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NEKTAN PLC

(incorporated in Gibraltar and registered with number 105853)

Proposed debt facility of £2,500,000 and issue of up to 13,400,000 Debt Warrants (5.36 Debt Warrants for every £1 drawn down) at exercise price of 27.5 pence per Debt Warrant and issue of up to 342,500,000 Anti-Dilution Warrants at exercise price of 1 penny per Anti-Dilution Warrant

and

Notice of Extraordinary General Meeting

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

The Ordinary Shares, partly represented by Depositary Interests, are currently admitted to trading on AIM.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and to the recommendation by the Independent Director to Shareholders to vote in favour of the resolutions to be proposed at the EGM to be held on 28 July 2017.

To be valid, the enclosed Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company’s Registrars, Capita Asset Services, by no later than 11.00 am on 25 July 2017. The Form of Proxy can be delivered by post or by hand to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Alternatively, Shareholders could return the Form of Proxy using the Freepost service to FREEPOST CAPITA PXS (please note that delivery using this service can take up to 5 days).

Completion and return of a signed Form of Proxy will not preclude Shareholders from attending and voting at the EGM should they choose to do so. Further instructions relating to the Form of Proxy are set out in the Notice of the EGM and on the Form of Proxy.

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DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Jim Wilkinson (Non-executive Chairman) Gary Shaw (Interim Chief Executive Officer) Sandeep Reddy (Non-executive Director)
Company Secretary	Trilex Secretaries Limited Suite 1, Burn's House 19 Town Range Gibraltar
Registered Office	Suite 1, Burn's House 19 Town Range Gibraltar
Nominated Adviser and Broker	Stockdale Securities Limited Beaufort House 15 St. Botolph Street London EC3A 7BB
UK Legal Advisers to the Company	K&L Gates LLP One New Change London EC4M 9AF
Gibraltar Legal Advisers to the Company	Isolas Gibraltar Portland House Glacis Road PO Box 204 Gibraltar
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Debt Fundraise and posting of this document	5 July 2017
Latest time and date for receipt of completed Forms of Proxy	11.00 am on 25 July 2017
EGM	11.00 am on 28 July 2017
First drawdown of the Debt Fundraise	31 July 2017
First issue of Warrants	31 July 2017

All references are to London time unless stated otherwise.

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

FUND RAISING STATISTICS

Number of Existing Ordinary Shares in issue	36,035,292
Value of Series A CLNs in issue	£8,905,500
Value of Series B CLNs in issue	£1,100,000
Number of Ordinary Shares resulting from conversion of the Series A CLNs at the Conversion Price	25,906,909
Number of Ordinary Shares resulting from conversion of the Series B CLNs at the Conversion Price	3,200,000
Number of Ordinary Shares resulting from conversion of the Series A CLNs and the Series B CLNs at the Conversion Price	29,106,909
Number of Debt Warrants to be issued pursuant to the Debt Fundraise	up to 13,400,000
Number of Anti-Dilution Warrants to be issued pursuant to the Debt Fundraise	up to 342,500,000
Gross proceeds of the Debt Fundraise ¹	£2,500,000
Gross proceeds of the Debt Warrants	£3,685,000

¹ Assuming full drawdown

DEFINITIONS

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

“Accounts”	the audited statutory accounts of the Company for year ended 30 June 2016
“Act”	the Gibraltar Companies Act 2014, as amended from time to time
“AIM”	the AIM market operated by London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“Anti-Dilution Warrants”	warrants to be issued as part of the Debt Fundraise to subscribe for new Ordinary Shares at an exercise price of 1 penny per new Ordinary Share with limited exercise conditions described in more detail in paragraph 5 of Part 1 of this document
“Anti-Dilution Warrant Instrument”	the instrument creating the Anti-Dilution Warrants
“Articles”	the articles of association of the Company
“Board” or “Directors”	the directors of the Company as at the date of this document
“City Code”	the City Code on Takeovers and Mergers
“CLN Instruments”	the £10,000,000 Series A Fixed Rate Secured Convertible Loan Note 2020 Instrument dated 28 April 2015 (as amended by an amendment deed dated 29 December 2016) and the £1,100,000 Series B Fixed Rate Secured Convertible Loan Note Instrument dated 28 April 2015 (as amended by an amendment deed dated 5 October 2015), copies of which are available on the Company’s website
“CLNs”	the convertible loan notes issued pursuant to the CLN Instruments
“Company” or “Nektan”	Nektan plc
“Concert Party”	Gary Shaw and Sandeep Reddy and their associated entities, Fiduciary Trust (New Zealand) Limited, Dominus Trust Limited, Fiduciary Nominees Limited and VTA
“Conversion Price”	the price at which the CLNs convert into new Ordinary Shares, being 125 per cent. of the price at which Ordinary Shares were last issued subject to a maximum price of 209 pence each
“Debt Fundraise”	the proposed funds to be loaned, directly or indirectly, by Gary Shaw and Sandeep Reddy, pursuant to the Facility Agreements with associated pro rata Debt Warrants and Anti-Dilution Warrants
“Debt Warrants”	warrants to be issued as part of the Debt Fundraise to subscribe for new Ordinary Shares at an exercise price of 27.5 pence per new Ordinary Share described in more detail in paragraph 5 of Part 1 of this document
“Debt Warrant Instrument”	the instrument creating the Debt Warrants
“Deed Poll”	the deed poll dated 28 October 2014 executed by the Depositary in relation to the issue of Depositary Interests by the Depositary
“Depositary”	Capita IRG Trustees Limited
“Depositary Interests”	uncertificated depositary interests issued by the Depositary and representing Ordinary Shares pursuant to the Deed Poll
“EGM”	the extraordinary general meeting of the Company to be held at 11.00 am on 28 July 2017 at K&L Gates LLP, One New Change, London EC4M 9AF, or any reconvened extraordinary general meeting
“Existing Ordinary Shares”	the 36,035,292 Ordinary Shares in issue
“Exit”	means (i) the acquisition by any person of the entire issued share capital of the Company, or (ii) the acquisition by any person of the whole or substantially the whole of the business and undertaking of the Nektan Group
“Facility Agreement” or “Facility Agreements”	the facility agreements entered into between the Company and Gary Shaw for £1,300,000 and the Company and VTA for £1,200,000
“Form of Proxy”	the enclosed form of proxy for use at the EGM
“FCA”	the Financial Conduct Authority of the UK
“FSMA”	Financial Services and Market Act 2000 (as amended)
“Group” or “Nektan Group”	Nektan plc and its subsidiaries
“Independent Director”	Jim Wilkinson
“Independent Shareholders”	all Shareholders other than those who form part of the Concert Party
“Lenders”	Gary Shaw and VTA
“London Stock Exchange”	London Stock Exchange plc

