



**Job Title: Project IPPLUS Circular**

**Job Number: 27147-01**

**Date: 9 September 2016**

**Proof Level: 3**

**Clean Proof**

**Rubicon Corporate Print, Unit 1D, K Warehouse, 2 Western Gateway, London E16 1DR**

**t: +44 (0)207 012 1148**

**f: +44 (0)207 012 1138**

**e: [csd@rubiconcpl.com](mailto:csd@rubiconcpl.com)**

**THIS CIRCULAR AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this circular and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the FSMA if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.**

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this circular, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred part only of your holding of Ordinary Shares you should retain these documents.

The Directors (whose names and functions appear on page 7 of this document) and the Company (whose registered office appears on page 7 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This circular and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, any Restricted Jurisdiction.

This circular has not been, and will not be, reviewed or approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body. This circular cannot be relied on for any investment contract or decision.



## IPPLUS PLC

*(incorporated and registered in England and Wales with registered number 03869545)*

### **Proposed Disposal of IPPlus (UK) Limited and CallScripter Limited and Notice of General Meeting**

**This circular does not constitute an offer to purchase nor a solicitation of an offer to sell any Ordinary Shares.**

Nplus1 Singer Advisory LLP ("N+1 Singer"), 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 proposed Disposal and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of N+1 Singer or for advising any other person in respect of the proposed Disposal or any transaction, matter or arrangement referred to in this document. N+1 Singer's responsibilities as the Company's nominated adviser and broker are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on N+1 Singer by the FSMA or the regulatory regime established thereunder, N+1 Singer does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company. N+1 Singer accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

**This circular should be read as a whole. Your attention is drawn in particular to the letter from the Chairman which is set out in Part I of this circular and, in particular, to section 15 which contains the unanimous recommendation from the Directors that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

Notice of a General Meeting of IPPLUS PLC to be held at 10 a.m. (London time) on 30 September 2016 at the offices of Shepherd and Wedderburn LLP, Condor House, 10 St. Paul's Churchyard, London EC4M 8AL is set out at the end of this circular.

A Form of Proxy for use at this General Meeting is enclosed.

To be valid, the Form of Proxy should be completed, signed and returned in accordance with the instructions printed on it to the Company's registrar, Capita Registrars at FREEPOST Capita PXS as soon as possible but in any event so as to arrive not later than 48 hours before the meeting together with any power of attorney or other authority (or a notarially certified copy of such documents) under which it is signed. You may also appoint a proxy through CREST by following the instructions set out in the Notice of General Meeting.

Completion and return of a Form of Proxy or the appointment of a proxy or proxies through CREST will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

No person has been authorised to give any information or make any representation and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company or the Directors. In particular, the content of the Company's website does not form part of this circular and Shareholders should not rely on it.

This circular will be available on the Company's website [www.ipplusplc.com](http://www.ipplusplc.com) free of charge in accordance with the requirements of Rule 20 of the AIM Rules.

Copies of this circular are available free of charge from IPPlus PLC, 2 Melford Court, The Havens, Ransomes Europark, Ipswich, Suffolk IP3 9SJ.

## TABLE OF CONTENTS

	<u>Page</u>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS .....	3
DEFINITIONS .....	4
PART I – LETTER FROM THE CHAIRMAN .....	7
PART II – PRINCIPAL TERMS OF THE KEY TRANSACTION DOCUMENTS .....	14
NOTICE OF GENERAL MEETING .....	17

### Forward-Looking Statements

This circular contains forward-looking statements that are subject to assumptions, risks and uncertainties associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries, sectors and business segments in which the Continuing Group and the Target Companies' Business operate.

Forward-looking statements can be identified typically by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes", "predicts" or "anticipates", as well as the negative of such words and other words of similar meaning in connection with discussions of future operating or financial performance or of strategy that involve risks and uncertainties.

The forward-looking statements in this circular are made based upon the Company's expectations and beliefs concerning future events affecting the Continuing Group and/or the Target Companies' Business and therefore involve a number of known and unknown risks and uncertainties. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which it will operate, which may prove not to be accurate. The forward-looking statements contained in this circular which are made only as at the date of this circular are not guarantees and actual results could differ materially from those expressed or implied in these forward-looking statements; therefore, undue reliance should not be placed on such forward-looking statements.

Neither the Company nor any member of the Group undertakes any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by any applicable laws and regulations, the AIM Rules and the Disclosure and Transparency Rules.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Posting of this circular and the Form of Proxy	12 September 2016
Latest times and date for receipt of Forms of Proxy from Shareholders	10:00 a.m. on 28 September 2016
General Meeting	10:00 a.m. on 30 September 2016
Expected time of announcement of results of the General Meeting	10:30 a.m. on 30 September 2016
Expected date of Completion of the Disposal	30 September 2016
Longstop Date for Completion of the Disposal	31 October 2016

**Notes:**

- (1) *The dates set out in the Expected Timetable of Principal Events above and mentioned throughout this circular are indicative only and may be adjusted by the Company, in which event details of the new dates will be notified via a regulatory information service.*
- (2) *All references to time in this circular are to time in London.*

## DEFINITIONS

The following definitions apply throughout this circular and the accompanying Form of Proxy, unless the context requires otherwise:

