

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Offer or the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Freshwater Shares, please send this document together with the accompanying documents but not the personalised Form of Acceptance at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your holding of Freshwater Shares, you should retain those documents.

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

Recommended Offer

for

Freshwater UK PLC

by

Raglan House Holdings Limited

You should read the whole of this document and any documents incorporated into it by reference. In addition, this document should be read in conjunction with the accompanying Form of Acceptance (if you hold Freshwater Shares in certificated form). If you are a CREST sponsored member, you should refer to your CREST sponsor. Your attention is drawn to the letter from the Chairman of Freshwater set out in Part I of this document, the letter from EGR set out in Part II of this document and the letter from Raglan set out in Part III of this document.

If you hold Freshwater Shares in certificated form, to accept the Offer the Form of Acceptance should be completed, signed and returned as soon as possible and, in any event, so as to be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom, by no later than 1.00 pm on 11 January 2019. The procedure for acceptance is set out in paragraph 15 of Part III of this document and in Part C of Appendix I of this document and, for Freshwater Shareholders holding Freshwater Shares in certificated form, in the accompanying Form of Acceptance.

If you hold Freshwater Shares in uncertificated form (that is, in CREST), to accept the Offer acceptances should be made electronically through CREST so that the TTE instruction settles not later than 1.00 pm on 11 January 2019 by following the procedure in paragraph 15 of Part III of this document and in Part D of Appendix I of this document. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to CREST.

Notice of the General Meeting of Freshwater to be held at Raglan House, Malthouse Avenue, Cardiff Gate Business Park, Cardiff, South Glamorgan, CF23 8BA at 10.00 am on 11 January 2019 is set out at the end of this document. A Form of Proxy to be used in connection with the Ordinary Resolution to be proposed at the General Meeting is enclosed. Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it by post or (during normal business hours only) by hand so as to be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom as soon as possible but in any event so as to arrive by no later than 10.00 am on 9 January 2019

Cattaneo Corporate Finance Solutions Limited is acting exclusively for Raglan and no one else in connection with the Offer and will not be responsible to any other person other than Raglan for providing the protections afforded to clients of Cattaneo or for providing advice in relation to the Offer or any matter referred to in this document.

EGR Corporate Broking Limited, an appointed representative of EGR Broking Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Freshwater and no one else in connection with the Offer and will not be responsible to any person other than Freshwater for providing the protections afforded to clients of EGR or for providing advice in relation to the Offer or any matter referred to herein.

Words and phrases used in this document shall have the meanings given to them in Appendix VI (definitions) of this document.

IMPORTANT NOTICE

OVERSEAS JURISDICTIONS

Freshwater Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

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

Unless otherwise determined by Raglan or required by the Code and permitted by applicable law and regulation, the Offer will not be made available directly or indirectly, into or from any jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer if to do so would constitute a violation of the laws in that jurisdiction. Accordingly, unless otherwise determined by Raglan or required by the Code and permitted by applicable law and regulation, copies of this document and any other documentation or announcements relating to the Offer will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.

STATEMENTS MADE IN THIS DOCUMENT

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Freshwater, the Freshwater Group, Raglan or the Raglan Group, unless otherwise stated.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference in this document), oral statements made regarding the Offer and other information published by Raglan and Freshwater contain statements that are or may be forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the respective management of Raglan and Freshwater about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Actual results may differ materially from those expressed in the forward-looking statements depending on a number of factors, including the satisfaction of the Conditions, future market conditions, the behaviour of other market participants and an adverse change in the economic climate, among others. Many of these risks and uncertainties relate to factors that are beyond the relevant company's ability to control or estimate precisely, such as future market conditions and the behaviour of other market participants and, therefore, undue reliance should not be placed on such statements.

The forward-looking statements contained in this document include statements relating to the expected effects of the Offer on Raglan and Freshwater, the expected timing and scope of the Offer and other statements other than historical facts. All statements other than statements of historical fact included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "could", "would", "may", "anticipates", "estimates", "synergy", "cost-saving", "projects", "goal", "strategy", "budget", "forecast" or "might" or, words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Raglan's or Freshwater's operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on Raglan's or Freshwater's business.

All subsequent oral or written forward-looking statements attributable to Raglan or Freshwater or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. The forward-looking statements contained in this document are made as of the date of this document and each of Freshwater and Raglan assumes no obligation and does not intend publicly to update or revise these forward-looking statements, whether as a result of future events, new information or otherwise, except as required pursuant to applicable law.

DEALING DISCLOSURE REQUIREMENTS OF THE CODE

Under Rule 8.3(a) of the City Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

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

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

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

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

PUBLICATION OF THIS DOCUMENT

A copy of this document (together with any document incorporated by reference) will be available free of charge, subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions, on Freshwater's website at www.freshwater-uk.com/freshwater-group/99162-2 from the time this document is published. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this document unless otherwise stated herein.

AVAILABILITY OF HARD COPIES

If you have received this document in electronic form, or if you require further hard copies of this document, you may request a hard copy of this document and/or any information incorporated into this document by reference to another source (hard copies will not otherwise be provided) by contacting Neville Registrars, between 9.00 am and 5.00 pm on Monday to Friday (except UK public holidays), on 0121 585 1131 (if calling from the UK) and +44 121 585 1131 (if calling from outside the UK) or by submitting a request in writing to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals or give any financial, legal or tax advice.

Any person entitled to receive a copy of documents, announcements and information relating to the Offer may request that all future documents, announcements and information in relation to the Offer are sent to them in hard copy form by contacting Neville Registrars as set out above.

ELECTRONIC COMMUNICATION

Please be aware that addresses, electronic addresses and certain other information provided by Shareholders, persons with information rights and other relevant persons for the receipt of communications from Freshwater may be provided to Raglan during the offer period as required under Section 4 of Appendix 4 of the City Code to comply with Rule 2.11(c).

ROUNDING

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

This document is published on 20 December 2018.

TABLE OF CONTENTS

	Page
IMPORTANT NOTICE	2
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	6
TO ACCEPT THE OFFER	7
PART I LETTER FROM THE CHAIRMAN OF FRESHWATER	8
PART II LETTER FROM EGR	15
PART III LETTER FROM RAGLAN	20
APPENDIX I CONDITIONS TO, AND FURTHER TERMS OF, THE OFFER	
Part A – Conditions to the Offer	32
Part B – Further terms of the Offer	38
Part C – Procedure for Acceptance (for Freshwater Shares in certificated form)	53
Part D – Electronic Acceptance (for Freshwater Shares in uncertificated form)	57
APPENDIX II ESTIMATE OF VALUE OF THE UNLISTED SHARE ALTERNATIVE LETTER	60
APPENDIX III FINANCIAL INFORMATION ON FRESHWATER AND RAGLAN	63
APPENDIX IV UNITED KINGDOM TAXATION	64
APPENDIX V ADDITIONAL INFORMATION ON FRESHWATER AND RAGLAN	66
APPENDIX VI DEFINITIONS	78
NOTICE OF GENERAL MEETING	83

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

EVENT	TIME AND/OR DATE
Publication of this document	20 December 2018
Latest time and date for receipt by Neville Registrars Limited of the Form of Proxy	10.00 am on 9 January 2019
General Meeting	10.00 am on 11 January 2019
Latest time and date for receipt by Neville Registrars Limited of the Form of Acceptance (prior to First Closing Date)	1.00 pm on 11 January 2019
Latest time and date for settlement of the TTE instruction (prior to First Closing Date)	1.00 pm on 11 January 2019
First Closing Date	1.00 pm on 11 January 2019

Subject to the Offer becoming, or being declared unconditional in all respects, payment of consideration for those Freshwater Shareholders who have validly accepted the Offer shall be made within 14 calendar days of the Offer becoming, or being declared unconditional in all respects or, in relation to valid acceptances received after this date, within 14 calendar days of receipt of that acceptance.

Notes:

Future dates are indicative only and are subject to change, in which event details of the new times and dates will be announced via a Regulatory Information Service.

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

TO ACCEPT THE OFFER:

1. If you hold Freshwater Shares in certificated form (that is, not in CREST), to accept the Offer you should complete and sign the Form of Acceptance in accordance with paragraph 15 of the letter from Raglan in Part III of this document. Return the completed Form of Acceptance (along with your original share certificate(s) or Lost Share Indemnity and any other appropriate documents of title) by post or by hand (during normal business hours only) to Neville Registrars, **as soon as possible but, in any event, so as to be received by no later than 1.00 pm on 11 January 2019.**
2. If you hold Freshwater Shares in uncertificated form (that is, in CREST) to accept the Offer you should follow the instructions set out in paragraph 15 of the letter from Raglan in Part III of this document and ensure that an electronic acceptance is made by you or on your behalf and that settlement is made **not later than 1.00 pm on 11 January 2019.** If you hold your Freshwater Shares as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary instructions to CREST.

THE FIRST CLOSING DATE OF THE OFFER IS 1.00 PM ON 11 JANUARY 2019.

Helpline:

If you require assistance with completing your Form of Acceptance or Form of Proxy, please telephone Neville Registrars on 0121 585 1131 from within the UK or, if calling from outside the UK, on +44 121 585 1131, between 9.00 am and 5.00 pm Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Please note that, for legal reasons, the helpline cannot provide advice on the merits of the proposals or give any financial, legal or tax advice.

TO VOTE ON THE MANAGEMENT ARRANGEMENTS:

A Form of Proxy to be used in connection with the General Meeting accompanies this document.

Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it by post or (during normal business hours only) by hand so as to be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom **as soon as possible but in any event so as to arrive by no later than 10.00 am on 9 January 2019.**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

FORMS OF PROXY SHOULD BE RECEIVED BY 10.00 AM ON 9 JANUARY 2019.

PART I

LETTER FROM THE CHAIRMAN OF FRESHWATER

freshwater

FRESHWATER UK PLC

(Registered in England and Wales with No. 04059741)

Directors:

David Howell (Chairman)
John Underwood (Chief Executive)
Haydn Evans (Finance Director)
Angharad Neagle (Group Managing Director)
Steve Howell (Executive Director)

Registered Office:

Raglan House
Malthouse Avenue,
Cardiff Gate Business Park,
Pontprennau,
Cardiff
CF23 8BA

20 December 2018

To: Freshwater Shareholders, Option holders and persons with information rights

Dear Freshwater Shareholder

Recommended Offer for Freshwater by Raglan

1. Introduction

On 19 December 2018, Raglan House Holdings Limited (“Raglan”) announced its intention to make an offer for the entire issued and to be issued share capital of Freshwater. Raglan is a newly incorporated company formed by the Management Team for the purpose of making the Offer. The formal Offer, together with details of the procedure for acceptance, is contained in a letter from the Raglan Board, which is set out in Part III of this document that also contains further information in relation to Raglan and the Management Team. Certain Management Arrangements in connection with the Offer are subject to the passing of an Ordinary Resolution by Independent Shareholders at a General Meeting to be held on 11 January 2019, at 10.00 am.

The Management Team includes all of the directors of Freshwater meaning we have a conflict of interest and are therefore precluded from providing you with any opinion or recommendation in respect of the Offer. We have therefore retained EGR Corporate Broking Limited (“EGR”) to act as independent financial adviser to Freshwater and to advise the Board on the merits of the Offer.

The purpose of this letter is to explain the background to and the reasons for the Offer, which provides an opportunity for Shareholders who wish to do so to achieve a cash exit prior to the implementation of the New Business Plan, which will prioritise investment in growth over dividend payments. While the New Business Plan has the goal of substantially increasing the profitability of Freshwater by 2021-22, there is no certainty that the New Business Plan will be successful.

Your attention is drawn to the letter from EGR in Part II of this document which sets out the reasons why EGR, as independent adviser, considers the financial terms of the Unlisted Share Alternative to be fair and reasonable (regardless of the number of Raglan Shares issued in connection with the Offer) but that the Cash Offer undervalues Freshwater. EGR advises that Shareholders should accept the Offer and elect for the Unlisted Share Alternative. Shareholders should only consider electing for the Cash Offer if they are likely to require cash within the short to medium term, if they do not wish to hold shares in a private limited company with no form of dealing facility and which is not subject to the Code, or if their personal financial circumstances make it prudent to do so. EGR recommends that Shareholders should seek independent financial advice before deciding whether to elect for the Cash Offer. In providing advice EGR has taken into account the commercial assessments of the Freshwater Directors.