“Money Laundering Regulations”	Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA (together with the provisions of the Money Laundering Sourcebook of the FCA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms), the Terrorism Act 2000, the Anti Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006;
“NMS”	Nektan Marketing Services Limited
“Noteholders”	holders of the CLNs
“Notice” or “Notice of the EGM”	the notice convening the EGM set out in Part 3 of this document
“Ordinary Shares”	Ordinary Shares of 1 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders with a registered address outside the United Kingdom
“Panel”	the Panel on Takeovers and Mergers
“Registrars” or “Capita Asset Services”	a trading name of Capita Registrars Limited, a private limited company incorporated in England and Wales with the registered number 2605568 whose registered address is at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
“Regulatory Information Service”	has the meaning given in the AIM Rules for Companies
“Resolutions”	the resolutions to be proposed at the EGM, as set out in the Notice
“Series A CLNs”	the convertible loan notes issued pursuant to the £10,000,000 Series A Fixed Rate Secured Convertible Loan Note 2020 Instrument dated 28 April 2015 (as amended)
“Series B CLNs”	the convertible loan notes issued pursuant to the £1,100,000 Series B Fixed Rate Secured Convertible Loan Note 2020 Instrument dated 28 April 2015 (VCT) (as amended)
“Shareholders”	the holders of Ordinary Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland
“United States”, “United States of America” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction
“VTA”	Venture Tech Assets Limited, a company that is controlled by Sandeep Reddy
“Waiver Resolutions”	Resolutions 1 and 2 as set out in the Notice
“Warrants”	together the Debt Warrants and the Anti-Dilution Warrants

PART 1 – LETTER FROM THE CHAIRMAN OF THE COMPANY

NEKTAN PLC

(incorporated in Gibraltar and registered with number 105853)

Directors:

Jim Wilkinson* (Non-executive Chairman)
Gary Shaw (Executive Director and Interim Chief Executive Officer)
Sandeep Reddy (Non-executive Director)

Registered Office:
Suite 1
Burn's House
19 Town Range
Gibraltar

* denotes Independent Director

5 July 2017

Dear Shareholder

Debt facility of £2,500,000 and issue of up to 13,400,000 Debt Warrants (5.36 Debt Warrants for every £1 drawn down) at 27.5 pence exercise price per Debt Warrant and issue of up to 342,500,000 Anti-Dilution Warrants at 1 penny exercise price per Anti-Dilution Warrant

1. Introduction

The Company announced earlier today that it has entered into Facility Agreements with Gary Shaw for £1,300,000 and VTA for £1,200,000. The Company will grant to the Lenders, 5.36 Debt Warrants and 137 Anti-Dilution Warrants for each £1 drawn down under the Facility Agreements (rounded down to the nearest whole number of Warrants) subject to Shareholder approval to be obtained at the EGM. The purpose of this document is to set out the background to the Debt Fundraise, the terms of the Debt Fundraise and to convene the Extraordinary General Meeting in order to approve the Resolutions required in order for the Debt Fundraise to proceed.

2. Background to the Debt Fundraise

As announced in the Company's unaudited interim results on 31 March 2017 and subsequently in its Q3 trading update announced on 19 April 2017, the Group continues to see improvements in trading with growth across its key performance indicators ("KPIs") of Net Gaming Revenue ("NGR"), First Time Depositors ("FTDs"), cash wagering and transactions processed. This, in conjunction with a realignment of player marketing towards higher margin activities, will, the Board believes, continue to improve the Company's profitability. The Company also announced earlier today continued momentum with further strong growth across all of its KPIs in the quarter ended 30 June 2017.

Due to the continued investment in both the development of the Company's platform and its US wholly owned subsidiary, Respin Inc, the Group continues to be loss making and, as outlined in its 2016 preliminary results announcement in December 2016, the Group requires further long-term funding in order to reach cash flow positive. As a result, the Directors have therefore continued to assess the Group's financing options. These have included seeking new investors, debt finance, other financial support from key stakeholders for the Group; a strategic partner; or realising value from its trading assets.

Having considered the available funding options, and taking the continuing short term cash requirements of the Group into consideration, the Board decided to undertake the Debt Fundraise, which is intended to address the Group's near term working capital requirements and to strengthen its balance sheet.