<b>“2006 Act”</b>	the UK Companies Act 2006
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
<b>“Board” or “Directors”</b>	the directors of the Company from time to time
<b>“Business Sale Agreement”</b>	the agreement for the sale of the Demerged Business between IPPlus (UK) Limited and PCI-PAL Limited dated 7 September 2016
<b>“CallScripter Limited”</b>	CallScripter Limited (incorporated in England and Wales with registered number 04049607)
<b>“Company”</b>	IPPlus PLC
<b>“Completion”</b>	completion of the Disposal in accordance with the Share Purchase Agreement
<b>“Completion Date”</b>	the date when Completion occurs
<b>“Continuing Group”</b>	the Company and its subsidiary undertakings (other than the Target Companies)
<b>“CREST”</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland which facilitates the transfer of title to shares
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
<b>“Demerged Business”</b>	together the: <ul style="list-style-type: none"><li>(a) “IP3 Telecom” business of providing hosted telephony and automated interactive voice response services (but excluding the Ansaback reseller account) including general cloud based communication services, interactive voice response services, telephone numbering, multi-lingual automation, international numbering, and media response tracking;</li><li>(b) “PCI-PAL” business of providing products and services relating to the security of customers data, including credit card data handling, contact centre payments and payment card industry payment processing services (including secure data capture, authentication and verification services);</li><li>(c) general contact centre telecommunications services ancillary to the provision of those set out in (a) and (b) above; and</li><li>(d) services provided by PCI-PAL Limited to IPPlus (UK) Limited pursuant to the Master Services Agreement</li></ul>

<b>“Disclosure and Transparency Rules”</b>	the Disclosure Rules and Transparency Rules published by the FCA
<b>“Disposal”</b>	the proposed sale by the Company of the Target Companies’ Business to the Purchaser by way of a sale of the Target Companies’ Shares
<b>“Disposal Resolution”</b>	the ordinary resolution to be proposed at the General Meeting in connection with the Disposal, as set out in the Notice
<b>“Euroclear UK &amp; Ireland”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“FCA”</b>	the Financial Conduct Authority of the United Kingdom
<b>“FinTech”</b>	financial technology
<b>“Form of Proxy”</b>	the form of proxy accompanying this circular
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“General Meeting” or “Meeting”</b>	the general meeting of Shareholders to be held at 10:00 a.m. (London time) at the offices of Shepherd and Wedderburn LLP, Condor House, 10 St. Paul’s Churchyard, London EC4M 8AL on 30 September 2016
<b>“Group”</b>	the Company, together with its subsidiary undertakings
<b>“IPPlus (UK) Limited”</b>	IPPlus (UK) Limited (incorporated in England and Wales with registered number 03443083)
<b>“IVR”</b>	Interactive Voice Response
<b>“Loan Note Instrument”</b>	the loan note instrument constituting the Loan Notes to be executed and delivered to the Company by the Purchaser at Completion
<b>“Loan Notes”</b>	the £3,350,000 of secured loan notes 2020 of the Purchaser constituted by the Loan Note Instrument and to be issued to the Company at Completion
<b>“London Stock Exchange”</b>	London Stock Exchange PLC
<b>“Longstop Date”</b>	31 October 2016
<b>“Master Services Agreement”</b>	the agreement between IPPlus (UK) Limited and PCI-PAL Limited dated on or around the date of the Business Sale Agreement whereby IPPlus (UK) Limited appoints PCI-PAL Limited to provide network telephony and payment platform services in respect of certain contact centres, and related services
<b>“Name Change Resolution”</b>	the special resolution to be proposed at the General Meeting to change the Company’s name to PCI-PAL PLC, as set out in the Notice
<b>“Notice” or “Notice of General Meeting”</b>	the notice of the General Meeting accompanying this circular
<b>“Ordinary Shares”</b>	the ordinary shares of £0.01 each in the capital of the Company

<b>“PCI-PAL Limited”</b>	PCI-PAL Limited (incorporated in England and Wales with registered number 03960535)
<b>“Property”</b>	2 Melford Court, The Havens, Ransomes Europark, Ipswich, Suffolk IP3 9SJ
<b>“Purchaser”</b>	Direct Response Contact Centres Group Limited (incorporated in England and Wales with registered number 07497170)
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting, the full text of which is set out in the Notice of General Meeting at the end of this circular
<b>“Restricted Jurisdiction”</b>	each and any of Australia, Canada, Japan, New Zealand, Russia, The Republic of South Africa and the United States of America, and any other jurisdiction where the mailing of this document into or inside or from such jurisdiction would breach any applicable law or regulations
<b>“Share Charges”</b>	first fixed charges over the shares in the Purchaser owned by Christopher Robinson and Ian Mitchell
<b>“Shareholders”</b>	the holders of Ordinary Shares from time to time
<b>“Share Purchase Agreement”</b>	the conditional sale and purchase agreement, dated 8 September 2016, between the Company and the Purchaser, in respect of the Disposal
<b>“Target Companies”</b>	IPPlus (UK) Limited and CallScripter Limited which include the trading names of Ansaback and CallScripter
<b>“Target Companies’ Business”</b>	<p>the business carried on by the Target Companies, namely the provision of:</p> <ul style="list-style-type: none"> <li>(a) contact centre and telephony services;</li> <li>(b) software for customer scripting and interaction;</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>(c) disaster recovery solutions</li> </ul> <p>but excluding the Demerged Business</p>
<b>“Target Companies’ Shares”</b>	202,003 issued ordinary shares of £1 each in the capital of IPPlus (UK) Limited and 1 issued ordinary share of £1 in the capital of CallScripter Limited

## PART I – LETTER FROM THE CHAIRMAN

# IPPLUS PLC

*(Incorporated and registered in England and Wales with registered number 03869545)*

*Directors:*

Christopher Michael Fielding *(Non-Executive Chairman)*  
William Alexander Catchpole *(Executive Director)*  
Geoffrey Forsyth *(Executive Director)*  
Robert Stuart McWhinnie Gordon *(Executive Director)*  
Jason Stuart Starr *(Non-Executive Director)*

*Registered Office:*

2 Melford Court  
The Havens  
Ransomes Europark  
Ipswich  
Suffolk IP3 9SJ

12 September 2016

Dear Shareholder,

### **Proposed Disposal of IPPlus (UK) Limited and CallScripter Limited and Notice of General Meeting**

#### **1. Introduction**

The Company announced on 9 September 2016 that it has entered into a conditional agreement to sell its call centre and software businesses to Direct Response Contact Centres Group Limited for an aggregate consideration of £6,700,000.