2. Terms of the Offer

Under the terms of the Offer, which is subject to the passing of the Ordinary Resolution at the General Meeting and the satisfaction (or where applicable, waiver) of the Conditions and further terms set out in Appendix I to this document, and in respect of the Freshwater Shares held in certificated form, in the accompanying Form of Acceptance, Freshwater Shareholders will be entitled to receive:

for each Freshwater Share: 12 pence in cash

or, as an alternative to the Cash Offer, Freshwater Shareholders may elect to receive the Unlisted Share Alternative on the following basis:

for each Freshwater Share: 1 Raglan Share

in lieu of the Cash Offer Consideration to which they would otherwise be entitled under the Offer.

Freshwater Shareholders can elect to accept either the Cash Offer or the Unlisted Share Alternative, but not both or a mixture of both.

In addition, the Raglan Board has stated that subject to the Offer becoming, or being declared, unconditional as to acceptances, they will procure that Freshwater declares a Special Dividend of 2.0 pence per Freshwater Share payable to all Freshwater Shareholders on the register as at 18 December 2018, irrespective of whether they have accepted the Cash Offer, the Unlisted Share Alternative or not accepted the Offer. Shareholders should note that as stated in the 2018 Annual Report, following adoption of the New Business Plan, further information on which is set out below, the Board is not proposing payment of a final dividend in respect of the financial year ended 31 August 2018 whether or not the Offer proceeds.

The Cash Offer represents a discount of 40 percent to 20 pence per Freshwater Share, on 26 April 2018 being the date of the latest trade on the BritDAQ facility.

The Cash Offer values the total issued share capital of Freshwater at approximately £2.4 million excluding the Special Dividend.

Your attention is drawn to the estimate of value of the Unlisted Share Alternative in accordance with Rule 24.11 of the Code set out in Appendix II to this document. Cattaneo's opinion, on the basis set out in their letter, is that if the Offer had become effective in accordance with its terms and the Raglan Shares had been in issue as at the date of their letter, they estimate that the value of one Raglan Share pursuant to the Unlisted Share Alternative would be:

- between 15.4 pence and 16.8 pence on the basis that all Freshwater Shareholders received cash under the Cash Offer, taking into account the Irrevocable Undertakings; or
- between 14.3 pence and 15.3 pence on the basis that all Freshwater Shareholders elected for the Unlisted Share Alternative, taking into account the Irrevocable Undertakings.

On this basis the Unlisted Share Alternative values the total issued share capital of Freshwater at a minimum of £2.9 million before taking into account the Special Dividend, the Unlisted Share Alternative represents a maximum discount of 28.5 percent to 20 pence per Freshwater Share, being the price of the latest trade on the BritDAQ facility on 26 April 2018.

Raglan has received irrevocable undertakings to accept the Offer amounting to 13,549,916 Freshwater Shares in aggregate, representing 66.7 percent of Freshwater's issued share capital. The Management Team and certain other shareholders amounting in aggregate to 8,959,693 Freshwater Shares, representing 44.1 percent of Freshwater's issued share capital have undertaken to elect for the Unlisted Share Alternative. Shareholders holding 4,590,223 Freshwater Shares, representing 22.6 percent of Freshwater's issued share capital have undertaken to accept the Cash Offer.

Raglan has also received irrevocable undertakings from certain Independent Shareholders to vote in favour of the Ordinary Resolution amounting to 7,675,847 Freshwater Shares, representing 53.2 percent of the Freshwater Shares that are eligible to vote at the General Meeting. Further details are set out in paragraph 7 "Irrevocable Undertakings" below and in paragraph 8 of Appendix V to this document.

The Freshwater Shares will be acquired pursuant to the Offer fully paid, or credited as fully paid, with full title guarantee and free from all liens, equities, charges, equitable interests, encumbrances, rights of pre-emptions and other third party rights and/or interests of any nature whatsoever and together with all rights attaching to them, on or after the Announcement Date, including the right to receive and to retain all dividends, interest and other distributions declared, paid or made on or after the Announcement Date other than the Special Dividend. In the unlikely event any dividends other than the Special Dividend are paid after the Announcement Date, Raglan will reduce the Offer consideration by the amount of any such dividend or other distribution which is paid or becomes payable to Freshwater Shareholders.

3. Background to Freshwater

Freshwater is an independent communications consultancy, with more than 50 staff based in Cardiff and London, which provides clients with a range of services on a multi-channel basis spanning strategic consultancy, training, content creation, engagement and event management. It also has a conference business, trading as Waterfront, which organises specialist events aimed at the transport, energy, planning and infrastructure sectors.

Freshwater was founded in 1997 by Steve Howell, my brother. After making six small acquisitions with support from Finance Wales (now Development Bank of Wales), private investors (including myself) and bank finance from RBS, Freshwater joined the AIM Market of the London Stock Exchange (AIM) in July 2007. Freshwater's strategy was to create a full-service PR agency with a UK-wide regional network headquartered in Cardiff. In its first year on AIM, it made three further acquisitions and achieved its best ever results: turnover of £9.52 million and profit before tax of £1.17 million.

The financial crisis of September 2008 and the recession that followed made Freshwater's pursuit of an acquisitive growth strategy via AIM increasingly difficult. In the two years following the 2008 crash, institutional appetite for investing in small quoted companies virtually disappeared and several of Freshwater's key markets were hit severely by the economic downturn, affecting the viability of some regional offices and specialist teams.

Faced with substantial acquisition-related liabilities, Freshwater suspended dividend payments and raised additional capital from shareholders in three open offers (2009, 2010 and 2012). The Board also concluded that it should reduce overheads by cancelling its dealing facility on AIM in November 2010. Freshwater has maintained a matched bargain dealing facility since the cancellation, and this is currently operated by BritDAQ.

Since leaving AIM, Freshwater has focused entirely on organic growth by consolidating and building on existing strengths and has succeeded in repairing its balance sheet and stabilising trading on a profitable basis. This significantly improved cash flow and allowed Freshwater to resume dividend payments. It has now returned 7.55 pence per share in dividends to shareholders at a cost of £1.53 million since resuming dividend payments in January 2015. This has been achieved through a dividend policy which, in recent years, has paid out around two thirds of annual earnings.

On leaving AIM in 2010 the Board advised shareholders at the time that it would seek to provide an exit opportunity within three years. Since 2013, Freshwater has twice retained corporate advisers with a view to providing an exit opportunity for shareholders. On the most recent occasion, in 2015-16, no discussions with potential buyers advanced beyond a first meeting due, in every case, to concerns about the complexity and cost of acquiring a public company subject to the City Code.

4. Current trading and prospects of Freshwater

The Freshwater audited accounts for the year ended 31 August 2018, which were published on 18 December 2018 reported that revenue for the Freshwater Group for the year ended 31 August 2018 had declined for the third successive year to £3.70 million (2017: £3.77 million). The Freshwater Group reported headline EBITDA of £0.69 million (2017: £0.80 million), profit after tax of £0.49 million (2017: £0.58 million) and earnings per share of 2.41p (2017: 2.84p). The Freshwater Group had audited net assets as at 31 August 2018 of £8.78 million (2017: £8.76 million), including £7.62 million (2017: £7.62 million) of intangible assets and goodwill.

In the light of the New Business Plan, further details of which are set out in paragraph 5 "New Business Plan" below, the Board has decided not to recommend a final dividend, making the dividend for the year 0.75 pence per Share (2017: 1.85 pence per share). The 2018 Annual Report contains the following statement: "Going forward, the Board's priority will be to invest in growth, including through acquisitions, to further enhance the business's specialist expertise and market share in priority sectors. Over the next three to four years, payment of dividends will be subordinated to the need to generate cash to fund growth. Even if the acquisitions are not completed in the short term, the Board will still prioritise building up cash to take advantage of acquisition opportunities when they arise. The existing policy of paying two-thirds of net earnings in dividends will therefore definitely not be sustained. Rather, we anticipate that dividends will be much more modest and possibly non-existent as we implement the New Business Plan."

In the 2018 Annual Report the Board reported that "In the second half of 2017-18, Freshwater increased revenue and operating profit by 5 percent and 8 percent respectively compared to the first half. While trading at the start of 2018-19 has started slowly, the Board is confident that the year as a whole will be in line with current expectations."

5. New Business Plan

In the last two financial years, despite continuing to deliver healthy profit margins, Freshwater has seen its revenue growth stall and profits decline. This led the Board to undertake a business review which concluded that Freshwater must address a number of issues - particularly the need to diversify its client base - and invest in further enhancing its capabilities in digital, data/insight, creative and evaluation. The New Business Plan based on the review's findings was adopted by the Board in July 2018.

The New Business Plan sets the goal of substantially increasing the size of the business by 2021-22 through a combination of organic growth and two or three strategic acquisitions, funded mainly through cash flow, based on strict criteria that enhance the growth strategy. The aim is to establish Freshwater among the larger mid-market agencies and increase its market share in all its priority sectors. If successful, the New Business Plan should deliver increased shareholder value with the potential for an eventual sale of the entire business.

Your Board recognises that delivery of the New Business Plan involves risks, especially given the uncertainties around Brexit and concerns about global economic trends that could impact the UK and that there is no certainty, given the fast-moving nature of its sector, that it will result in increases in revenues or profitability at the level that the Board is targeting, if at all and may depress profitability in the short term. However, we believe that a failure to respond to market trends, especially in relation to Freshwater's breadth of specialist in-house expertise, would carry greater risk. The Board will seek to mitigate the risk by maintaining a strong balance sheet and retaining cash within the business to fund growth.

The Board believes it will take up to three full trading years to deliver the New Business Plan and measure its success. Irrespective of the Offer, the new strategy will lead to lower dividends - or even periods without any payments - and Freshwater might need to take on additional debt or issue new shares to fund acquisitions. Further, the Board does not intend to actively market Freshwater for sale during this period.

6. Background to and commercial assessment of the Offer

The Board acknowledges that the New Business Plan may not meet the time horizons for return of capital and income of some Shareholders, especially those who originally invested in a publicly-quoted company and it has been approached by some institutional shareholders who wish to sell their holdings. This has led the Management Team to initiate the Offer to provide an opportunity for those investors to achieve a cash exit at this time. The Board's previous experience in trying to market Freshwater for sale has led them to conclude that when the time comes to seek a sale to a third party this will be significantly easier with a parent company that is not a public company subject to the Code. The Board further believes that increasing the shareholdings of the Management Team to fund the Offer will incentivise them further to achieve a successful business plan outcome which will benefit all Shareholders who choose the Unlisted Share Alternative.

Other than the additional requirement to service and repay the debt facility put in place in connection with the Cash Offer, which may be up to £860,000 depending on the number of Shareholders who accept the Cash Offer, the Board believes that the commercial implications of the Offer, taking into account the undertakings contained in the section entitled "Intentions regarding business, management, employees and pension schemes" in the letter from Raglan in Part III of this document, and which include implementing the New Business Plan in full, are broadly neutral. The Management Team, whether as directors of Freshwater or Raglan, will continue to manage Freshwater. Raglan Shareholders will continue to be exposed to the underlying commercial risks of the New Business Plan set out in paragraph 5 above.

7. Irrevocable undertakings

Your attention is drawn to paragraph 12 of the letter from Raglan in Part III of this document, which describes the irrevocable undertakings Raglan has received from myself, certain Freshwater Directors and certain third parties to accept, or procure acceptance of, the Offer in respect of accepting the Cash Offer totalling 4,590,223 Freshwater Shares, along with a number of individuals electing to receive the Unlisted Share Alternative totalling 8,959,693 Freshwater Shares, with the overall number of acceptances totalling 13,549,916 Freshwater Shares, which in aggregate, represents approximately 66.7 percent of Freshwater's existing issued share capital.