3. NMS

As part of the continued realignment of the Group's business, the Company has agreed to buy out its joint venture partners in Nektan Marketing Services Limited ("NMS") for a consideration of £500,000 payable in cash, with an initial payment of £250,000 on completion of the Debt Fundraise, £150,000 payable 6 months following completion of the Debt Fundraise and the balance of £100,000 payable on the 12 month anniversary of the initial payment. As a consequence of this agreement, the put and call option between Nektan and its joint venture partners falls away. Going forward, this strategic transaction will give Nektan the ability to take greater control of its players and marketing on behalf of its partners.

Furthermore, Nektan has entered into a new marketing services contract with ActiveWin Media Limited ("ActiveWin") for one year for certain player marketing services, whilst extending its contract with Kerching (Gibraltar) Limited, for an additional 12 months for Kerching, a leading casino on the Nektan casino network, and agreed the launch of further casinos that are managed by ActiveWin.

4. The Debt Fundraise

The Company has entered into the Facility Agreements, subject to Shareholder approval, under which the Lenders will make loans available to the Company with an aggregate value of £2,500,000. The Company will issue a pro rata number of Warrants to the Lenders in connection with the Debt Fundraise on or around each drawdown date. If the full £2,500,000 is drawn down, the total number of Debt Warrants to be issued will be 13,400,000 and the total number of Anti-Dilution Warrants will be 342,500,000.

In respect of the loan from Gary Shaw, £500,000 will be available for drawdown immediately with the balance of £800,000 dependent upon the realisation of an asset. Gary Shaw has agreed to enter into a personal guarantee in favour of the Company for the balance of the facility, being £800,000. The Company is able to make any number of drawdowns under the Facility Agreements within a twelve month period from the date of each Facility Agreement.

The interest rate under the Facility Agreements is 10 per cent. per annum and will be payable quarterly and in arrears, or, at the relevant Lender's option, may be rolled up to the termination date. The termination date is two years from the date of each drawdown date or the date on which all principal and interest owed has been repaid in full to the relevant Lender.

The Company has the option to prepay all or any portion of the outstanding debt under the Facility Agreements in incremental amounts of not less than £250,000. Once amounts have been repaid, they may not be re-borrowed.

5. The Warrants

For every £1 drawn down as part of the Debt Fundraise, 5.36 Debt Warrants will be issued to the Lenders (rounded down to the nearest whole number of Debt Warrants).

Each Debt Warrant confers on the warrant holder the right to subscribe for one new Ordinary Share in cash at an exercise price of 27.5 pence. When looking to transfer or exercise Debt Warrants, a warrant holder must transfer or exercise a minimum of 20,000 Debt Warrants or, if lower, the entirety of its Debt Warrant holding.

In addition, the Lenders will receive their pro rata entitlement of up to 137 Anti-Dilution Warrants at the same time the Debt Warrants are issued. The exercise of the Anti-Dilution Warrants is subject to limited conditions; are not transferable and will lapse after 12 months of the date of the Anti-Dilution Warrant Instrument.

6. Use of proceeds and working capital

The funds raised by the Debt Fundraise of £2.5 million will be used by the Company to support the near term working capital requirements of the Company's operations and allow the Company to continue the investment in its platform to support the continued growth of its European managed gaming solutions business, the establishment of its B2B software licensing and games distribution business and its in-venue gaming operation in the US.

As the Debt Fundraise and the issue of the Warrants are conditional, *inter alia*, upon the passing of the Resolutions, Shareholders should be aware that, if the Resolutions are not passed, the proceeds of the Debt Fundraise will not be received by the Company. In such circumstances, the Company would need urgently to pursue additional or alternative funding sources which, if they are available at all, may be expensive and/or onerous for the Company. Shareholders should be aware that only the Independent Shareholders are able to vote on the Waiver Resolutions.

7. Current trading and prospects

The Company announced earlier today the following trading update:

Managed Gaming Solutions (Europe) – the Company continues to experience strong growth across all KPIs, driven through a combination of increased FTDs, ongoing product innovation and the launch of 9 new casinos in the quarter. Year on year revenue growth of 130% reflects substantial organic growth and is accompanied by an improvement in the cost of sales through effective casino management.

	Q4 FY17	Q4 FY16	Change	Q3 FY17	Change	FY17	FY16	Change
Net Gaming Revenue	£4.2m	£2.0m	110%	£3.5m	18%	£13.1m	£5.7m	130%
First Time Depositors	42,429	16,071	164%	38,424	10%	130,105	49,176	165%
Cash Wagering	£118.7m	£48.5m	145%	£99.0m	21%	£390.3m	£151.9	157%
Transactions (bets or spins)	171.6m	64.7m	165%	132.3m	30%	423.5m	176.9m	139%

B2B Europe – Nektan has further extended its games licensing partnership with Spin Games LLC (“**Spin**”) to incorporate the European licensing of certain Konami and other premium third party game titles deployed on the Spin remote gaming server (ROC). Nektan expects to publish the first games in its managed casino network via ROC during Q1 FY18. Through this partnership, these games will also be made available to European commercial gaming operators via Nektan's proprietary technology, Evolve Lite.

The Company has signed 3 contracts to enable 3rd party games studios to work in partnership with the Company and to leverage its Gibraltar infrastructure to supply licensed commercial gaming solutions.

The Company expects the B2B business to generate revenue and to make a positive contribution in Q1 FY18.

North America – Respin, the Company's US subsidiary and leader in in-venue gaming, continues to sign additional casinos for its mobile gaming solution, Rapid Games. The US management team expects to launch Rapid Games in its first casino during the next quarter.