In preparation for the Disposal, the IP3 Telecom and PCI-PAL credit card division has been transferred from IPPlus (UK) Limited, which operates the call centre and software businesses, to PCI-PAL Limited (by way of a business transfer). PCI-PAL Limited will remain as part of the Continuing Group going forward.

Upon Completion, the Company proposes to return £1,000,000 of the cash payable to it by the Purchaser to Shareholders (and a further announcement will be made as soon as practicable after Completion on the timing of this return of cash), with the remainder of the net proceeds being used, together with the Continuing Group's existing cash resources, to finance the working capital of the Continuing Group.

In light of the above, the Board has resolved, conditional on the passing of the Disposal Resolution and Completion, to change the name of the Company to PCI-PAL PLC. Further details on the change of the name of the Company are set out in section 11 of this letter.

Due to its size, the Disposal constitutes a fundamental change of business of the Company under Rule 15 of the AIM Rules and accordingly requires the prior approval of Shareholders in a General Meeting. Accordingly, the Company is convening the General Meeting to seek Shareholder approval for the Disposal.

The purpose of this document is to provide you with the background to, reasons for and details of the Disposal, and to provide you with a Notice of General Meeting of the Company to be held to consider and, if thought fit, to pass the Resolutions.

This document also explains why the Board considers that the Resolutions proposed are in the best interests of the Company and the Shareholders as a whole and why the Board recommends that you vote in favour of the Resolutions. The Notice convening the General Meeting is set out at the end of this circular and a Form of Proxy is also enclosed for you to complete.

#### **2. Background to, reasons for and effect of the Disposal**

The Group is a diversified technology and business services organisation serving a number of market sectors including retail, manufacturing, insurance, charity and export. The Group focuses on three main markets: call centre services, call centre software and compliant credit card solutions designed to prevent credit card fraud.



Over the recent past, the PCI-PAL division has been making considerable progress in developing its offering and now has a number of significant clients including a major pan-European fitness chain, a market leader in the European gaming sector, a leading national online estate agency, a global retail fashion brand and a global furniture brand. The Board has reviewed the PCI-PAL division to decide how best to develop it and believes that the division is well placed to scale up within domestic and overseas markets. However, this will take funding to capitalise on the early mover advantage that the Board believes the PCI-PAL division possesses.

In the last year the Company has received several approaches for its call centre division and at the end of 2015 it became apparent that consolidation was occurring in the call centre industry, with three expressions of interest received by the Company. The Board believes that the call centre division, together with the software business, will benefit from being part of a larger business, particularly given the importance of the division’s largest customer.

The Disposal is to a longstanding business partner which has previously purchased an existing call centre in Bristol. It already uses CallScripter software and several mutual clients have arrangements with both the Purchaser’s business and the Target Companies’ Business. As such, the staff at both the Target Companies’ offices and the Purchaser’s Bristol office already know each other well. This existing relationship should help facilitate the transition of the Target Companies to an enlarged group, with both an East Anglian and West Country presence, and enable the Target Companies to become a strong player in the outsourced bureau market.

Whilst the Board believes that the Target Companies are high quality businesses with strong client bases, the Board recognises that the Disposal represents an opportunity for the Company to realise cash proceeds and move closer to becoming a pure play ‘FinTech’ business concentrating on the PCI-PAL division. This will provide an increased focus from which Shareholders should ultimately benefit.

The Board reviewed the Purchaser’s offer and believes that:

- (a) following the successful award of various contracts in relation to the call centre business during 2015-16, the Target Companies’ Business is now at the right stage for its sale to be considered;
- (b) recent successful contract wins with large UK and international firms by the PCI-PAL division demonstrate the significant business opportunities available in its market and accordingly the Company should put its focus and resource into that growth market; and
- (c) subject therefore to achieving a suitable sale price for the Target Companies’ Business, Shareholder value would be maximised over the mid to long term by disposing of the Target Companies’ Business, returning part of the proceeds from the Disposal to Shareholders, and reinvesting the remainder of the proceeds into the PCI-PAL business.

**3. Management changes**

William Catchpole, Chief Executive Officer, and Geoffrey Forsyth, Chief Technical Officer, will remain with the Continuing Group after Completion, whilst Stuart Gordon, Chief Financial Officer, has decided to transfer with the Target Companies’ Business and, with effect from Completion, has agreed to resign from the Board.

Upon Completion, the Company also plans to separately announce the appointment to the Board of Andrew Francombe as Chief Financial Officer, on a part-time basis, and James Barham as Commercial Director. Details of their service contracts are set out below. These appointments are also subject to the satisfactory completion of the necessary regulatory background due diligence checks by both the Company and N+1 Singer.

<u>Director</u>	<u>Notice Period</u>	<u>Annual Salary (£)</u>
Andrew Francombe .....	Six months	£35,000 (5 days per month)
James Barham .....	Twelve months	£95,000

#### 4. Information on the Target Companies' Business

The Target Companies' Business employs approximately 246 full time employed members of staff.