Raglan has also received irrevocable undertakings to vote in favour of the Ordinary Resolution amounting to 7,675,847 Freshwater Shares, representing 53.2 percent of the Freshwater Shares that are eligible to vote at the General Meeting. The Management Team is not entitled to vote at the General Meeting by virtue of their participation in the Management Arrangements.

Further details of the irrevocable undertakings are set out in paragraph 8 of Appendix V of this document.

Apart from the irrevocable undertakings described above, neither Raglan nor any persons acting in concert with Raglan for the purposes of the Offer has any arrangement with any persons relating to the securities of Freshwater, including any indemnity or option agreement, or any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing.

8. Raglan's intentions

Your attention is drawn to the statement of Raglan's plans for the Freshwater Group if the Offer becomes or is declared wholly unconditional, as set out in paragraph 6 of the letter from Raglan in Part III of this document.

We draw your attention to the statements made by Raglan in its letter set out in Part III of this document that, upon and following the Offer becoming or being declared unconditional in all respects, it intends to safeguard fully the existing employment rights, including pension rights, of all Freshwater Group management and employees and that its current plans do not involve (i) any changes to the Freshwater Group management or employees; (ii) any changes to the principal locations of Freshwater's business; or (iii) any redeployment of Freshwater's fixed assets.

The Board of Raglan has indicated that it intends to implement the New Business Plan in full and will adopt a policy in which payment of dividends will be subordinated to the need to generate cash to fund growth, in line with the current policy of the Freshwater Board. Accordingly Raglan Shareholders should anticipate that there may be periods during which no dividends are paid as cash is retained to repay debt or take advantage of acquisition opportunities when they arise.

Raglan has also confirmed that the Drag and Tag Rights enshrined in the Raglan Articles (further details of which are set out in paragraph 7.3 of Appendix V of this document) will be maintained until the eventual sale of Raglan.

9. Information on Raglan

Raglan is a private limited company registered in England and Wales, which was incorporated on 24 October 2018 and which has been formed for the purposes of making the Offer. As at the date of this document, Raglan is wholly owned by Steve Howell, and all the directors of Freshwater have been appointed as directors of Raglan. Upon the passing of the Ordinary Resolution, under the Subscription Agreement, all of the Management Team will subscribe for Raglan Shares. Under the terms of the irrevocable undertakings, the Management Team have already agreed to accept the Unlisted Share Alternative in respect of their holdings of Freshwater Shares.

Further information on Raglan is set out in paragraph 3 of Part III, and Appendices III and V of this document.

10. Arrangements with the Management Team

On 18 December 2018 Raglan and the Management Team, comprising David Howell, Steve Howell, John Underwood, Angharad Neagle, Haydn Evans and Aled Edwards, entered into the Subscription Agreement whereby the Management Team agreed to subscribe in aggregate £643,000 for 5,358,336 Raglan Shares at a price of 12 pence per Raglan Share ("Management Arrangements"). The terms of the Management Arrangements are subject to the approval of the Independent Shareholders in accordance with Rule 16 of the Code.

This document contains a notice of a General Meeting to be held Raglan House, Malthouse Avenue, Cardiff Gate Business Park, Cardiff, South Glamorgan, CF23 8BA on 11 January 2019 at 10.00 am for the purpose of considering and, if thought fit, passing the Ordinary Resolution to approve the Management Arrangements.

The Management Team is not entitled to vote any shares in which they are beneficially interested at the General Meeting by virtue of their participation in the Management Arrangements.

EGR has advised the Freshwater Board that, in its opinion, the terms of the Management Arrangements are fair and reasonable so far as the Independent Shareholders are concerned and recommends that Independent Shareholders should vote in favour of the Ordinary Resolution to be proposed at the General Meeting.

Further details of the Subscription Agreement are set out in paragraph 7 of Appendix V of this document.

11. Share Options

The Offer extends to any Freshwater Shares allotted and issued during the Offer Period, including Freshwater Shares arising from the exercise of Share Options. Option holders may exercise their Share Options in accordance with their terms and conditions of grant at any time before the Offer becomes, or is declared, unconditional in all respects or during any compulsory acquisition period as provided in paragraph 11 of Part III of this document. Angharad Neagle, a Director of Freshwater, has undertaken to exercise Share Options over 100,000 Freshwater Shares at an option price of 8 pence per share and elect to accept the Unlisted Share Alternative in respect of such Shares.

The Offer will extend to all Share Options exercised during the Offer period. Option holders should note that pursuant to the terms of the Share Option Scheme, Share Options not exercised within 28 days of Raglan acquiring more than 50 percent of the Freshwater Shares will lapse automatically.

12. Cancellation of BritDAQ trading facility for Freshwater Shares and re-registration

Your attention is drawn to paragraph 8 of the letter from Raglan in Part III of this document in relation to Raglan's intentions with regard to the cancellation of the trading facility on BritDAQ for the Freshwater Shares and re-registration of Freshwater as a private limited company following the Offer becoming, or being declared, unconditional in all respects.

13. Overseas Shareholders

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable requirements. Further details in relation to Overseas Shareholders are contained in paragraph 13 of Part III of this document.

14. Taxation

Your attention is drawn to Appendix IV of this document. Although this document contains certain tax related information, if you are in any doubt about your own tax position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

15. Action to be taken for acceptance of the offer

Your decision as to whether to accept the Offer will depend upon your own individual circumstances. If you are in any doubt as to the action you should take, you should seek your own independent financial advice.

If you wish to accept the Offer in respect of your Freshwater Shares held in certificated form, you should complete, sign and return the Form of Acceptance in accordance with the instructions printed on it and set out in paragraph 15 of the letter from Raglan in Part III of this document, together with any share certificate(s) and/or a Lost Share Indemnity and/or any other appropriate documents of title, so as to be received by post or by hand (during normal business hours only) at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom as soon as possible and, in any event, so as to be received by no later than 1.00 pm on 11 January 2019. A first class reply paid envelope for use in the United Kingdom only is enclosed for your convenience.

If you wish to accept the Offer in respect of Freshwater Shares held in uncertificated form (that is, Freshwater Shares held in CREST) your acceptance should be made electronically through CREST by following the procedure set out in paragraph 15 of the letter from Raglan in Part III of this document, so that the relevant TTE instruction settles as soon as possible and, in any event, no later than 1.00 pm on 11 January 2019.

16. General

Your attention is drawn to the letters from EGR in Part II and the letter from Raglan in Part III of this document, to the Appendices of this document and (if you hold your Freshwater Shares in certified form) to the Form of Acceptance and Lost Share Indemnity accompanying this document. The Appendices and the Form of Acceptance and Lost Share Indemnity contain material information that may not be summarised elsewhere in this document.

17. Advice from EGR

The Freshwater Board are all directors of Raglan and, as such, we are not independent and are precluded from making any recommendation to shareholders on the Offer from Raglan. We have appointed EGR to provide the necessary independent advice to the Freshwater Board and I therefore draw your attention to the letter from EGR in Part II of this document which sets out the advice that we have received.

EGR has advised the Freshwater Board that it considers the financial terms of the Unlisted Share Alternative to be fair and reasonable (regardless of the number of Raglan Shares issued in connection with the Offer) but that the Cash Offer undervalues Freshwater. EGR advises that Shareholders should accept the Offer and elect for the Unlisted Share Alternative. Shareholders should only consider electing for the Cash Offer if they are likely to require cash within the short to medium term, if they do not wish to hold shares in a private limited company with no form of dealing facility and which is not subject to the Code, or if their personal financial circumstances make it prudent to do so. EGR recommends that Shareholders should seek independent financial advice before deciding whether to elect for the Cash Offer. In providing advice EGR has taken into account the commercial assessments of the Freshwater Directors.

EGR has advised the Freshwater Board that, in its opinion, the terms of the Management Arrangements are fair and reasonable so far as the Independent Shareholders are concerned and recommends that Independent Shareholders should vote in favour of the Ordinary Resolution to be proposed at the General Meeting.

EGR has also asked the Freshwater Board to draw your attention to the following matters, which are set out in further detail in Paragraph 6 of EGR's letter in Part II of this document:

- **Raglan will have a higher level of debt than Freshwater and may not pay dividends;**
- **Raglan Shares will have limited liquidity and will not be readily realisable;**
- **Shareholders in Raglan will have fewer minority protections than they enjoy as Freshwater Shareholders; and**
- **Members of the Management Team will have significantly greater influence over Raglan than Freshwater by virtue of their increased shareholdings.**

Yours faithfully,

David Howell

Chairman
Freshwater UK PLC

PART II
LETTER FROM EGR



EGR Corporate Broking Limited
4th Floor, New Liverpool House
15-17 Eldon Street
London EC2M 7LD

20 December 2018

The Directors
Freshwater UK PLC
Raglan House
Malthouse Avenue,
Cardiff Gate Business Park,
Pontprennau,
Cardiff
CF23 8BA

Dear Sirs

Offer for Freshwater by Raglan

1. Introduction

On 19 December 2018, Raglan House Holdings Limited (“Raglan”) announced its intention to make an offer for the entire issued and to be issued share capital of Freshwater. Raglan is a newly incorporated company formed by the Management Team for the purpose of making the Offer.

As all of the directors of Freshwater are current directors of Raglan, the Freshwater Board is precluded from giving advice to Shareholders on the Offer. EGR has been appointed as financial adviser to Freshwater and its Board to provide independent advice to the Freshwater Board in connection with the Offer on the basis that this may then be made known to Shareholders.

Accordingly, this letter contains our independent advice to the Freshwater Board and explains how EGR has formed its opinion of the Offer.

For the reasons set out below EGR recommends that Shareholders should elect to accept the Unlisted Share Alternative as we believe the Cash Offer undervalues Freshwater. However we advise that Shareholders should elect for the Cash Offer if they are likely to require cash within the short to medium term, or if they do not wish to hold shares in an unquoted private limited company with no form of dealing facility and which is not subject to the City Code, or if their personal financial circumstances make it prudent to do so. We set out below matters which Freshwater Shareholders should bear in mind when electing for the Unlisted Share Alternative and if Shareholders are in any doubt over what action to take they should seek independent financial advice in respect of their personal circumstances.

We advise the Freshwater Board that, in considering what action to take, Freshwater Shareholders should consider the information set out in the whole of this document and in particular the information set out below and the letters from the Chairman of Freshwater and Raglan set out in Parts I and III respectively of this document.

2. Arrangements with the Management Team

On 18 December 2018 Raglan and the Management Team, comprising David Howell, Steve Howell, John Underwood, Angharad Neagle, Haydn Evans and Aled Edwards, entered into the Subscription Agreement whereby the Management Team agreed to subscribe in aggregate £643,000 for 5,358,336 Raglan Shares at a price of 12 pence per Raglan Share.

The terms of the Management Arrangements are subject to the approval of the Independent Shareholders in accordance with Rule 16 of the Code. The Management Team is not entitled to vote at the General Meeting by virtue of their participation in the Management Arrangements.

The Offer is conditional on the passing of the Ordinary Resolution and we note that Raglan has received undertakings from Independent Shareholders holding 53.2 percent of shares eligible to vote on the Ordinary Resolution to vote in favour of it.

EGR advises the Freshwater Board that, in its opinion, the terms of the Management Arrangements are fair and reasonable so far as the Independent Shareholders are concerned and recommends that Independent Shareholders should vote in favour of the Ordinary Resolution to be proposed at the General Meeting.

3. Basis of advice

In providing advice to the Freshwater Board, we have taken account, amongst other things, of the information set out in the letters from the Chairman of Freshwater and Raglan and in particular paragraphs 4 “Current trading and prospects of Freshwater”, 5 “New Business Plan” and 6 “Background to and commercial assessment of the Offer” set out in the letter from the Chairman of Freshwater set out in Part I of this document and set out in paragraphs 3 “Information on Raglan and background to and reasons for the Offer”, 6 “Intentions regarding business, management, employees and pension schemes”, 7 “Intentions regarding Raglan Shares” and 8 “Cancellation of BritDAQ trading facility for Freshwater Shares, Re-registration and compulsory acquisition” set out in the letter from Raglan in Part III of this document.