8. Related party transactions

Gary Shaw and Sandeep Reddy have, either directly or through their associated companies, holdings of 5,330,168, and 6,431,373 Ordinary Shares respectively (representing 14.8 per cent. and 17.8 per cent. of the Company's issued share capital respectively). Gary Shaw and Sandeep Reddy (together the "**Related Parties**") are, directly or indirectly, lending £1,300,000 and £1,200,000 respectively to the Company under the Facility Agreements. As Directors, their participation in the Debt Fundraise constitutes a related party transaction under the AIM Rules for Companies.

Jim Wilkinson (the "**Independent Director**") considers, having consulted with the Company's nominated adviser, Stockdale, that the terms of the Debt Fundraise are fair and reasonable insofar as the Shareholders are concerned.

9. Whitewash

For the purpose of the Articles, the Lenders are deemed to be acting in concert when entering into the Facility Agreement and participating in the Debt Fundraise. As set out above, Gary Shaw and Sandeep Reddy or their associated companies hold, in aggregate, 32.6 per cent. of the Company's issued share capital.

The Board has exercised its discretion, pursuant to the Articles, to apply the City Code to the Debt Fundraise. Accordingly, to enable the Company to enter into the Debt Fundraise, the Independent Director is recommending that the Shareholders pass ordinary resolutions to waive the obligations that would arise for Gary Shaw and Sandeep Reddy and their associated companies, Fiduciary Trust (New Zealand) Limited, Dominus Trust Limited and Venture Tech Assets Limited as a concert party (the "**Concert Party**") to make a general offer for the balance of the issued share capital of the Company not owned by them as a result of them (i) acting in concert in relation to the Debt Fundraise; (ii) exercising their securities in future (as listed in Part 2 of this document); (iii) subscribing for further Ordinary Shares by 28 July 2024 and (iv) them holding, or having the right to hold, more than 30 per cent. of the enlarged issued share capital of the Company (the "**Waiver Resolutions**").

The Waiver Resolutions will be conducted on a poll. The Notice of EGM is set out in Part 3 of this document and a Form of Proxy is enclosed. Your attention is also drawn to Part 2 of this document which contains certain additional information relating to the Waiver Resolutions.

In respect of the Waiver Resolutions, the Independent Director, who has been so advised by Stockdale considers that the waiver of the obligation that would arise for the Concert Party to make an offer, pursuant to the Board's decision to apply the City Code under the Articles, as a result of the Concert Party holding more than 30 per cent. of the issued share capital of the Company, is in the best interests of the Shareholders as a whole. In providing its advice to the Independent Director, Stockdale has taken account of the Independent Director's commercial assessments. Accordingly, the Independent Director recommends that the Independent Shareholders vote in favour of the Waiver Resolutions, as the Independent Director has provided an irrevocable undertaking to vote in favour of the Resolutions in respect of his own shareholding, which amounts in aggregate to 301,956 Ordinary Shares (representing approximately 0.8 per cent. of the issued share capital of the Company).

10. Extraordinary General Meeting

Set out in Part 3 of this document is a notice convening the EGM at which the Resolutions will be proposed. The Resolutions grant the relevant authorities to proceed with the Debt Fundraise, as well as providing authorities for the issue of the Warrants and the standard authorities and disapplication of pre-emption rights.

11. Irrevocable Undertakings

Certain Shareholders have irrevocably undertaken to vote in favour of the Resolutions in respect of, in aggregate, 13,696,782 Existing Ordinary Shares, representing approximately 38 per cent. of the Company's issued share capital as at the date of this letter and approximately 56 per cent. of the Company's issued share capital held by Independent Shareholders.

12. Recommendation

The Independent Director believes that the Debt Fundraise is in the best interests of the Company and its Shareholders as a whole.

In addition, the Independent Director recommends that Shareholders vote in favour of the Resolutions. This recommendation is subject to the fact that only Independent Shareholders may vote on the Waiver Resolutions. The Independent Director has irrevocably undertaken to vote in favour of the Resolutions in respect of, in aggregate, 301,956 Existing Ordinary Shares, representing approximately 0.8 per cent. of the Company's issued share capital.

As the Debt Fundraise and the issue of the Warrants are conditional, inter alia, upon the passing of the Resolutions, Shareholders should be aware that, if the Resolutions are not passed, the proceeds of the Debt Fundraise will not be received by the Company. In such circumstances, the Company would need urgently to pursue additional or alternative funding sources which, if they are available at all, may be expensive and/or onerous for the Company. Shareholders should be aware that only the Independent Shareholders are able to vote on the Waiver Resolutions.

Jim Wilkinson
Chairman

PART 2 – ADDITIONAL INFORMATION IN RELATION TO THE WAIVER RESOLUTIONS

Responsibility

1. The Directors take responsibility for the information contained in this document. To the best of the Directors' knowledge and belief (who have taken all reasonable care to ensure that this is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information.
2. Each of Gary Shaw and Sandeep Reddy takes responsibility for any information in the document relating to the Concert Party. To the best of the knowledge and belief of Gary Shaw and Sandeep Reddy (who have taken all reasonable care to ensure that this is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Waiver Resolutions - Requirement

3. Article 153 requires the Company, subject to Board discretion, if any circumstances arise under which (had the Company been subject to the City Code) the Company would be an offeree, to comply with the provisions of the City Code. The Board has exercised its discretion to apply the City Code to the Debt Fundraise.
4. Article 155 states that a person must not (unless it is a Permitted Acquisition), whether by himself, or with persons determined by the Board to be acting in concert with him, acquire an interest in shares of the Company which, taken together with interests in shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights attributable to the shares of the Company. An acquisition is a Permitted Acquisition if the Board consents to it.
5. Article 159 states that the Board has full authority to determine the application of Articles 155 to 159, including all discretion vested in the Panel.
6. Rule 9 of the Code allows for the Panel to waive the offer obligations under Rule 9 where the Independent Shareholders have voted to waive the obligation at a Shareholders' meeting. Resolutions 1 and 2 in the Notice are the Waiver Resolutions. Articles 153 to 159 (inclusive) are appended to this document.

