5 March 2015 in the case of the General Meeting (or in the case of an

adjournment, not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the holding of the adjourned meeting).

- (20) A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
- (21) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
- (22) If you are in any doubt about completing the blue form of proxy please telephone Capita Asset Services between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday on 0871 664 0321 from within the UK or +44208 639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10p per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.
- (23) Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by way of a letter addressed to the Chairman.