We have also noted that if the Offer proceeds and is declared unconditional in all respects, Shareholders will be entitled to receive a Special Dividend of 2.0 pence per Freshwater Share whether or not they accept the Offer.

In arriving at our advice to accept the Offer, we have among other things:

- (i) reviewed the recent share trading history of Freshwater Shares on BritDAQ;
- (ii) reviewed certain publicly available financial statements and other business and financial information relating to Freshwater;
- (iii) reviewed certain information provided by the Freshwater Board relating to the operations, financial condition and prospects of Freshwater including the New Business Plan;
- (iv) reviewed the estimate of value of the Unlisted Share Alternative consideration prepared by Cattaneo and contained in Appendix II of the Offer Document;
- (v) considered the commercial assessments of the directors of Freshwater; and
- (vi) considered such other factors and performed such other analyses as we considered appropriate.

EGR has relied on the audited annual accounts of Freshwater but has otherwise assumed, without undertaking independent verification, the accuracy and completeness of the information reviewed by us for the purposes of this advice. With respect to the financial projections, we have assumed that they have been reasonably and properly prepared on bases reflecting the best currently available estimates and judgments of the future financial performance of Freshwater. We have not sought or made any independent valuation or appraisal of the assets and liabilities of Freshwater. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, as at 19 December 2018 (being the last practicable day prior to the date of this document).

4. Terms of the Offer

The formal Offer, together with details of the procedure for acceptance is set out in the letter from Raglan contained in Part III of this document. Under the terms of the Offer, which is subject to the passing of the Ordinary Resolution at the General Meeting and the terms and conditions set out in this document and the Form of Acceptance, accepting Freshwater Shareholders are entitled to receive:

for each Freshwater Share: 12 pence in cash

or, as an alternative to the Cash Offer, Freshwater Shareholders may elect to receive the Unlisted Share Alternative on the following basis:

for each Freshwater Share: 1 Raglan Share

in lieu of the full Cash Offer Consideration to which they would otherwise be entitled under the Offer.

Freshwater Shareholders can elect to accept either the Cash Offer or the Unlisted Share Alternative, but not both or a mixture of both.

The Cash Offer values the total issued share capital of Freshwater at approximately £2.4 million excluding the Special Dividend. Based on the estimate of value set out in Appendix II of this Document, the Unlisted Share Alternative values Freshwater at between £2.9 million and £3.4 million, before taking into account the Special Dividend, depending on the number of Freshwater Shareholders who elect for the Unlisted Share Alternative.

In addition, the Raglan Board has stated that, subject to the offer being declared unconditional as to acceptances, it will procure that Freshwater declares a Special Dividend of 2.0 pence per Freshwater Share payable to all Freshwater Shareholders on the register as at 18 December 2018 irrespective of whether they have accepted the Cash Offer, the Unlisted Share Alternative or not accepted the Offer.

5. Background to and reasons for advice to recommend acceptance of the Offer

EGR believes that it is in the best interests of Shareholders for the Management Team to make the Cash Offer available to Shareholders:

- recent attempts to seek a buyer for the entire issued share capital of the Company have failed to obtain any offers acceptable to the Board;
- the matched bargain nature of the BritDAQ facility means it offers very limited liquidity for Shareholders; and
- a significant number of institutional shareholders are prepared to exit at the Cash Offer price.

We also accept the arguments presented by the Board of Raglan, as set out in paragraph 3 in Part III “Information on Raglan and background to and reasons for the Offer” as to the longer-term benefits to Shareholders of Freshwater’s parent company no longer being a PLC subject to the Code.

We would draw Shareholders’ attention to the Irrevocable Undertakings to accept the Offer which means that Raglan already holds Irrevocable Undertakings representing two thirds of the issued share capital in Freshwater which are sufficient for Raglan to declare the Offer unconditional as to acceptances if it chooses. For this reason, taking account the factors set out above, EGR recommends that Shareholders be advised to accept the Offer.

However, EGR has taken account of various valuation and other indicators that lead us to conclude that the Cash Offer undervalues Freshwater:

- The Cash Offer price is a 40 percent discount to the 20 pence share price at which Shares last traded on BritDAQ, although we believe this share price was primarily underpinned by the historic dividend, which has now reduced by 58.3 percent following adoption of the New Business Plan and the Board’s decision not to recommend a final dividend.
- Our analysis of the valuation indicators of quoted communication company shares indicates that the Cash Offer price is at the very lower end of the price range at which Freshwater Shares would be likely to trade in a liquid market after allowing for its size and excluding any bid premium applicable to the purchase of a controlling interest.
- EGR believes that the implied historic price-earnings multiple at the Cash Offer price of approximately 5 times does not fully reflect the future prospects of Freshwater if the New Business Plan is successful. This is reinforced by the fact that the minimum estimated valuation of the Unlisted Share Alternative prepared by Raglan’s advisers Cattaneo is 14.3p per share, a 19.2 percent premium to the Cash Offer price.
- Because of the nature of the Offer, there is no incentive for Raglan to offer a meaningful “premium for control” given that the Company is already run by the Management Team.

EGR therefore recommends that Shareholders should accept the Offer and elect for the Unlisted Share Alternative. Shareholders should only consider accepting the Cash Offer if they are likely to require cash within the short to medium term, or if they do not wish to hold shares in a private limited company with no form of dealing facility and not subject to the City Code, or if their personal financial circumstances make it prudent to do so.

While it would be possible for Shareholders to offer their Shares for sale at above the Cash Offer price via the BritDAQ facility before it is cancelled, the matched bargain nature of the BritDAQ facility means this is highly unlikely to generate any offers to purchase their Shares in excess of the Cash Offer price.

Shareholders should note that provided they are on the Company's register on the record date of 18 December 2018 they will be eligible for the Special Dividend if the Offer is declared unconditional as to acceptances whether or not they have accepted the Offer, the Unlisted Share Alternative or the Cash Offer, or have not accepted the Offer.

6. Matters to be drawn to the attention of Shareholders in connection with the Unlisted Share Alternative

We would additionally recommend that Shareholders' attention is drawn to the following matters in respect of the Unlisted Share Alternative:

Raglan will have higher debt levels than Freshwater and may not pay dividends

Your attention is drawn to Raglan's statement that "Raglan Shareholders should anticipate that there may be periods during which no dividends are paid while cash is retained to service debt or to take advantage of acquisition opportunities when they arise." While this is a similar dividend policy to that of the Freshwater Board, Raglan may be required to service up to £860,000 of additional borrowings in respect of the debt facility put in place to help fund the Cash Offer, depending on the extent to which Shareholders accept the Cash Offer.

Raglan Shares will have limited liquidity and will not be readily realisable

The value of Raglan Shares is uncertain and the estimate of value of Raglan Shares made by Cattaneo (as set out in Part II of this document) as required by Rule 24.10 of the Code could be under or over optimistic. There can be no guarantee that Shareholders will be able to realise Raglan Shares at a cash price in excess of the Cash Offer price.

Raglan has indicated its intention to cancel the current BritDAQ dealing facility for Freshwater Shares if the Offer is successful. While the BritDAQ facility is "matched bargain" and offers limited liquidity, its removal would eliminate a method for Freshwater Shareholders to offer small parcels of shares for sale to willing buyers. Raglan Shares will represent Non Readily Realisable Securities for FCA purposes.

Shareholders in Raglan will have fewer minority protections than they enjoy as Freshwater Shareholders

Freshwater is currently a public limited company subject to the City Code. Public companies (whether or not listed) are subject to a greater number of restrictions under legislation than are private companies. Raglan has indicated its intention to re-register Freshwater as a private limited company. In addition, Freshwater currently falls under the jurisdiction of the City Code and Shareholders are entitled to the protections afforded by it.

Raglan will not be subject to the City Code or other similar rules devised to protect minority shareholders in publicly quoted companies and Raglan Shareholders will not benefit from the protections afforded by the Code (which can be downloaded in full at www.thetakeoverpanel.org.uk/the-code/download-code).

Accordingly, other than the basic requirements of the Companies Act, there are no specific safeguards under company law to protect the interests of minority shareholders in Raglan. However the Raglan Board has incorporated provisions, known as "Drag and Tag" into its Articles of Association. This means that if more than 75 percent of Raglan Shareholders agree to sell their shares to a third party, minority shareholders will also be required to sell to, or can require their shares to be acquired by, that third party at the price paid to other selling shareholders. Further information on the provisions of the Articles are set out in Appendix V of this document.

Members of the Management Team will have significantly greater influence over Raglan than Freshwater by virtue of their increased shareholdings

Following the Offer the Management Team will hold more than 50 percent of the issued ordinary share capital in Raglan and will be able to pass ordinary resolutions without the need for any votes from any other shareholders at general meetings. Depending on the level of acceptances in respect of the Cash Offer and the Unlisted Share Alternative, the Management Team may hold more than 75 percent of the issued Raglan Shares, which would enable them to pass special resolutions which would permit them to change the articles of association of Raglan to remove the limited investor protections currently enshrined therein. For this reason, the Management Team has stated its intention that the Drag and Tag rights enshrined in the Articles will be maintained until the eventual sale of the Company.

Freshwater's largest shareholder, its Chairman David Howell, is subscribing £400,000 in cash for equity in Raglan which will result in him being beneficially interested in between 30.6 percent and 45.0 percent of Raglan Shares following the Offer. In addition, Raglan is entering into the Facilities Agreement with Hilco Investments (UK) Limited, which is controlled by David Howell, to help fund the Cash Offer. Based on the current level of Irrevocable Undertakings, the amount borrowed by Raglan pursuant to the Facilities Agreement could be up to £860,000. Should further finance be required, David Howell will therefore exercise significant influence over the terms of any equity or debt raise or (if the Hilco Investments (UK) Limited debt facility is utilised) debt conversion that may dilute the interests of other shareholders in Raglan.

7. Advice to the Freshwater Board

EGR, as independent adviser, considers the financial terms of the Unlisted Share Alternative to be fair and reasonable (regardless of the number of Raglan Shares issued in connection with the Offer) but that the Cash Offer undervalues Freshwater and, accordingly, recommends that Freshwater Shareholders accept the Offer and elect for the Unlisted Share Alternative. Shareholders should only consider electing for the Cash Offer if they are likely to require cash within the short to medium term, or if they do not wish to hold shares in a private limited company with no form of dealing facility and which is not subject to the Code, or if their personal financial circumstances make it prudent to do so. EGR recommends that Shareholders should seek independent financial advice before deciding whether to elect for the Cash Offer. In providing advice EGR has taken into account the commercial assessments of the Freshwater Directors.

EGR considers the terms of the Management Arrangements to be fair and reasonable so far as Independent Shareholders are concerned and accordingly advises that Shareholders vote in favour of the Ordinary Resolution at the General Meeting.

We also recommend that the Board draws Shareholders' attention to the matters in connection with the Unlisted Share Alternative set out in Paragraph 5 above.

This letter is issued in our capacity as an independent adviser to Freshwater and its Board, and EGR is not acting for individual Freshwater Shareholders.

Yours sincerely
For and on behalf of EGR Corporate Broking Limited

Jonathan Hall
Managing Director

PART III

LETTER FROM RAGLAN

RAGLAN HOUSE HOLDINGS LIMITED

(Registered in England and Wales with No. 11639220)

Directors:

David Howell
John Underwood
Haydn Evans
Angharad Neagle
Steve Howell

Registered Office:

No. 1 Colmore Square,
Birmingham,
West Midlands
B4 6AA

20 December 2018

To: Freshwater Shareholders, Option holders and persons with information rights

Dear Freshwater Shareholder

Recommended Offer for Freshwater by Raglan

1. Introduction

On 18 December 2018, Raglan announced its intention to make an offer for the entire issued and to be issued share capital of Freshwater. Raglan is a newly incorporated company formed by the Management Team for the purpose of making the Offer. Further information in relation to Raglan and the Management Team is set out in paragraph 3 of this letter.