Concert Party

7. Gary Shaw and Sandeep Reddy and their associated companies, Fiduciary Trust (New Zealand) Limited and Dominus Trust Limited and Venture Tech Assets Limited, are all Shareholders and/or Noteholders in the Company. They are considered to be acting in concert for the purposes of Rule 9 of the City Code, which is incorporated into the Articles. They are treated as acting in concert because (i) each Lender is agreeing to enter into their Facility Agreement with the Company on the basis that the other Lender will also enter into their Facility Agreement with the Company; (ii) Gary Shaw is associated with Fiduciary Trust (New Zealand) Limited and Dominus Trust Limited; and (iii) Sandeep Reddy is associated with Venture Tech Assets Limited.
8. The Waiver Resolutions also waive the obligation on the Concert Party to make an offer, which may arise if the individual entities are still deemed to be acting in concert for the purposes of Rule 9 of the Takeover Code, which is incorporated into the Articles in the event that (i) the Concert Party exercises any warrants (including the Debt Warrants and Anti-Dilution Warrants not yet issued) or CLNs held by the Concert Party; or the Concert Party subscribes for further Ordinary Shares by 28 July 2024.
9. No member of the Concert Party is able to vote on the Waiver Resolutions.

10. The table below sets out the Concert Party's holdings at the date of this document.

	Shareholder/ Noteholder/ Warrantholder	Gary Shaw ¹	Sandeep Reddy ²
	Shares	Number	5,330,168
	Percentage of issued share capital	14.8%	17.8%
Series A CLNs	Number	143,541 ³	478,469
CLN deferred-interest warrants	Number	81,594	271,980
Anti-dilution warrants (January 2017 instrument) ⁴	Number	16,232,812	81,163,934
Spring 2016 fundraise warrants ⁵	Number	300,000	1,000,000
Debt Warrants (maximum number to be issued)	Number	6,968,000	6,432,000
Shares if full conversion of the Series A & B CLN, and exercise of the current issued CLN deferred interest warrants and to be issued Debt warrants	Number	13,552,489	17,044,444
	Percentage of issued share capital	15.4%	19.3%
Anti-Dilution Warrants (maximum number to be issued)	Number	178,100,000	164,400,000

1. Gary Shaw and his connected entities, Fiduciary Trust (New Zealand) Limited and Dominus Trust Limited.
2. Sandeep Reddy and his connected entities, Fiduciary Nominees Limited and Venture Tech Assets Limited.
3. All figures reflect the position when the relevant securities were issued. They do not take into account any transfer, exercise or conversion.
4. These anti-dilution warrants issued in January 2017 will expire on 27 July 2017.
5. The current share price of the Company is below the exercise price of the spring 2016 fundraise warrants.

11. The Company has no interest in, right to subscribe for, or short positions in, the issued share capital of any member of the Concert Party.

The Debt Fundraise

12. The Debt Fundraise and related issue of Debt Warrants and Anti-Dilution Warrants to the Concert Party would raise £2,500,000 for the Company for the purposes detailed in paragraph 6 of Part 1 of this document.
13. The Directors believe that the Debt Fundraise will enable the Company to support the near term working capital requirements of its operations and allow the Company to continue the investment in its platform to support the continued growth of its European managed gaming solutions business, the establishment of its B2B software licensing and games distribution business and its in venue gaming operation in the US.

General

14. Stockdale has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of its name and references to it in the form and context in which they appear.
15. Save as set out in this document, no agreement, arrangement, or understanding (including any compensation arrangement) exists between any member of the Concert Party on the one hand, and the Directors, recent directors, Shareholders or recent Shareholders of the Company having any connection with or dependence upon the proposals set out in this document.
16. Save as set out in this document:
- a. no member of the Concert Party has any interest in, right to subscribe in respect of or short position in relation to any relevant securities;
 - b. there are no relevant securities which any member of the Concert Party has borrowed or lent (excluding any borrowed relevant securities which have either been on lent or sold);
 - c. no person who is acting in concert with the Company has as at the latest practicable date prior to the publication of this document any interest in, right to subscribe in respect of or short position in relation to any relevant securities; and
 - d. there are no relevant securities which the Company or any person acting in concert with it has borrowed or lent (excluding any borrowed relevant securities which have either been on lent or sold).
 - e. as at the close of business on the latest practicable date prior to the publication of this document, Stockdale (including any person controlling, controlled by or under the same control as it) is not interested in nor has any rights to subscribe for and has no short positions in any relevant securities of the Company or the Concert Party.