The Target Companies' revenue and estimated profit split within the Group at the end of June 2015 are shown below:

	(unaudited) Target Companies	(unaudited) Continuing Group	(audited) Year End 2015
Revenue.....	5,825,632	661,309	6,486,941
Operating profit/(loss) .....	409,617	(629,160)	(219,543)
Net assets.....	1,300,000	612,241	1,912,241

Information on the current trading of PCI-PAL, the principal element of the Continuing Group, is set out in section 10 below.

#### 5. Use of proceeds

After deal-related expenses, the initial consideration from the Disposal is expected to generate net proceeds of approximately £3.8 million, including the net cash gain from the sale of the Property. The Company proposes to return £1.0 million of the cash payable to it by the Purchaser at Completion to Shareholders (and a further announcement will be made as soon as practicable after Completion on the timing and method of this return of cash). The remainder of the net proceeds from the Disposal and the sale of the Property will be used, together with the Group's existing cash resources of c.£1.0 million, to finance the working capital of the Continuing Group. Further amounts to be received from the redemption of Loan Notes (£3.35 million in aggregate over 42 months) are also expected to be applied in this manner.

Investment will be made into increasing the sales and marketing infrastructure, including human resource, and on additional technology development to complete a scalable cloud-based architecture for the PCI-PAL suite of solutions, and cash will also be utilised to fund expected operating losses as the business scales to achieve breakeven.

As the Continuing Group will be trading in the new and much less mature FinTech arena, the risk profile will change to a higher risk venture when compared with the more traditional people based call centre activity. The principal risks are noted in section 7 below.

#### 6. Principal terms of the Disposal

The total consideration for the Disposal receivable by the Company will comprise:

- £3,350,000 payable in cash on the Completion Date; and
- £3,350,000 satisfied by the execution and delivery on the Completion Date by the Purchaser of the Loan Note Instrument and Loan Notes repayable in stages over a 42-month period.

The total consideration amount payable on the Completion Date will be adjusted by a customary completion accounts mechanism.

The Disposal is conditional upon:

- (i) the passing of the Resolutions by Shareholders by the Longstop Date;
- (ii) the warranties given by the Company in the Share Purchase Agreement being true and accurate in all material respects as at the Completion Date;
- (iii) the Company not breaching any material term of the Share Purchase Agreement requiring to be performed before Completion;
- (iv) no order or judgement of any court or governmental, statutory or regulatory body in the United Kingdom or elsewhere having been issued or made prior to the Completion Date which has the

effect of making the acquisition by the Purchaser of the Target Companies' Shares unlawful or otherwise prohibiting the Disposal; and

- (v) completion of the sale of the Property and its leaseback to IPPlus (UK) Limited (see further section 8 below).

The Share Purchase Agreement will terminate if the relevant conditions are not satisfied (or, if capable of being waived, waived) by the Longstop Date.

The Company has also given the Purchaser an indemnity capped at £2.0 million in relation to any liabilities which the Purchaser or the Target Companies might suffer as a result of the transfer out of the IP3 Telecom and PCI-PAL credit card division prior to entering into the Share Purchase Agreement.

Further details of the Disposal and a summary of the principal terms of the key Disposal documents are set out in Part II of this circular.

## 7. Risks

**Principal business risks and uncertainties:** The PCI-PAL business has a limited operating history and, as at the date of this document, the Company has no distinct financial statements and/or no meaningful historical financial data upon which prospective investors may base an evaluation of the Continuing Group. The Company is therefore subject to all of the risks and uncertainties associated with any new business enterprise including the risk that the Company will not achieve its investment objectives and that the value of an investment in the Company could decline and may result in the total loss of all capital invested.

There can be no assurances that the Continuing Group will successfully develop or that the resources it has will be suitable for its requirements. The Continuing Group may require the injection of further capital at a level which the Company or any third party may consider that it is unable to meet.

The principal risks facing the Target Companies relate broadly to their intellectual property, technology, the market place and competitive environment and their dependence on key people.

**Intellectual property rights ('IPR'):** The Group is reliant on IPR surrounding its internally generated and licensed-in software. Whilst it relies upon IPR protections including patents, copyrights, trademarks and contractual provisions, it may be possible for third parties to obtain and use the Group's intellectual property without its authorisation. Third parties may also challenge the validity and/or enforceability of the Group's IPR, although the Directors do not envisage this risk to be significant. In addition, the Directors are aware of the supply risk of losing key software partners. As these are not a significant part of the core products, this would only have a short-term impact on the Group as it would then seek to identify and then train staff in alternative products.

**Information technology:** Data security and business continuity pose inherent risks for the Group. The Group invests in and keeps under review formal data security and business continuity policies which are independently audited.

**Market place and competition:** The sectors in which the Group operates in and/or routes to market may undergo rapid or unexpected changes or not develop at a pace in line with Directors' expectations. It is also possible that competitors will develop similar products; the Group's technology may become obsolete or less effective; or that consumers use alternative channels of communications, which may reduce demand for the Group's products and services. In addition, the Group's success depends upon its ability to develop new, and enhance existing, products, on a timely and cost effective basis, that meet changing customer requirements and incorporate technological advancements. The Directors review the market movements, client requirements and competitive suppliers to ensure that the current portfolio is as required. The Directors ensure that the team is properly directed, trained and motivated to address this issue.

**Key personnel:** The Group depends on the services of its key technical, operations, sales and management personnel. The loss of the services of any one or more of these persons could have a material adverse effect on the Group's business. The Group maintains an active policy to identify, hire, train, motivate and retain highly skilled personnel in key functions.