The Cash Offer values the total issued share capital of Freshwater at approximately £2.4 million excluding the Special Dividend.

Raglan has received irrevocable undertakings to accept the Offer amounting to 13,549,916 Freshwater Shares, representing 66.7 percent of Freshwater's issued share capital (this includes irrevocable undertakings from the Management Team to accept the Offer amounting to 5,874,069 Freshwater Shares, representing 28.9 percent of Freshwater's issued share capital). Raglan has also received irrevocable undertakings to vote in favour of the Ordinary Resolution amounting to 7,675,847 Freshwater Shares, representing 53.2 percent of the Freshwater Shares that are eligible to vote at the General Meeting. Further details of which are set out in paragraph 8 of Appendix V of this document.

This document and, if you hold Freshwater Shares in certificated form, the accompanying Form of Acceptance contain the formal terms of the Offer.

Your attention is drawn to the letter from the Chairman of Freshwater and the letter of recommendation from EGR in Parts I and II of this document which set out the reasons why EGR, as independent adviser, considers the financial terms of the Unlisted Share Alternative to be fair and reasonable and, accordingly, recommends that Freshwater Shareholders accept the Offer and vote in favour of the Management Arrangements. In providing advice EGR has taken into account the commercial assessments of the Freshwater Directors.

Acceptances of the Offer should be received as soon as possible and, in any event, by no later than 1.00 pm on 11 January 2019.

Forms of Proxy should be received as soon as possible but in any event, by no later than 10.00 am on 9 January 2019

Please read carefully paragraph 15 of this letter that sets out the procedures for acceptance of the Offer.

Your attention is drawn, in particular, to the Conditions and further terms of the Offer set out in Appendix I of this document and, if you hold Freshwater Shares in certificated form, in the Form of Acceptance.

2. Summary of the terms of the Offer

Raglan is offering to acquire, subject to the passing of the Ordinary Resolution at the General Meeting and the conditions and further terms set out in Appendix I of this document and, in respect of Freshwater Shares in certificated form, in the Form of Acceptance, all of the Freshwater Shares on the following basis:

for each Freshwater Share: 12 pence in cash

or, as an alternative to the Cash Offer, Freshwater Shareholders may elect to receive the Unlisted Share Alternative on the following basis:

for each Freshwater Share: 1 Raglan Share

in lieu of the Cash Offer Consideration to which they would otherwise be entitled under the Offer.

Freshwater Shareholders can elect to accept either the Cash Offer or the Unlisted Share Alternative, but not both or a mixture of both.

In addition, the Raglan Board has stated that upon the Offer becoming, or being declared, unconditional in all respects, they will procure that Freshwater declares the Special Dividend of 2.0 pence per Freshwater Share payable to all Freshwater Shareholders on the register as at 18 December 2018 irrespective of whether they have accepted the Cash Offer, Unlisted Share Alternative or not accepted the Offer. Shareholders should note that as stated in the 2018 Annual Report, following adoption of the New Business Plan, further information on which is set out below, the Board is not proposing payment of a final dividend in respect of the financial year ended 31 August 2018 whether or not the Offer proceeds.

The Cash Offer values the total issued share capital of Freshwater at approximately £2.4 million excluding the Special Dividend.

The Cash Offer represents a discount of 40 percent to 20 pence per Freshwater Share, being the price of the latest trade on the BritDAQ facility on 26 April 2018.

Appendix II of this document contains a letter setting out an estimate of the value of the Unlisted Share Alternative that values (on the basis set out therein) each Raglan Share at between 14.3 pence and 16.8 pence, depending on the number of Freshwater Shareholders who elect for the Unlisted Share Alternative which represent discounts of 28.5 percent to 16.0 percent, respectively, to 20 pence per Freshwater Share, being the price of the latest trade on the BritDAQ facility on 26 April 2018.

The Freshwater Shares which are the subject of the Offer will be acquired by Raglan fully paid, or credited as fully paid, with full title guarantee and free from all liens, equities, charges, equitable interests, encumbrances, rights of pre-emptions and other third party rights and/or interests of any nature whatsoever and together with all rights attaching to them, on or after the Announcement Date, including the right to receive and to retain all dividends, interest and other distributions declared, paid or made on or after the Announcement Date other than the Special Dividend.

The Offer is conditional upon, amongst other things, Raglan receiving valid acceptances (which have not been withdrawn) in respect of Freshwater Shares which, together with any Freshwater Shares acquired, or agreed to be acquired, by Raglan before or during the Offer Period (whether pursuant to the Offer or otherwise) will result in Raglan holding Freshwater Shares carrying, in aggregate, 90 percent or more (or such lower percentage as Raglan may, subject to the Code, decide) of the voting rights then normally exercisable at general meetings of Freshwater.

3. Information on Raglan and background to and reasons for the Offer

Raglan is a private limited company registered in England and Wales, which was incorporated on 24 October 2018 and which has been formed for the purposes of making the Offer. Raglan is wholly owned by Stephen Howell, and all the directors of Freshwater have been appointed as directors of Raglan. Upon the passing of the Ordinary Resolution, all of the Management Team will subscribe for new Raglan Shares pursuant to the Subscription Agreement and under the terms of the irrevocable undertakings the Management Team have undertaken to accept the Offer and elect for the Unlisted Share Alternative in respect of their holdings of Freshwater Shares.

In September 2010, the Freshwater Board concluded that the recession had derailed its original acquisition-based growth strategy and that it should cut overheads by leaving AIM and putting in place a share trading facility that was provided by BritDAQ. The Freshwater Board advised Shareholders at the time that it would seek to provide an exit opportunity within three years. Since leaving AIM, with this objective in mind, the Freshwater Board has twice retained corporate advisers to try and find a buyer for Freshwater at an acceptable value. Whilst there were initial exploratory discussions with some potentially interested parties, in 2013 and then again in 2015-16, a common concern raised was the complexity and cost of acquiring a public company such as Freshwater and so discussions did not progress.

The Management Team believes that the long term commercial justification for the Offer is that:

- Freshwater is too small to benefit from the status of being a PLC with all of the regulatory requirements that come with that status;
- the BritDAQ facility has not provided any significant level of liquidity for Shareholders with the last ten trades on BritDAQ taking place between 18 December 2014 and 26 April 2018 and a total of 309,308 Freshwater Shares being traded, representing only 1.5 percent of Freshwater's issued shares capital, at prices ranging from 12 pence to 30 pence;
- Freshwater is at a crossroads, a recent review by the Freshwater Board identified factors impeding its growth and led to the adoption of the New Business Plan that prioritises using cash for investment in substantially increasing the size of Freshwater over the next three years;
- Freshwater's New Business Plan will mean that future dividends will be lower or non-existent to ensure sufficient headroom for selective acquisitions.

Given the above factors the Management Team believes that now is the right time to make an offer to Freshwater Shareholders to give them an opportunity to achieve a cash exit if they so wish and to provide all Freshwater Shareholders with the Special Dividend before the New Business Plan makes future dividends uncertain and introduces new risks associated with a growth strategy that includes acquisitions of businesses.

Management Team biographies are provided below:

David Howell is the Non-Executive Chairman of Freshwater. He was appointed to the Freshwater Board in 2004 and served as chairman until March 2007. David remained as a non-executive director until his resignation on 8 June 2009. David was re-appointed to the Freshwater Board as a non-executive director on 1 October 2010. On 29 September 2011 David replaced Marie-Louise Windeler as non-executive chairman. He is also managing director of privately-owned Hillco Investments (UK) Limited, which holds a diverse portfolio of assets and investments.

John Underwood is the Chief Executive of Freshwater. He was appointed to the Freshwater Board in June 2006. In the 1980s, he was an award-winning TV reporter and presenter and worked for the BBC, ITV and Channel Four before becoming director of communications for the Labour Party. He founded Clear Communications in 1991 and built it into one of the leading communication agencies in the healthcare sector. In addition to his work for Freshwater, John is the director of the Centre for Health Communications Research & Excellence at Bucks New University.

Angharad Neagle is the Group Managing Director of Freshwater. She has worked in the communications industry for more than 20 years and has extensive multi-channel and sector experience. Having joined Freshwater in February 2008 as part of its acquisition of Merlin PR and Marketing, Angharad was promoted to director of the group's creative division in September 2009 and then to Group Managing Director in September 2013, taking operational responsibility for all client-facing teams. She provides strategic communications advice to a number of Freshwater's clients and works closely with the day-to-day account teams to support clients through critical periods including times of crisis, change and growth. Angharad was appointed to the Freshwater Board in October 2014.

Haydn Evans is the Finance Director of Freshwater. He was appointed to the Freshwater Board in May 2003. He has 15 years' experience in the telecommunications sector having worked for Mitel Networks Corporation and Nortel Networks Corporation in the UK and Paris. Immediately prior to joining Freshwater he was a finance leader within Nortel, heading a 20-strong business team in the UK, Switzerland and Toronto and reporting directly to the vice president of finance. He has been responsible for the due diligence on and the financial integration of the 13 acquisitions undertaken by Freshwater since his appointment. He is an associate member of the Chartered Institute of Management Accountants.

Steve Howell is an Executive Director of Freshwater. He founded the business as a PR consultancy in 1997 and, as Chief Executive, led its development into a diverse communications agency. A former newspaper and BBC broadcast journalist, Steve has provided strategic consultancy to a number of key Freshwater clients and is one of the group's media trainers. He writes for the Guardian, Western Mail and Big Issue and appears as a political commentator on Sky, LBC and various BBC programmes. In 2017, Steve took leave of absence from Freshwater to work as deputy director of strategy and communication for the Labour Party. Game Changer, Steve's insider account of the 2017 General Election campaign, has subsequently been published by Accent Press. Having now returned to Freshwater, Steve is working part-time as a member of the executive team while pursuing his writing interests.

Aled Edwards joined Freshwater through its acquisition of Merlin Marketing in 2008 and has become one of Freshwater's key operational directors. Aled, head of events and video, is responsible for the delivery of

some of the UK's most high profile events and the production of broadcast quality video for a wide range of clients. Aled has more than 15 years of agency experience and is often deployed as a consultant on client projects by other Freshwater divisions.

4. Management arrangements

On 18 December 2018 Raglan and the Management Team, comprising David Howell, Steve Howell, John Underwood, Angharad Neagle, Haydn Evans and Aled Edwards, entered into the Subscription Agreement whereby the Management Team agreed to subscribe in aggregate £643,000 for 5,358,336 Raglan Shares upon the passing of the Ordinary Resolution. The Management Arrangements are subject to the approval of the Independent Shareholders in accordance with Rule 16 of the Code. This document contains a notice of the General Meeting to be held Raglan House, Malthouse Avenue, Cardiff Gate Business Park, Cardiff, South Glamorgan, CF23 8BA at 10.00 am on 11 January 2019 for the purpose of considering and, if thought fit, passing the Ordinary Resolution to approve the Management Arrangements. The Management Team is not entitled to vote at the General Meeting by virtue of their participation in the Management Arrangements.

The members of the Management Team have entered into irrevocable undertakings to accept the Offer and elect for the Unlisted Share Alternative in respect of the 5,874,069 Freshwater Shares they hold. In addition, Angharad Neagle has undertaken to exercise her Share Options over 100,000 Freshwater Shares, accept the Offer and elect for the Unlisted Share Alternative on the Offer becoming, or being declared, unconditional in all respects.

Further details of the Subscription Agreement are set out in paragraph 7 of Appendix V of this document.

5. Information on Freshwater

Freshwater was incorporated on 25 August 2000 as Howell Communications Limited. It changed its name to Freshwater UK Limited on 12 July 2004 and on 18 June 2007 it was re-registered as a public company. The Freshwater Shares were admitted to trading on AIM in July 2007. In September 2010 the admission of the Freshwater Shares to trading on AIM was cancelled and a trading facility obtained on BritDAQ.