In this paragraph 16 references to:

- (i) "relevant securities" means Ordinary Shares and securities carrying conversion or subscription rights into Ordinary Shares in the Company;
- (ii) "derivatives" include any financial product, whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (iii) "short position" means a short position, whether conditional or absolute and whether in the money or otherwise, and includes 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
- (iv) "control" means an interest, or aggregate interests, in shares carrying in aggregate 30% or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

For the purposes of this paragraph 16 a person is treated as "interested" in securities if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as "interested" in securities 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.
17. The approval of the Waiver Resolutions will not restrict the Lenders or the Concert Party from making any further offer for Ordinary Shares in the Company in the future.
18. There have been no disqualifying transactions (as set out in the Takeover Code and incorporated into the Articles) in the 12 months prior to the date of this document.
19. Neither the Company nor the corporate entities of the Concert Party have been rated by the ratings agencies.

PART 3 – NOTICE OF EGM

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting of the Company will be convened at the offices of K&L Gates LLP, One New Change, London, EC4M 9AF and by telephone using telephone number 0800 496 2121 for callers in the UK and +44(0)20 79 041856 for callers from outside the UK and passcode 4308101 on 28 July 2017, at 11.00 am (UK time) to consider and, if deemed fit, to approve the following resolutions (the “**Resolutions**”), Resolutions 1 to 3 (inclusive) being ordinary resolutions and Resolution 4 being a special resolution:

ORDINARY RESOLUTIONS

1. To approve the waiver by the Board, in accordance with the Company’s Articles, of the obligations on the Concert Party to make a general offer for all the ordinary issued share capital of the Company now that each individual party of the Concert Party is now acting in concert and considering their current combined shareholding of 32.6 per cent.
2. To approve the waiver by the Board, in accordance with the Company’s Articles, of the obligations on the Concert Party to make a general offer for all the issued share capital of the Company following the increase in the percentage of shares of the Company carrying voting rights in which the Concert Party is interested as a result of (i) the exercise of any warrants or convertible loan notes held by the Concert Party at today’s date; (ii) the exercise of any warrants issued to the Concert Party as authorised by Resolutions 3 and 4 below; or (iii) as a result of the Company issuing further Ordinary Shares to the Concert Party by 28 July 2024.
3. That, in accordance with the Company’s Articles, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company:
 - (a) up to an aggregate nominal amount of £134,000 in connection with the grant or exercise of certain warrants over the share capital of the Company issued in connection with the July 2017 Debt Fundraise (the “**July 2017 Debt Warrants**”);
 - (b) up to an aggregate nominal amount of £3,425,000 in connection with the grant or exercise of certain limited exercise warrants over the share capital of the Company issued in connection with the July 2017 Debt Fundraise (the “**July 2017 Anti-Dilution Warrants**”);
 - (c) up to an aggregate nominal amount of £333,333.33 at no less than a price per ordinary share of £0.15 in connection with the issue of ordinary shares in case any further equity fundraise is required (the “**Further Fundraising**”);
 - (d) otherwise than in connection with the matters set out in sub-paragraphs (a), (b) and (c) above, up to an aggregate nominal amount of £120,118; and
 - (e) otherwise than in connection with the matters set out in sub-paragraphs (a), (b) and (c) above, up to an aggregate nominal value of £240,235 (after deducting from such limit any relevant securities allotted under paragraph (d) above) in connection with any offer by way of a rights issue.

Unless previously renewed, revoked or varied, the authority conferred by Resolution 3 (c), (d) and (e) shall apply in substitution for the existing authorities passed at the 2016 annual general meeting as resolution 5(e), (h) and (i). The other existing authorities will remain in place. The authorities under Resolutions 3(a) and 3(b) will apply in addition to the existing authorities. The authority conferred by this Resolution 3 shall apply until the conclusion of the next annual general meeting of the Company after the date on which this Resolution is passed or, if earlier, the close of business on the date 15 months following the passing of the Resolution but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to be granted after the authority expires and the directors may allot shares or grant such rights under such an offer or agreement as if the authority conferred hereby had not expired.

For the purposes of this Resolution 3, “rights issue” means an offer to:

- i. ordinary Shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- ii. holders of other equity securities as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such limits, restrictions or arrangements as the directors consider necessary or appropriate to deal with fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

SPECIAL RESOLUTION

4. That, subject to the passing of Resolution 3 and in place of any existing authority, the Directors be given the general power to allot equity securities for cash, pursuant to the authority conferred by Resolution 3, as if article 5 of the Company's Articles did not apply to any such allotment, provided that this power shall be limited to:
- (a) up to an aggregate nominal amount of £134,000 in connection with the July 2017 Debt Warrants;
 - (b) up to an aggregate nominal amount of £3,425,000 in connection with the July 2017 Anti-Dilution Warrants;
 - (c) up to an aggregate nominal amount of £333,333.33 in connection with any Further Fundraising;
 - (d) in connection with a rights issue pursuant to sub-paragraph (e) of Resolution 3 as the Directors may consider necessary, appropriate or expedient to deal with fractional entitlements, record dates, any legal or practical problems in or under the laws of any territory, the requirements of any regulatory body or any stock exchange in any territory or any other matter whatsoever; and
 - (e) otherwise than in connection with the matters set out in sub paragraphs (a) to (d) above, up to an aggregate nominal amount of £36,035.

Unless previously renewed, revoked or varied, the power conferred by Resolution 4(c), (d) and (e) shall apply in substitution for the existing powers passed at the 2016 annual general meeting as resolution 6(e), (h) and (i). The other existing powers will remain in place. The powers under Resolutions 4(a) and 4(b) will apply in addition to the existing powers. The power conferred by this Resolution 4 shall apply until the conclusion of the next annual general meeting of the Company after the date on which this Resolution is passed or, if earlier, the close of business on the date 15 months following the passing of this Resolution but, in each case, so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted after the power expires and the directors may allot equity securities under such an offer or agreement as if the power conferred hereby had not expired.