## **8. Property**

The Property, along with the benefit of the ancillary leased land, which contains the call centre, the software division and the back office departments, has been conditionally sold to a third party, which will then lease back the Property to IPPlus (UK) Limited on a ten year lease at a market rent, with a five year break clause.

The sale and leaseback is conditional on the Disposal Resolution being passed at the General Meeting and the Purchaser confirming it is willing to proceed to Completion provided the sale and leaseback occurs. The Property sale and leaseback completion will occur immediately before the Target Companies' Completion such that IPPlus (UK) Limited will account for the net proceeds of approximately £800,000 from the sale. The Target Companies will then be sold at Completion with the new lease arrangements in place.

The Property was purchased in 2013 for £1,550,000 to provide additional space for the Group as it grew. The sale and leaseback arrangement has been entered into in order to facilitate the Disposal. As an additional benefit it is expected that this sale will generate a small profit of £350,000 for the Company after redemption of the mortgage of £1.1 million and deduction of fees, expenses and commissions.

## **9. Information on the Purchaser**

The Purchaser's group of companies handles outsourcing of voice, data and contact centre support for organisations from a wide range of sectors.

## **10. Information on the Continuing Group**

The PCI-PAL business is a business that provides products and services that help organisations to secure their customers' data, in particular credit card data, and to de-risk their business activities from the results associated with data loss and cyber crime. Recent high-profile data breaches have raised awareness of the reputational impact of such breaches for businesses.

The PCI-PAL business provides a suite of solutions to support clients on the path to achieving compliance with the Payment Card Industry Data Security Standard ("**PCI DSS**"). The leading products of the business are the PCI-PAL Agent Assist tool and the PCI-PAL Automate services, both of which are secure payment solutions for contact centres to process customer credit card details securely and in line with card scheme rules.

The PCI-PAL business was one of the first businesses globally to achieve compliance with the PCI DSS within a cloud platform. It has a client base that includes major global brands and other organisations utilising technology to secure customer data, protect their reputation, and reduce the costs associated with compliance to global data security requirements.

In addition to contact centre payments and data security, the PCI-PAL business maintains a client base of general cloud communications services that utilise a secure cloud environment to ensure high availability, data security, and intelligent cloud telecommunications services. These services include bespoke IVR, multi-lingual automation, international numbering, media response tracking and associated cloud contact centre services.

As announced on 26 August 2016, the PCI-PAL business has benefited from gaining a number of significant contracts including a major pan-European fitness chain, a market leader in the European gaming sector, a leading national online estate agency, a global retail fashion brand and, most recently, a global furniture brand. Comparing July 2016 with January 2016, PCI-PAL has seen a 46 per cent. increase in transaction volumes.

The Board believes, therefore, that the PCI-PAL business has the potential to develop in both domestic and international markets, based on it having a degree of first mover advantage and a brand recognised by the target market which provides an exciting opportunity. As announced on 26 August 2016, the current sales pipeline is extremely encouraging and the Board expects to see a continuing rise in transaction volumes processed through PCI-PAL. The Board is confident of the good prospects ahead for the business.

The Demerged Business will retain 13 members of staff immediately following the Disposal.

## **11. Change of Name**

As the Purchaser will be operating the Target Companies' Business under the IPPlus brand following Completion, the Board has resolved, conditional upon Completion and the passing of the Name Change Resolution, to change the name of the Company to PCI-PAL PLC. The share capital of the Company will remain traded on AIM following Completion. A further announcement will be made in due course in connection with the change of name becoming effective. Existing share certificates will remain valid.

## **12. Directors' interests**

The Directors have irrevocably undertaken to vote in favour of the Resolutions to be proposed at the General Meeting in respect of their entire beneficial holdings of Ordinary Shares, which amount to 4,865,670 Ordinary Shares representing 15.4 per cent. of the issued Ordinary Shares.

## **13. General Meeting**

Due to its size, and given its importance to the Company, under AIM Rules the Disposal is subject to the approval of Shareholders in a General Meeting of the Company. If passed, the Disposal Resolution will authorise the Directors to implement the Disposal on the terms set out in the Share Purchase Agreement and as summarised in this circular.

Under the 2006 Act, the proposed renaming of the Company to PCI-PAL PLC requires the approval of Shareholders.

At the end of this circular, you will find a Notice convening a General Meeting of the Company, which is to be held at 10:00 a.m. (London time) at the offices of Shepherd and Wedderburn LLP, Condor House, 10 St. Paul's Churchyard, London EC4M 8AL on 30 September 2016.

At the General Meeting, the following resolutions will be proposed:

- (a) the Disposal Resolution; and
- (b) the Name Change Resolution.

The Directors, in respect of 4,865,670 Ordinary Shares in aggregate representing 15.4 per cent. of the issued ordinary share capital of the Company, have irrevocably undertaken to exercise the votes in respect of their shares or to procure the exercise of such votes in favour of the Resolutions.

In addition the Company has received irrevocable undertakings to vote in favour of the Resolutions from other Shareholders holding 12,040,054 Ordinary Shares which represent a further 38.2 per cent. of the issued ordinary share capital of the Company.

In total the Company has received irrevocable undertakings to vote in favour of the Resolutions from Shareholders holding 16,905,724 Ordinary Shares, which represents 53.6 per cent. of the issued ordinary share capital of the Company.