Freshwater is an independent communications consultancy, with more than 50 staff based in offices in Cardiff and London, which provides clients with a range of services on a multi-channel basis spanning strategic consultancy, training, content creation, engagement and event management. It also has a conference business, trading as Waterfront, which organises specialist events aimed at the transport, energy, planning and infrastructure sectors.

Turnover for Freshwater for the year ended 31 August 2018 was £4.80 million (2017: £4.52 million). Freshwater reported headline EBITDA of £0.69 million (2017: £0.80 million), profit after tax of £0.49 million (2017: £0.58 million) and earnings per share of 2.41 pence (2017: 2.84 pence). Freshwater Group had net assets as at 31 August 2018 of £8.78 million (2017: £8.76 million), including £7.62 million of intangible assets and goodwill.

6. Intentions regarding business, management, employees and pension schemes

Raglan is a company that has been formed by the directors of Freshwater specifically for the purpose of making the Offer and providing Freshwater Shareholders with the opportunity to sell their Freshwater Shares for cash if they so desire. Raglan therefore does not intend to make any changes to the day to day operation of Freshwater and confirms the following as is required by the Code:

- There will be no change in the future business of Freshwater, it will continue to be a communications consultancy business which provides clients with a range of services on a multi-channel basis spanning strategic consultancy, training, content creation, engagement, event management and conferences;
- There will be no change to the small amount of research and development Freshwater currently undertakes;
- There will be no changes to the continued employment of the employees and management of Freshwater or to the existing employment rights (including pension rights) of all Freshwater Group employees and management which will be fully safeguarded with no material changes to their conditions of employment or the balance of skills and functions of employees and management;
- Raglan intends to support Freshwater's implementation of the New Business Plan with the goal of substantially increasing the size of the business by 2021-22 through organic growth and acquisition, as set out in paragraph 5 of the Freshwater letter. There will be no changes to the location of Freshwater's places of business or to the location of the head office and head office functions in Cardiff;

- Freshwater makes contributions to pension schemes in accordance with the requirements of auto enrolment under the Pensions Act 2008 and Raglan has no current intention to increase the contributions beyond the current minimum legal requirements; and
- Raglan has no intention regarding any redeployment of Freshwater's fixed assets.

Raglan intends to cancel the existing trading facility for Freshwater Shares and, upon the Offer becoming, or being declared, unconditional in all respects, intends to procure the cancellation of the BritDAQ trading facility for the Freshwater Shares. Further, if it has received sufficient acceptances, Raglan intends to re-register Freshwater as a private limited company. The net result of these actions would be for Freshwater to become a private company with no ability for Freshwater Shareholders who have not accepted the Offer to trade their Freshwater Shares in the future on a public trading platform.

Raglan is a holding company, it has no employees and its business is that of a holding company. There will be no changes to the business of Raglan following the acquisition of Freshwater.

7. Intentions regarding Raglan Shares

The Board of Raglan will adopt a policy in which payment of dividends will be subordinated to the need to generate cash to fund growth, in line with the current policy of the Freshwater Board. Accordingly, Raglan Shareholders should anticipate that there may be periods during which no dividend is paid as cash is retained to repay debt or take advantage of acquisition opportunities when they arise.

The Raglan Board has no plans to seek any form of public trading facility for Raglan Shares.

Raglan intends, and the Management Team has confirmed to the Raglan Board that they will ensure, that the Drag and Tag Rights enshrined in the Articles of Raglan are maintained until the eventual sale of Raglan.

8. Cancellation of BritDAQ trading facility for Freshwater Shares, re-registration and compulsory acquisition

If the Offer becomes, or is declared, unconditional in all respects, and Raglan receives valid acceptances in respect of Freshwater Shares which, together with the Freshwater Shares acquired, or agreed to be acquired, before or during the Offer Period by Raglan, represent not less than 75 percent of the voting rights attaching to the Freshwater Shares, Raglan intends to procure that Freshwater will make an application to BritDAQ for the cancellation of the trading facility on BritDAQ for Freshwater Shares. The Raglan Board has no intention to apply for Freshwater Shares or for Raglan Shares to be traded on any other market or dealing platform.

If such an application is made, it is expected that such cancellation will take effect on receipt by BritDAQ of the request. Raglan will procure that Freshwater makes an announcement through a Regulatory Information Service if the necessary 75 percent threshold has been reached confirming that the notice is being served on BritDAQ.

It is also intended that if the Offer becomes, or is declared, unconditional in all respects and Raglan receives valid acceptances in respect of Freshwater Shares which, together with the Freshwater Shares acquired, or agreed to be acquired, before or during the Offer Period by Raglan, represent not less than 75 percent of the voting rights attaching to the Freshwater Shares, Raglan will seek to re-register Freshwater as a private limited company.

If the Offer becomes, or is declared, unconditional in all respects and Raglan receives acceptances of the Offer in respect of, and/or otherwise acquires, 90 percent or more of the Freshwater Shares to which the Offer relates and 90 percent or more of the voting rights attaching to such shares, Raglan intends to exercise its rights pursuant to sections 974 to 991 of the Companies Act to acquire compulsorily, on the same terms as under the Offer, the remaining Freshwater Shares in respect of which the Offer has not at such time been accepted.

9. Financing of the Offer

The cash consideration payable by Raglan pursuant to the Offer (taking into account the irrevocable undertakings details of which are set out in paragraph 12 below) being approximately £1.5 million will be funded from:

- cash subscriptions from the Management Team amounting to £643,000 for Raglan Shares under the Subscription Agreement; and
- a loan facility of up to £860,000, provided under the Facilities Agreement entered into by Raglan (as borrower) and Hillco Investments (UK) Limited, a Concert Party, (as lender).

Cattaneo, financial adviser to Raglan, is satisfied that sufficient resources are available to Raglan to satisfy the consideration payable as a result of full acceptance of the Offer.

Further details of the Facilities Agreement and the Subscription Agreement are set out in paragraph 7 of Appendix V to this document.

10. Disclosure of interests in Freshwater

At 19 December 2018, being the last practicable date prior to the publication of this document, Raglan does not own any Freshwater Shares.

Raglan has received irrevocable undertakings, including undertakings received from the Management Team, to accept the Offer amounting to 5,874,069 Freshwater Shares, representing 28.9 percent of Freshwater's issued share capital. Eleanor Angharad Neagle has also irrevocably undertaken to exercise her Share Option over 100,000 Freshwater Shares, accept the Offer and elect for the Unlisted Share Alternative upon the Offer becoming, or being declared, unconditional in all respects.

11. Options over Freshwater Shares

In total there were options over 430,000 Freshwater Shares outstanding as at 19 December 2018, the latest practicable date prior to the publication of this document, of which 100,000 Share Options are exercisable at a price that is less than the Cash Offer.

The Offer will extend to all Share Options exercised during the Offer period. Option holders should note that pursuant to the terms of the Share Option Scheme, Share Options not exercised within 28 days of Raglan acquiring more than 50 percent of the Freshwater Shares will lapse automatically.

Further details of all of the share options in relation to Freshwater Shares are set out in paragraph 5 of Appendix V to this document.

12. Irrevocable undertakings to accept the Offer and vote in favour of the Ordinary Resolution

Irrevocable Undertakings to accept the Offer

Irrevocable undertakings to accept the Offer have been received from the Management Team in respect of 5,874,069 Freshwater Shares, along with certain third parties representing 7,675,847 Freshwater Shares, totalling 13,549,916 Freshwater Shares which in aggregate represent approximately 66.7 percent of the existing issued share capital of Freshwater.

The irrevocable undertakings to accept the Offer in respect of the Cash Offer and Unlisted Share Alternative are as follows:

	Freshwater Shares	Percentage of Freshwater Shares
Cash Offer	4,590,223	22.6
Unlisted Share Alternative	8,959,693	44.1
Total	13,549,916	66.7

In addition, Eleanor Angharad Neagle has irrevocably undertaken to accept the Offer and elect for the Unlisted Share Alternative in respect of Share Options held by her totalling 100,000 Freshwater Shares, representing approximately 0.49 percent of Freshwater's fully diluted share capital.

Irrevocable Undertakings vote in favour of the Ordinary Resolution

Irrevocable undertakings have been received to vote in favour of the Ordinary Resolution amounting to 7,675,847 Freshwater Shares, representing 53.2 percent of the Freshwater Shares that are eligible to vote at the General Meeting. The Management Team and the Concert Parties are not entitled to vote at the General Meeting by virtue of their participation in the Management Arrangements.

Further details of all of the irrevocable undertakings given in relation to the Offer and the Ordinary Resolution are set out in paragraph 8 of Appendix V to this document.

13. Overseas Shareholders

The attention of Freshwater Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in

connection with the Offer outside the United Kingdom is drawn to paragraph 8 of Part B of Appendix I of this document and, for those holding Freshwater Shares in certificated form, to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

The availability of the Offer to Freshwater Shareholders who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

The Offer is not being made, directly or indirectly, in or into any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction, and it is not currently intended that the Offer will be capable of acceptance from within any such jurisdiction. Accordingly, persons who are unable to give the warranties set out in either paragraph 1.2 of Part C of Appendix I or paragraph 1.2 of Part D of Appendix I as appropriate may be deemed not to have validly accepted the Offer.

14. United Kingdom taxation

Your attention is drawn to Appendix IV of this document. If you are in any doubt as to your tax position, or are subject to taxation in any jurisdiction other than the UK, you are strongly advised to consult an appropriate independent tax adviser.

15. Procedure for acceptance of the Offer

Freshwater Shareholders who hold their Freshwater Shares in certificated form should read this section in conjunction with the Form of Acceptance and Parts B and C of Appendix I to this document. Freshwater Shareholders who hold their shares in uncertificated form (that is, through CREST) should read this section in conjunction with Parts B and D of Appendix I to this document. The instructions on the Form of Acceptance and the Lost Share Indemnity are, for those who hold their shares in certificated form, deemed to form part of the terms of the Offer.

Freshwater Shares held in certificated form (that is, not in CREST)

(a) Completion of the Form of Acceptance

To accept the Offer in respect of Freshwater Shares in certificated form, you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. You should complete separate Forms of Acceptance for Freshwater Shares held in certificated form but under different designations.

Additional Forms of Acceptance are available from Neville Registrars by submitting a request in writing to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom or by telephoning Neville Registrars on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm Monday to Friday (except UK public holidays). The instructions for completing a Form of Acceptance in the following paragraph apply, where relevant, to each separate Form of Acceptance to be completed by you.

If you have any queries as to how to complete the Form of Acceptance, please telephone Neville Registrars on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

(i) To accept the Cash Offer in respect of all of your Freshwater Shares in certificated form

To accept the Cash Offer in respect of all your Freshwater Shares held in certificated form, you must write the total number of certificated Freshwater Shares you hold in Box 1A and sign Box 2 on the Form of Acceptance. The number of Freshwater shares you hold on the register at the close of business on 19 December 2018 is shown in Box A. If appropriate, you should also complete Boxes 3 or 4. In all cases, you must sign Box 2 of the Form of Acceptance in accordance with the instructions printed on the Form of Acceptance. If you are an individual, you must sign in the presence of a witness, who should also sign in accordance with the instructions printed on the Form of Acceptance. Any Freshwater Shareholder which is a company should execute the Form of Acceptance in accordance with the instructions printed on it.

(ii) To accept the Unlisted Share Alternative in respect of all of your Freshwater Shares in certificated form

To accept the Unlisted Share Alternative in respect of all your Freshwater Shares held in certificated form, you must write the total number of certificated Freshwater Shares you hold in Box 1B and sign Box 2 on the Form of Acceptance. The number of Freshwater shares you hold on the register at the close of business on 19 December 2018 is shown in Box A. If appropriate, you should also complete Boxes 3 or 4. In all cases, you must sign Box 2 of the Form of Acceptance in accordance with the instructions printed on the Form of Acceptance. If you are an individual, you must sign in the presence of a witness, who should also sign in accordance with the instructions printed on the Form of Acceptance. Any Freshwater Shareholder that is a company should execute the Form of Acceptance in accordance with the instructions printed on it.