For the purposes of this Resolution 4, "rights issue" has the same meaning given in Resolution 3.

BY ORDER OF THE BOARD

Jim Wilkinson, Director

5 July 2017

EXPLANATORY NOTES

1. Only those members registered in the register of members of the Company at 6:00 p.m. on 26 July 2017 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned, the time by which a person must be entered in the register of members of the Company in order to have the right to attend and vote at the meeting is 6:00 p.m. on the day that is two days prior to the day of the adjourned meeting. Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and to speak and vote on his behalf at the meeting. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. The completion and return of a proxy form will not prevent a member who wishes to do so from attending and voting at the meeting in person.
3. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. Each proxy must be appointed on a separate proxy form. Additional proxy forms may be obtained by contacting Patrick Sinclair on patrick.sinclair@nektan.com. Alternatively, members may photocopy the accompanying proxy form the required number of times before completing it. A member appointing more than one proxy must indicate on the relevant proxy forms the number of shares in respect of which each proxy is appointed.
4. To be valid, a proxy form and any power of attorney or other authority (if any) under which it is signed (or a duly certified copy of such power or authority) must be received by post (during normal business hours only) or by hand at Suite 1, Burn's House, 19 Town Range, Gibraltar by 11:00 am (UK time) on 25 July 2017.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.
6. 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 message, regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID R033) by the latest time(s) for receipt of proxy appointments specified in this notice of 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 is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.
7. 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, to procure that his CREST sponsor or voting service provider take) 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.
8. 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.
9. Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

11. As at 3 July 2017 (being the latest practicable date prior to the publication of this notice), the Company's issued share capital consisted of 36,035,292 Ordinary Shares, carrying one vote each. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company as at 3 July 2017 is 36,035,292.
12. **Resolutions 1 and 2:** Pursuant to the Company's Articles, when any person acquires, whether by a series of transactions over time or not, an interest in shares which, taken together with shares in which he and persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights, that person is normally required to make a general offer in cash for all the remaining equity share capital of the company at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the twelve months prior to announcement of the offer.
13. The Company must apply to the Board for a waiver of this obligation in order to permit the Company to proceed with the Debt Fundraising without triggering an obligation on the part of the Concert Party to make a general offer to Shareholders. The Board has agreed, subject to the non-Concert Party Shareholders' approval on a poll, to waive the requirement for the Concert Party to make a general offer to all Shareholders. Resolution 1 covers the current position of the Concert Party and Resolution 2 applies when the Concert party exercises any warrants or convertible loan notes that it holds or if the Company issues further Ordinary Shares to any individual entity comprising the Concert Party by 28 July 2024.
14. **Resolution 3** gives the Directors authority to allot Ordinary Shares up to an aggregate nominal value of: (a) £134,000 in connection with the grant and exercise of the July 2017 Debt Warrants; (b) £3,425,000 in connection with the grant and exercise of the July 2017 Anti-Dilution Warrants; (c) £333,333.33 in connection with a further equity fundraise, in case required at not less than £0.15 per Ordinary Share; (d) £120,118 being up to one third of the aggregate nominal amount of the Company's entire issued Ordinary Share capital as at the date of the passing of this Resolution 3; and (e) £240,235 being up to two thirds of the Company's entire issued share capital (less any Shares issued under (h)) by way of a rights issue. The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company or 15 months from the passing of the resolution. These authorities would also negate the previous authorities passed at the 2016 annual general meeting under resolution 5(e), (h) and (i) to allot Ordinary Shares in the Company. All other existing authorities will remain in full force and effect.
15. **Resolution 4** disapplies pre-emption rights contained in the Articles for the allotment of equity securities pursuant to the authority contained in Resolution 3. This authority allows the Directors to allot Ordinary Shares on a non-pre-emptive basis, for all of the Ordinary Shares set out in each of sub paragraphs (a), (b) and (c) of Resolution 3 and for the Ordinary Shares in sub-paragraph (d) relating to a rights issue with flexibility in dealing with fractions and other ancillary matters requiring administrative disapplication of pre-emption rights and further up to a nominal value equal to one tenth of the aggregate nominal amount of the Company's entire issued share capital. The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company or 15 months from the passing of the resolution.

APPENDIX

Nektan plc – Articles of Association – Articles 153 to 159

TAKEOVER PROVISIONS

153. City Code

If and for so long as the Company shall not be subject to the City Code, the provisions of this Article shall apply subject to the Act, to applicable law, to any other regulation in respect of takeovers which applies to the Company at any time, and to the Board being satisfied that the application of this Article is, in any particular case, in the best interests of the Company. In managing and conducting the business of the Company and in exercising or refraining from exercising any and all powers rights and privileges from time to time vested in it, the Board shall use its reasonable endeavours:

- (a) to apply and to have the Company abide by the General Principles mutatis mutandis as though the Company were subject to the City Code;
- (b) if any circumstances shall arise under which (had the Company been subject to the City Code) the Company would be an offeree or otherwise the subject of an approach or the subject of a third party's statement of firm intention to make an offer, to comply with and to procure that the Company complies with the provisions of the City Code applicable to an offeree company and the board of directors of an offeree company mutatis mutandis as though the Company were subject to the City Code; and
- (c) in the event that (and in any case for so long as) the Board recommends to members of the Company or any class thereof any takeover offer made for the shares of the Company from time to time, to obtain the undertaking of the offeror(s) to comply with the provisions of the City Code in the conduct and execution of the relevant offer(s) mutatis mutandis as though the Company were subject to the City Code, but recognising that the Panel will not have jurisdiction (if and for so long as such may be the case).