The full text of the Resolutions is set out in the Notice at the end of this circular. The Disposal Resolution will be proposed as an ordinary resolution (requiring 50 per cent. of the votes cast plus one vote to be passed) and the Name Change Resolution will be proposed as a special resolution (requiring at least 75 per cent. of the votes cast to be passed).

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

Accompanying this circular, Shareholders will find a Form of Proxy for use at the General Meeting.

Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it to FREEPOST Capita PXS as soon as possible and, in any event, so as to arrive no later than 10:00 a.m. on 28 September 2016. Completion and return of the Form of Proxy will not affect Shareholders' rights to attend and vote in person at the General Meeting if they so wish. Further information regarding the appointment of proxies can be found on page 18 of this circular.

In order for the Disposal to proceed, Shareholders will need to approve Resolution 1 (the Disposal Resolution) set out in the Notice of General Meeting. If Resolution 1 (the Disposal Resolution) is not passed, the Disposal will not proceed, with the result that the anticipated net proceeds of the Disposal will not become available to the Company.

Accordingly it is important that Shareholders vote in favour of Resolution 1 (the Disposal Resolution), in order that the Disposal can proceed.

In order for the proposed name change of the Company to proceed (subject to Completion occurring), Shareholders will need to approve Resolution 1 (the Disposal Resolution) and Resolution 2 (the Name Change Resolution).

#### **15. Directors' Recommendation**

The Directors consider the Disposal to be in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. Shareholders (which include the Directors) have irrevocably undertaken to vote, or to procure that votes are cast, in favour of the Resolutions in respect of 16,905,724 Ordinary Shares, in aggregate, representing approximately 53.6 per cent. of the existing issued ordinary share capital of the Company.

Yours sincerely,

**Christopher Fielding**

*Non-Executive Chairman*

## PART II – PRINCIPAL TERMS OF KEY TRANSACTION DOCUMENTS

### 1. Share Purchase Agreement

The Share Purchase Agreement was entered into on 8 September 2016 between the Company and the Purchaser. Pursuant to the Share Purchase Agreement, the Company has conditionally agreed to sell the Target Companies' Shares to the Purchaser.

#### 1.1 Conditions

The Disposal is conditional upon:

- (a) passing of the Resolutions by Shareholders by the Longstop Date;
- (b) the warranties given by the Company in the Share Purchase Agreement being true and accurate in all material respects as at the Completion Date;
- (c) the Company not breaching any material term of the Share Purchase Agreement requiring to be performed before Completion;
- (d) no order or judgement of any court or governmental, statutory or regulatory body in the United Kingdom or elsewhere having been issued or made prior to the Completion Date which has the effect of making the acquisition by the Purchaser of the Target Companies' Shares unlawful or otherwise prohibiting the Disposal; and
- (e) completion of the sale of the Property and its leaseback to IPPlus (UK) Limited.

The Share Purchase Agreement will terminate if the relevant conditions are not satisfied (or, if capable of waiver, waived by the Purchaser) by the Longstop Date.

#### 1.2 Consideration

The total consideration receivable by the Company will comprise:

- (a) £3,350,000 payable in cash on the Completion Date; and
- (b) £3,350,000 satisfied by the execution and delivery on the Completion Date by the Purchaser of the Loan Note Instrument and Loan Notes repayable in stages over a 42 month period.

The total consideration amount payable on the Completion Date will be adjusted by a customary completion accounts mechanism. The Purchaser has the ability to set-off all or part of the consideration represented by the Loan Notes in certain circumstances, including in relation to the termination of, or reduction in turnover from, a particular customer contract.

#### 1.3 Warranties

The Company has undertaken to cause the Target Companies to continue to carry on business in the normal course during the period from the date of the Share Purchase Agreement to the Completion Date, and has given a number of specific undertakings to the Purchaser regarding the conduct of the business of the Target Companies during such period.

The Share Purchase Agreement contains customary warranties given by the Company. The warranties relate to, among other things, the Company's ability to sell the Target Companies' Shares, solvency, accounting and financial matters, ownership of assets, real estate, intellectual property and data protection, information technology, litigation, compliance and regulatory matters, employees, pensions and taxation.

The Company's aggregate liability for all warranty claims and claims under the tax covenant under the Share Purchase Agreement is £3,350,000. There are additional financial limitations in relation to the bringing of individual claims.

Claims by the Purchaser in respect of breach of the warranties must be brought within 2 years of Completion, save that claims in respect of tax warranties or under the tax covenant must be brought within 7 years of Completion.

#### **1.4 Non-compete**

The Company has agreed not to (i) solicit employees of the Target Companies for a period of 1 year following Completion; (ii) solicit customers or suppliers of the Target Companies for a period of 2 years following Completion; or (iii) compete with the Target Companies for a period of 2 years following Completion, subject to certain customary exceptions and certain exceptions in relation to the Demerged Business.

#### **1.5 Indemnity**

The Company has also given the Purchaser an indemnity capped at £2 million in relation to any liabilities which the Purchaser or Target Companies might suffer as a result of the transfer out of the IP3 Telecom and PCI-PAL credit card division prior to entering into the Share Purchase Agreement.

#### **1.6 Termination**

The Share Purchase Agreement may be terminated if one or more of the conditions to it is not fully satisfied (or, if capable of waiver, waived by the Purchaser) on or before the Longstop Date.

### **2. Tax Covenant**

The Company and the Purchaser have agreed the form of a tax covenant in relation to the Disposal which governs the liability of the Company and the Purchaser in respect of taxation. Broadly, the tax covenant provides that the Company will reimburse the Purchaser for tax liabilities of the Target Companies relating to periods up to and including Completion (essentially where those liabilities have not been reflected in the price of the Target Companies' Shares) but the Company will not be liable in respect of tax liabilities of the Target Companies relating to periods after Completion.