154. Definition of interested in shares

For the purposes of Articles 153 to 159.4 and 161 to 164, a person shall be treated as "interested" in shares in the capital of the Company if he would be treated as being interested in such shares under the City Code, if it applied to the Company, and "interests" in shares shall be construed accordingly.

155. Prohibition on acquisitions of shares in certain circumstances

155.1 A person must not (other than solely as custodian or depositary (or nominee thereof) under any arrangements implemented and/or approved by the Directors under Article 21):

- (a) effect or purport to effect a Prohibited Acquisition (as defined in Article 158);
- (b) except as a result of a Permitted Acquisition (as defined in Article 157):
 - (i) whether by himself, or with persons determined by the Board to be acting in concert with him, acquire after the date that Articles 155.1 to 159.3 shall come into effect (the "**Effective Date**") an interest in shares of the Company which, taken together with interests in shares held or acquired after the Effective Date by him or by persons determined by the Board to be acting in concert with him, carry 30 per cent. or more of the voting rights attributable to the shares of the Company; or
 - (ii) whilst he, together with persons determined by the Board to be acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights attributable to the shares of the Company, acquire after the Effective Date, whether by himself or with persons determined by the Board to be acting in concert with him, an interest in any other shares which, taken together with interests in shares held by persons determined by the Board to be acting in concert with him, increases the percentage of shares of the Company carrying voting rights in which he is interested (each of (i) and (ii) being a "**Limit**").

155.2 Where any person breaches any Limit, except as a result of a Permitted Acquisition, or becomes interested in any shares of the Company as a result of a Prohibited Acquisition, that person is in breach of these Articles.

156. Powers of the board in the event of breach

The Board may do all or any of the following where it has reason to believe that any Limit is or may be breached or any Prohibited Acquisition has been or may be effected:

- (a) require any member or persons appearing or purporting to be interested in any shares of the Company to provide such information as the Board considers appropriate to determine any of the matters under Articles 155.1 to 159.3;
- (b) have regard to such public filings as it considers appropriate to determine any of the matters under Articles 155.1 to 159.3;

- (c) make such determinations under Articles 155.1 to 159.3 as it thinks fit, either after calling for submissions from affected members or other persons or without calling for such submissions;
- (d) determine that the voting rights attached to such number of shares held by such persons as the Board may determine, or in which such persons are or may be interested, are held in breach of these Articles (“**Excess Shares**”) and are from a particular time incapable of being exercised for a definite or indefinite period;
- (e) determine that some or all of the Excess Shares must be sold;
- (f) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; or
- (g) take such other action as it thinks fit for the purposes of Articles 155.1 to 159.3 including;
 - (ii) prescribing rules (not inconsistent with Articles 155.1 to 159.3);
 - (iii) setting deadlines for the provision of information;
 - (iv) drawing adverse inferences where information requested is not provided;
 - (v) making determinations or interim determinations;
 - (vi) executing documents on behalf of a member;
 - (vii) converting any Excess Shares held in uncertificated form into certificated form, or vice versa or converting any Excess Shares represented by Depositary Interests issued in uncertificated form under Article 21;
 - (viii) paying costs and expenses out of proceeds of sale; and (viii) changing any decision or determination or rule previously made.

157. Permitted Acquisitions

An acquisition is a “Permitted Acquisition” if:

- (a) the Board consents to the acquisition (even if, in the absence of such consent, the acquisition would be a Prohibited Acquisition);
- (b) the acquisition is made in circumstances in which the City Code, if it applied to the Company, would require an offer to be made as a consequence and such offer is made, and not subsequently withdrawn, in accordance with Rule 9 of the City Code, as if it so applied;
- (c) the acquisition arises from repayment of a stock-borrowing arrangement (on arm’s length commercial terms); or
- (d) a person breaches a limit only as a result of the circumstances referred to in Article 159.3.

158. Prohibited Acquisitions

An acquisition is a “Prohibited Acquisition” if Rules 4, 5, 6 or 8 of the City Code would in whole or part apply to the acquisition if the Company were subject to the City Code and the acquisition were made (or, if not yet made, would if and when made be) in breach of or otherwise would not comply with Rules 4, 5, 6 or 8 of the City Code.

159. Panel discretion vested in the board

159.1 The Board has full authority to determine the application of Articles 155.1 to 159.3, including as to the deemed application of the whole or any part of the City Code. Such authority shall include all discretion vested in the Panel as if the whole or any part of the City Code applied including, without limitation, the determination of conditions and consents, the consideration to be offered and any restrictions on the exercise of control. Any resolution or determination of, or decision or exercise of any discretion or power by, the Board or any Director or by the chairman of any meeting acting in good faith under or pursuant to the provisions of Articles 155.1 to 159.3 shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. The Board shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with Articles 155.1 to 159.3.

159.2 Any one or more of the Directors may act as the attorney(s) of any member in relation to the execution of documents and other actions to be taken for the sale of Excess Shares determined by the Board under Articles 155.1 to 159.3.

159.3 If as a consequence of the Company redeeming or purchasing its own shares, there is a resulting increase in the percentage of the voting rights attributable to the shares held by a person or persons determined by the Board to be acting in concert and such an increase would constitute a breach of any Limit, such an increase shall be deemed to be a Permitted Acquisition.

159.4 Articles 155.1 to 159.3 shall have effect only during such times as the City Code does not apply to the Company.