### **3. Loan Note Instrument, Loan Notes and Share Charges**

The payment of the £3,350,000 of the total consideration not payable at the Completion Date will be governed by the execution and delivery of the Loan Note Instrument and Loan Notes by the Purchaser.

These provide for the payment to the Company of that amount of the total consideration in stages over a 42 month period following Completion, with the Purchaser having the ability to set-off all or part of that amount payable in certain circumstances, including in relation to the termination of, or reduction in turnover from, a particular customer contract.

Payment of up to £300,000 of that amount of the total consideration to the Company may also be accelerated over the first 36 months following Completion, depending on the performance of a particular customer contract.

Additionally, payment to the Company of all outstanding amounts of the Loan Notes would become due in certain circumstances, including certain insolvency events for the Purchaser, breach of the payment obligations under the Loan Notes, or in the event of certain changes in control of the Purchaser.

In the event that the Purchaser is admitted to trading on any recognised investment exchange then there is an option for the Company to convert all or any part of any amounts which would otherwise be payable under the Loan Notes into shares in the Purchaser at a conversion price per share equal to the subscription price per share paid for the shares in the Purchaser at the time of such admission to trading. Should the Company exercise this option, it will decide at the relevant time whether to sell or retain any such shares.

The first two instalments of the payments pursuant to the Loan Note Instrument and the Loan Notes are secured by the Share Charges. The Share Charges also fall away at any time in the event of a change of control of the Company, in the event that the Purchaser is admitted to trading on any recognised investment exchange or in the event that all outstanding amounts owed to the Company in respect of the Loan Notes are irrevocably and unconditionally paid and discharged in full.



#### **4. Property**

The Property, which contains the call centre, the software division and the back office departments, has been conditionally sold, with the benefit of the ancillary leased land, to a third party, which will then lease back the Property to IPPlus (UK) Limited on a ten year lease, with a five year break clause and at a market rent. The sale and leaseback is conditional on the Disposal Resolution being passed and the Purchaser confirming that it wishes to proceed to Completion, provided that the sale and leaseback occurs, and it will occur immediately before Completion such that IPPlus (UK) Limited will account for the net proceeds of the sale to the Company and will be sold at Completion with the leaseback arrangements in place.

#### **5. Transitional Services Agreement and Master Services Agreement**

A transitional services agreement between IPPlus (UK) Limited and PCI-PAL Limited will become effective at Completion, pursuant to which IPPlus (UK) Limited will provide certain services to PCI-PAL Limited for a certain period following Completion.

The Master Services Agreement will also become effective at Completion.

#### **6. Jurisdiction**

The Share Purchase Agreement, the Tax Covenant, the Loan Note Instrument and the Loan Notes, the Share Charges, the sale and leaseback of the Property, the transitional services agreement and the Master Services Agreement are governed by English law and subject to the exclusive jurisdiction of the English courts.

# IPPLUS PLC

*(incorporated and registered in England and Wales with registered number 03869545)*

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of IPPlus PLC (“IPPlus” or the “Company”) will be held at 10:00 a.m. (London time) at the offices of Shepherd and Wedderburn LLP, Condor House, 10 St. Paul’s Churchyard, London EC4M 8AL on 30 September 2016 for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

### **Resolution 1**

That the proposed disposal by the Company of the Target Companies’ Business, pursuant to the Share Purchase Agreement dated 8 September 2016 and related documentation, entered into between (1) the Company; and (2) the Purchaser, as defined and more particularly described in the circular, be and hereby is approved and any one Director be and is hereby authorised to (i) conclude and implement the Disposal in accordance with the Share Purchase Agreement and ancillary Disposal documentation; (ii) do all such acts and things and execute all such agreements and make such arrangements as may seem to him necessary, expedient or appropriate for giving effect to, or otherwise in connection with, the Disposal and/or the Share Purchase Agreement and ancillary Disposal documentation; and (iii) agree and make such modifications/variations, revisions, waivers or amendments to the terms and conditions of the Disposal and/or Share Purchase Agreement and ancillary Disposal documentation as he in his absolute discretion thinks necessary, expedient or appropriate.

### **Resolution 2**

That, conditional on the passing of Resolution 1 above and Completion occurring, the name of the Company be changed to PCI-PAL PLC.

### **Voting Results**

The Company will publish the results of the General Meeting via a regulatory announcement and on its website [www.ipplusplc.com](http://www.ipplusplc.com).

### **By order of the Board**

Robert Stuart McWhinnie Gordon

12 September 2016

*Registered Office*

2 Melford Court  
The Havens  
Ransomes Europark  
Ipswich  
Suffolk IP3 9SJ

## EXPLANATORY NOTES

### Entitlement to attend and vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:

- Close of Business on 28 September 2016; or,
- if this Meeting is adjourned, 48 hours (excluding any part of the day which is not a working day) before the time fixed for the adjourned meeting,

shall be entitled to attend and vote at the Meeting.

### Appointment of proxies

If you are a member of the Company at the time set out in the note above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a Form of Proxy with this Notice of General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman of the Meeting) and give your instructions directly to them.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the Form of Proxy provided and submit all such forms to Capita Asset Services.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolutions. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

### Appointment of proxy using hard copy proxy form

The notes to the Form of Proxy explain how to direct your proxy to vote on each Resolution or withhold their vote.

To appoint a proxy using the Form of Proxy, the Form of Proxy must be:

- completed and signed;
- sent or delivered to **Freepost Capita PXS**; and
- received by Capita Asset Services no later than 10.00 a.m. on 28 September 2016.

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

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

### Appointment of proxy by joint holders

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

### **Changing proxy instructions**

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

Where you have appointed a proxy using the hard-copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact Capita Asset Services.

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

### **Termination of proxy appointments**

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment as above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Asset Services no later than 10.00 a.m. on 28 September 2016. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

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

Alternatively, holders can submit or amend an instruction to a previously submitted proxy, via the CREST system. The CREST message must be received by the issuer's agent RA10 by 10.00 a.m. on 28 September 2016. 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. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat as invalid a direction appointment sent by CREST in the circumstances set out in Regulation 35 (5) (a) of the Uncertified Securities Regulations 2001.

### **Corporate Representatives**

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

### **Rights of Nominated Persons**

A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with Article 193 of the Company's Articles of Association and Section 146 of the 2006 Act, (a 'Nominated Person') does not have a right to appoint any proxy. Nominated Persons may have a right under an agreement with the shareholder to be appointed (or to have someone appointed) as a proxy for the Meeting. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under an agreement with the relevant shareholder to give instructions as to the exercise of voting rights. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to them in error. The only exception to this is where the Company, in exercising one of its powers under the 2006 Act, writes to you directly for a response.

**Issued shares and total voting rights**

As at 5.00 p.m. on 9 September 2016 (being the last business day prior to publication of this Notice) the Company's issued share capital comprised 31,721,178 ordinary shares of 1 pence each. Each ordinary share carries the right to one vote at a General Meeting of the Company. The Company holds 167,229 shares in treasury and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on 9 September 2016 is 31,553,949.

**Communication**

Except as provided above, members who have general queries about the Meeting should call the shareholder helpline of Capita Asset Services on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. No other methods of communication will be accepted.

You may not use any electronic address provided either in this Notice of General Meeting or any related documents to communicate with the Company for any purposes other than those expressly stated.

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

# IPPLUS PLC

Company Number: 03869545

## FORM OF PROXY FOR USE AT THE GENERAL MEETING ON 30 SEPTEMBER 2016

I/We: the undersigned (name in full)

.....  
(Block capitals please)

of (address)

.....  
being a member of the above-named Company hereby appoint \*the Chairman of the meeting or (see note 3)

..... Number of relevant shares

\*(If you desire to appoint some other person as proxy, strike out "the Chairman of the meeting" and insert that other person's name in the space provided.)

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the General Meeting of IPPlus PLC to be held at 10:00 a.m. (London time) at the offices of Shepherd and Wedderburn LLP, Condor House, 10 St. Paul's Churchyard, London EC4M 8AL on 30 September 2016 or at any adjournment thereof.

Please tick here if this proxy appointment is one of multiple appointments being made.

For the appointment of more than one proxy please refer to note 4.

**This proxy form should be returned to:**

**Freepost Capita PXS.**

**Please note that delivery using this service can take up to 5 business days.**

***Please DO NOT return this form to IPPlus PLC's offices in Ipswich***

(Please indicate with a tick how you wish your vote to be cast. If you do not do so, the proxy will abstain or vote at his discretion.)

RESOLUTIONS:	FOR	AGAINST	WITHHELD
1 That the proposed disposal by the Company of the Target Companies' Business, pursuant to the Share Purchase Agreement dated 8 September 2016 and related documentation, entered into between (1) the Company; and (2) the Purchaser, as defined and more particularly described in the circular, be and hereby is approved and any one Director be and is hereby authorised to (i) conclude and implement the Disposal in accordance with the Share Purchase Agreement and ancillary Disposal documentation; (ii) do all such acts and things and execute all such agreements and make such arrangements as may seem to him necessary, expedient or appropriate for giving effect to, or otherwise in connection with, the Disposal and/or the Share Purchase Agreement and ancillary Disposal documentation; and (iii) agree and make such modifications/variations, revisions, waivers or amendments to the terms and conditions of the Disposal and/or Share Purchase Agreement and ancillary Disposal documentation as he in his absolute discretion thinks necessary, expedient or appropriate.			
2 That, conditional on the passing of Resolution 1 above and Completion occurring, the name of the Company be changed to PCI-PAL PLC			

Signature: .....

Dated this: ..... day of .....2016

Joint Holders if any: .....

Signature: .....

**SEE NOTES OVERLEAF**



## NOTES TO THE PROXY FORM

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. To appoint as your proxy a person other than the Chairman of the Meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the Meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman of the Meeting, you are responsible for ensuring that they attend the Meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman of the Meeting and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy this Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All Forms of Proxy must be signed and should be returned together in the same envelope either to Freepost Capita PXS, please note that delivery using this service can take up to 5 business days, or by hand or regular post to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
5. To direct your proxy how to vote on the Resolutions mark the appropriate box with an 'X'. To abstain from voting on a Resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of the proportion of the votes for and against the Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Alternatively, holders of shares held electronically through the Crest system can submit or amend an instruction to a previously submitted proxy instruction, via the CREST system. The CREST message must be received by the issuer's agent RA10 by 10.00 a.m. on 28 September 2016. 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. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat as invalid a direction appointment sent by CREST in the circumstances set out in Regulation 35 (5) (a) of the Uncertified Securities Regulations 2001.
8. Any power of attorney or any other authority under which this Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. For details on appointments for joint holders, or of how to change your proxy instructions or revoke your proxy appointment see the notes to the Notice of General Meeting.
11. You may not use any electronic address provided in this Form of Proxy to communicate with the Company for any purposes other than those expressly stated.