(iii) To accept the Cash Offer or Unlisted Share Alternative in respect of less than all of your Freshwater Shares in certificated form

To accept the Cash Offer or Unlisted Share Alternative in respect of less than all your Freshwater Shares, you must insert in either Box 1A or 1B on the enclosed Form of Acceptance such lesser number of Freshwater Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. You should then follow the procedure set out in (i) or (ii) above in respect of such lesser number of Freshwater Shares. If you insert in Boxes 1A or 1B a number which is greater than the number of Freshwater Shares that you hold and you have signed Box 2, your acceptance will be deemed to be made in respect of all the Freshwater Shares held by you.

(b) Return of the Form of Acceptance

To accept the Offer in respect of Freshwater Shares held in certificated form, the completed, signed and, in the case of individuals, witnessed, Form of Acceptance should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom (subject to paragraph 13 of this Part II) with the relevant original share certificate(s) and/ or other document(s) of title as soon as possible and, in any event, so as to arrive not later than 1.00 pm on 11 January 2019. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given by or on behalf of Raglan. The instructions printed on the Form of Acceptance are deemed to form part of the terms of the Offer. Any Form of Acceptance received in an envelope postmarked in any Restricted Jurisdiction or otherwise appearing to Raglan or its agents to have been sent from any of these jurisdictions may be rejected as an invalid acceptance of the Offer. For further information on Overseas Shareholders, see paragraph 13 above. The Form of Acceptance is issued only to the addressee(s) and the unique designated account printed on it. The Form of Acceptance is a personalised form and is not transferable between different: (i) accounts; or (ii) uniquely designated accounts. Raglan accepts no liability for any instructions that do not comply with the conditions set out in this document and the Form of Acceptance. If you require further Forms of Acceptance, you should contact Neville Registrars at the address or on the telephone numbers referred to above.

(c) Documents of title

If your Freshwater Shares are in certificated form, a completed, signed and witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If, for any reason, the relevant share certificate(s) and/or other document(s) of title is/are lost or not readily available, you should nevertheless complete, sign and return the Form of Acceptance, as stated above, so as to be received by Neville Registrars by not later than 1.00 pm on 11 January 2019. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available and a Lost Share Indemnity in respect of the missing certificates. No acknowledgement of receipt of documents will be given.

If you have lost your share certificate(s) and/or other document(s) of title, you should complete a Lost Share Indemnity which, when completed in accordance with the instructions given, should be returned to Neville Registrars as set out in paragraph 15(b) of this letter. Otherwise, by completing and signing the Form of Acceptance, you agree to the declarations and undertakings set out in Part C of Appendix I to this document including, without limitation, the indemnity set out in paragraph (1.7) of Part C of Appendix I to this document in favour of Freshwater, Raglan and Neville Registrars including in

respect of all share claims, demands, liabilities, charges and expenses relating to share certificate(s) and/or other document(s) of title that are lost or otherwise not enclosed with your Form of Acceptance or otherwise not forwarded separately.

(d) Validity of acceptances

Without prejudice to Part B and Part C of Appendix I to this document, subject to the provisions of the Code, Raglan reserves the right to treat as valid in whole or in part any acceptance of an Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Offer will be made until after the relevant share certificate(s) and/or other documents of title or indemnities satisfactory to Raglan have been received.

Freshwater Shares held in uncertificated form (that is, in CREST)

(e) General

If your Freshwater Shares are in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the Freshwater Shares in respect of which you accept the Offer to the appropriate escrow balance(s) specifying Neville Registrars (in its capacity as a CREST participant under its participant ID referred to below) as the Escrow Agent, as soon as possible and, in any event, so that the TTE instruction settles not later than 1.00 pm on 11 January 2019. Note that the settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) – you should therefore ensure you time the input of any TTE instructions accordingly.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your Freshwater Shares.

After settlement of a TTE instruction, you will not be able to access the Freshwater Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional in all respects, the Escrow Agent will transfer the Freshwater Shares concerned to Raglan (or such other person as Raglan may direct) in accordance with paragraph (d) of Part D of Appendix I to this document.

You are recommended to refer to the CREST Manual issued by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Freshwater Shares to settle prior to 1.00 pm on 11 January 2019. In this regard, you are referred in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

(f) To accept the Cash Offer

To accept the Offer in respect of Freshwater Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE instruction to Euroclear in respect of such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear specifications for transfers to escrow and must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- the ISIN number for the Freshwater Shares. This is GB00B1YLGV82;
- the number of Freshwater Shares in respect of which you wish to accept the Cash Offer to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the member account ID of the Escrow Agent. This is **FWCASH**;
- the participant ID of the Escrow Agent for the Offer. This is **7RA11**;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 pm on 11 January 2019;

- the corporate action number of the Offer. This is allocated by Euroclear and will be available on screen from CREST;
- input with a standard delivery instruction priority of 80; and
- the contact name and telephone number in the shared note field.

(g) To elect for the Unlisted Share Alternative

To accept the Unlisted Share Alternative in respect of Freshwater Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE instruction to Euroclear in respect of such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear specifications for transfers to escrow and must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- the ISIN number for the Freshwater Shares. This is GB00B1YLGV82;
- the number of Freshwater Shares in respect of which you wish to accept the Cash Offer to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the member account ID of the Escrow Agent. This is **FWSHARE**;
- the participant ID of the Escrow Agent for the Offer. This is **7RA11**;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 pm on 11 January 2019;
- the corporate action number of the Offer. This is allocated by Euroclear and will be available on screen from CREST;
- input with a standard delivery instruction priority of 80; and
- the contact name and telephone number in the shared note field.

(h) Validity of acceptances

Holders of Freshwater Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before 1.00 pm on that date. A Form of Acceptance, which is received in respect of Freshwater Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded.

Holders of Freshwater Shares in certificated form who wish to accept the Offer should complete, sign and return the Form of Acceptance with their original share certificate(s) and/or other documents of title in accordance with the procedures set out in Part C of Appendix I of this document.

Additional Forms of Acceptance are available from Neville Registrars by submitting a request in writing to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom or by telephoning Neville Registrars on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm (London time) Monday to Friday (except UK public holidays).

If you are in any doubt as to the procedure for acceptance, please contact Neville Registrars by telephone on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals or give any financial, legal or tax advice.

You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

(i) General

Raglan will make an appropriate announcement if any of the details contained in this paragraph 15 change for any reason that is material for Freshwater Shareholders.

Normal CREST procedures (including timings) apply in relation to any Freshwater Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Freshwater Shares or otherwise). Holders of Freshwater Shares who are proposing so to convert any such Freshwater Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the relevant Freshwater Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 pm on 11 January 2019.

If you are in any doubt as to the procedure for acceptance, please contact Neville Registrars by telephone on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

16. Settlement

The settlement procedure with respect to the Offer will comply with the rules of the Code. Subject to the Offer becoming or being declared unconditional in all respects, and provided that the Form of Acceptance, share certificate(s) and/or other document(s) of title or the Electronic Acceptance (as relevant) are in order (except as provided in paragraph 8 of Part B of Appendix I to this document in the case of certain Overseas Shareholders), settlement of the consideration to which any Freshwater Shareholder is entitled under the Offer will be effected: (i) in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared unconditional in all respects, within 14 days of such date, or (ii) in the case of acceptances received, complete in all respects, after the date on which the Offer becomes or is declared unconditional in all respects but while the Offer remains open for acceptance, within 14 days of such receipt, and in either case in the following manner:

a) Freshwater Shares in certificated form (that is, not in CREST)

Where an acceptance relates to Freshwater Shares in certificated form, settlement of any cash consideration to which the accepting Freshwater Shareholder is entitled will be dispatched by first class post (or by such other method as may be approved by the Panel) to accepting Freshwater Shareholders or their appointed agents (but not into any Restricted Jurisdiction). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank (or by such other method as the Panel may approve).

b) Freshwater Shares in uncertificated form (that is, in CREST)

Where an acceptance relates to Freshwater Shares in uncertificated form, settlement of any cash consideration to which the accepting Freshwater Shareholder is entitled will be paid in pounds sterling by means of a CREST payment in favour of the accepting Freshwater Shareholder's payment bank in respect of the cash consideration due, in accordance with the CREST payment arrangements. Raglan reserves the right to settle all or any part of the consideration referred to in this paragraph (b), for all or any accepting Freshwater Shareholder(s), in the manner referred to in paragraph (a) above, if, for any reason, it wishes to do so.

c) General

If the Offer does not become, or is not declared, unconditional in all respects:

- (i) in the case of Freshwater Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address (outside any Restricted Jurisdiction) is set out in Box A or completed in Box 4 on the Form of Acceptance or, if none is set out, to the first named or sole holder at his registered address (provided that no such documents will be sent to an address in any Restricted Jurisdiction); and

- (ii) in the case of Freshwater Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing of the Offer), give TFE instructions to Euroclear to transfer all Freshwater Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Freshwater Shareholders concerned.

All remittances, communications, notices, certificates and documents of title sent by, to or from Freshwater Shareholders or their appointed agents will be sent at their own risk. Except with the consent of the Panel, settlement of the consideration to which any Freshwater Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Raglan may otherwise be, or claim to be, entitled against such Freshwater Shareholder.

17. Further information

The Offer will remain open for acceptance until 1.00 pm on 11 January 2019 or such later time(s) and/or date(s) as Raglan may decide in accordance with the provisions contained in paragraph 1 of Part B of Appendix I of this document.

18. Action to be taken

To accept the Offer in respect of Freshwater Shares in certificated form, the Form of Acceptance must be completed and returned by post, together with the relevant share certificate(s) and/or other document(s) of title, in the enclosed reply-paid envelope for use in the UK or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom, as soon as possible and, in any event, **so as to be received not later than 1.00 pm on 11 January 2019**.

If your Freshwater Shares are held in uncertificated form, acceptances should be made electronically through CREST **so that the TTE instruction settles not later than 1.00 pm on 11 January 2019** by following the procedure set out in paragraph 15 of this letter and Parts B and D of Appendix I to this document. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your sponsor will be able to send the necessary TTE instruction to Euroclear.

If you are in any doubt as to the procedure for acceptance, please contact Neville Registrars by telephone on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

Your decision as to whether to accept the Offer will depend on your individual circumstances. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the UK or, if you are outside the UK, from an appropriately authorised independent financial adviser, without delay.

Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it by post or (during normal business hours only) by hand so as to be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom as soon as possible but in any event **so as to arrive by no later than 10.00 am on 9 January 2019**.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

Yours faithfully,

David Howell
Director

APPENDIX I

CONDITIONS TO, AND CERTAIN FURTHER TERMS OF, THE OFFER

PART A

CONDITIONS TO THE OFFER

The Offer is subject to the following conditions:

1.1 Acceptance condition

valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 pm (London time) on the First Closing Date (or such later time(s) and/or date(s) as Raglan may, subject to the rules of the Code or with the consent of the Panel, decide) in respect of Freshwater Shares which, together with all other Freshwater Shares which Raglan acquires or agrees to acquire (whether pursuant to the Offer or otherwise) carry not less than 90 percent (or such lower percentage as Raglan may decide) in nominal value of the Freshwater Shares to which the Offer relates and of the voting rights attached to those shares, provided that this Condition will not be satisfied unless Raglan shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Freshwater Shares carrying in aggregate more than 50 percent of the voting rights then normally exercisable at general meetings of Freshwater, including for this purpose (except to the extent otherwise agreed by the Panel), any voting rights attaching to any Freshwater Shares which are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances whether pursuant to the exercise of outstanding conversion or subscription rights or otherwise). For the purposes of this Condition 1.1:

- 1.1.1 shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry on being entered into the register of members of Freshwater;
- 1.1.2 the expressions 'Freshwater Shares to which the Offer relates' and 'associates' shall be construed in accordance with Part 28 of the Companies Act;
- 1.1.3 Freshwater Shares that cease to be held in treasury before the Offer becomes or is declared unconditional as to acceptances are Freshwater Shares to which the Offer relates; and
- 1.1.4 valid acceptances shall be deemed to have been received in respect of Freshwater Shares which are treated for the purposes of Part 28 of the Companies Act as having been acquired or contracted to be acquired by Raglan by virtue of acceptances of the Offer;

1.2 Approval of Independent Shareholders

the passing of the Ordinary Resolution at the General Meeting;

1.3 General regulatory matters

no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, authority, court, trade agency, association, institution or professional or environmental body, private body or any other body or person whatsoever in any jurisdiction (each a **Relevant Authority**) having instituted, implemented or threatened or having announced its intention to institute, implement or threaten any action, proceedings, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having required any action to be taken or information to be provided or otherwise having taken any other steps which would or might reasonably be expected to (in any case to an extent which is material in the context of Freshwater or in the context of the Offer:

- 1.3.1 make the Offer or its implementation, or the acquisition or the proposed acquisition by Raglan of any shares or other securities in, or control of, Freshwater void, illegal or unenforceable under the laws of any jurisdiction, or otherwise directly or indirectly restrain, prohibit, restrict, prevent or delay the same or impose additional adverse conditions or financial or other obligations with respect thereto, or otherwise challenge or interfere therewith;

- 1.3.2 impose any limitation on, or result in a delay in, the ability of any member of the Raglan Group to acquire or hold or exercise effectively, directly or indirectly, all rights of all or any of the Freshwater Shares (whether acquired pursuant to the Offer or otherwise);
 - 1.3.3 require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by Raglan or Freshwater of all or any substantial portion of their respective businesses, assets or property, or impose any material limitation on the ability of any of them to conduct all or any part of their respective businesses or to own or control any of their respective assets or properties;
 - 1.3.4 impose any limitation on, or result in a delay in, the ability of Raglan to acquire or hold or exercise effectively, directly or indirectly, any rights of ownership of shares or other securities convertible into shares or any other securities (or the equivalent) in any member of the Freshwater Group or on the ability of any member of the Freshwater Group to hold or exercise effectively, directly or indirectly, any rights of ownership of shares or other securities (or the equivalent) in, or to exercise management control over, any other member of the Freshwater Group;
 - 1.3.5 result in the members of the Freshwater Group ceasing to be able to carry on their respective businesses under any name under which it is presently carried on, to an extent which is material in the context of the Freshwater Group (as the case may be) taken as a whole;
 - 1.3.6 impose any limitation on, or result in any delay in, the ability of the Freshwater Group to conduct or co-ordinate or integrate its business, or any part of it, with the business of any other member of Raglan or the Freshwater Group;
 - 1.3.7 otherwise adversely affect the business, assets, financial or trading position or profits or prospects of Raglan or of the Freshwater Group; or
 - 1.3.8 result in the refusal, withholding, suspension, withdrawal, cancellation, termination or modification in whole or in part of any licence, authority, permission or privilege held or enjoyed by any member of the Freshwater Group which is necessary for the proper carrying on of its business or the imposition of any conditions, restrictions or limitations upon such licence, authority, permission or privilege which would materially inhibit the exercise thereof,
- and all applicable waiting and other time periods (including any extensions thereof) during which any Relevant Authority could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer having expired, lapsed or been terminated;

1.4 Notifications, filings, authorisations

all necessary filings or applications having been made, and all statutory or regulatory obligations having been complied with, in each case in any jurisdiction and under any applicable legislation or regulation in relation to the Offer or the acquisition of Freshwater securities by any Raglan or change of control of Freshwater, and all authorisations, orders, grants, recognitions, confirmations, licences, consents, clearances, permissions and approvals (together **authorisations**) necessary in any jurisdiction for or in respect of the Offer or the acquisition of Freshwater securities by Raglan or change of control of Freshwater having been obtained (in terms and form reasonably satisfactory to Raglan) from any Relevant Authority or other person or body with whom Raglan or Freshwater has entered into an agreement or arrangement (in each case where the absence of such authorisation would have a material adverse effect on Raglan or the Freshwater Group taken as a whole), and such authorisations and any other authorisations necessary or appropriate for Raglan or the Freshwater Group to carry on any business now carried on by it (where such business is material in the context of the Freshwater Group taken as a whole) remaining in full force and effect, and no notice having been given or threatened to revoke, suspend or not renew any of the same;

1.5 Events since 31 August 2018

save as Disclosed, no member of the Freshwater Group having, since 31 August 2018:

- 1.5.1 save as between Freshwater and its wholly-owned subsidiaries or for Freshwater Shares issued pursuant to the exercise of options or vesting of awards granted under the Share Option Scheme (in accordance with its terms), issued or agreed to issue or authorised or proposed the issue of additional shares of any class or the issue of securities convertible into shares of any class, or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

- 1.5.2 other than the Special Dividend, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution, whether payable in cash or otherwise;
- 1.5.3 save for transactions between Freshwater and its wholly owned subsidiaries or between its wholly owned subsidiaries, merged with or demerged from any body corporate, partnership or business, or acquired or disposed of or transferred, mortgaged or charged or created any security interest of any kind whatsoever over any assets or any right, title or interest in any asset (including shares and trade investments), or authorised or proposed or announced any intention to propose, enter into or create any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest of any kind whatsoever and in each case to any extent which is material in the context of the Freshwater Group taken as a whole, other than in the ordinary course of business;
- 1.5.4 save for transactions between Freshwater and its wholly owned subsidiaries or between its wholly owned subsidiaries, made or authorised, or announced a proposal to make, any change in its loan capital or the issue of any debentures, in each case to any extent which is material in the context of the Freshwater Group taken as a whole;
- 1.5.5 incurred or increased any indebtedness or become subject to any guarantee or contingent liability other (in any such case) than in the ordinary course of business;
- 1.5.6 been unable to pay its debts, or having admitted such inability in writing, having stopped or suspended payment of its debts generally (or having threatened to do either such thing), or having ceased, or having threatened to cease, carrying on all or a substantial part of its business;
- 1.5.7 purchased, redeemed or repaid, or announced any proposal to purchase, redeem or repay, any of its own shares or other securities, or reduced or made any other change (excepting any change referred to in sub-paragraph 1.5.1 above) to any part of its share capital;
- 1.5.8 save for transactions between Freshwater and its wholly owned subsidiaries or between its wholly owned subsidiaries, entered into, implemented, effected or authorised, or proposed or announced its intention to enter into, implement, effect or authorise, any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement with a substantially equivalent effect;
- 1.5.9 entered into, or varied in any material respect, the terms of any contract with any director or senior executive of Freshwater or any of its subsidiaries;
- 1.5.10 other than in the ordinary course of business, entered into or varied or authorised, proposed or announced its intention to enter into, vary or authorise any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude, or involves or could involve an obligation of such a nature or magnitude, or which is or could be restrictive on any business of any member of the Freshwater Group, which is in any such case material in the context of the Freshwater Group taken as a whole or in the context of the Offer;
- 1.5.11 (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up (voluntary or otherwise), dissolution, reorganisation or any analogous proceedings in any jurisdiction, or for the appointment of a liquidator, receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues, or had any such person appointed;
- 1.5.12 commenced negotiations with any of its creditors or taken any step with a view to rescheduling or restructuring any of its indebtedness or entered into a composition, compromise, assignment or arrangement with any of its creditors whether by way of a voluntary arrangement, scheme of arrangement, deed of compromise or otherwise;
- 1.5.13 waived or compromised any claim otherwise than in the ordinary course of business, and in any such case which is material in the context of the Freshwater Group taken as a whole;
- 1.5.14 entered into or varied the terms to a material extent of any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business, or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced any intention or proposal to effect, any of the transactions, matters or events referred to in this condition;
- 1.5.15 made any amendment to its memorandum or articles of association;

1.5.16 made or agreed or consented to any change to:

- (a) the terms of any trust deed constituting any pension scheme established by any member of the Freshwater Group for its directors, employees and/or their dependents,
- (b) the contributions payable to any such scheme, or the benefits which accrue or the pensions which are payable thereunder,
- (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined, or
- (d) the basis upon which the liabilities (including pensions) of any such pension schemes are funded, valued or made; or

1.5.17 proposed, modified the terms of, or agreed to provide, any share scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Freshwater Group, other than in accordance with the terms of the Offer;

1.6 Matters arising from agreement, arrangement etc.

save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Freshwater Group is a party, or in or from which any such member may be interested or be entitled to benefit, or by or to which any such member or any of its assets may be bound or subject, which in consequence of the Offer or because of a change in the control or of Freshwater or otherwise, could or might result in to an extent which is material in the context of the Freshwater Group as a whole or in the context of the Offer:

- 1.6.1 any moneys borrowed by, or any other indebtedness (actual or contingent) of, or any grant available to, any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated repayment or maturity date, or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or restricted, or being or becoming capable of being withdrawn or restricted;
- 1.6.2 any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected, or any obligation or liability arising or any adverse action being taken or arising thereunder;
- 1.6.3 any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
- 1.6.4 the creation or enforcement of any mortgage, charge or other security interest of any kind whatsoever over the whole or any part of the business, property, assets or other interests of any such member;
- 1.6.5 the rights, liabilities, obligations or interests of any such member in or in respect of any agreement or arrangement, or the business of any such member, with any person, firm or body being terminated or adversely modified or affected;
- 1.6.6 the value of any such member or its financial or trading or regulatory position or prospects being prejudiced or adversely affected;
- 1.6.7 any such member ceasing to be able to carry on business under any name under which it currently does so; or
- 1.6.8 the imposition of any liability (actual or contingent) on, or an increase in the liability (whether actual or contingent) of, any such member;

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Freshwater Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in the occurrence of any of the events or circumstances described or referred to in paragraphs 1.6.1 to 1.6.8 of this Condition;

1.7 No adverse change, litigation etc.

save as Disclosed, since 31 August 2018:

- 1.7.1 no material adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Freshwater Group, in each case which is material in the context of the Freshwater Group as a whole;

- 1.7.2 no litigation, arbitration or mediation proceedings, prosecution or other legal proceedings to which any member of the Freshwater Group is or may become a party (whether as a claimant, defendant or otherwise), and no investigation by any Relevant Authority against or in respect of any member of the Freshwater Group remaining outstanding, or having been instituted, announced or threatened by or against any member of the Freshwater Group, which in any such case might reasonably be expected materially and adversely to affect any member of the Freshwater Group; and
- 1.7.3 no contingent or other liability of any member of the Freshwater Group which has not previously been disclosed having arisen which would be likely to adversely affect the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Freshwater Group, in each case to an extent which is material in the context of the Freshwater Group as a whole;

1.8 No withdrawal, cancellation, termination or modification of licence

no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of Freshwater Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and has had, or might reasonably be expected to have, a material adverse effect on the Freshwater Group taken as a whole;

1.9 No discovery of adverse information

save as Disclosed, Raglan not having discovered in relation to any member of the Freshwater Group:

- 1.9.1 that any financial, business or other information concerning the Freshwater Group as contained in the information publicly announced at any time by or on behalf of any member of the Freshwater Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading, which in any such case is material in the context of the Freshwater Group taken as a whole;
- 1.9.2 that any member of the Freshwater Group, or any partnership, company or other entity which is not a member of the Freshwater Group but in which any member of the Freshwater Group has a significant economic interest, is subject to any liability (contingent or otherwise) which is material in the context of the Freshwater Group taken as a whole; or
- 1.9.3 any information which affects the importance of any other information disclosed at any time by or on behalf of any member of the Freshwater Group and whose importance is material in the context of the Freshwater Group taken as a whole;

1.10 Anti-corruption, sanctions and criminal property

save as Disclosed, Raglan not having discovered that:

- 1.10.1 any past or present member, director, officer or employee of the Freshwater Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or any person that performs or has performed services for or on behalf of the Freshwater Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation;
- 1.10.2 any material asset of any member of the Freshwater Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- 1.10.3 any past or present member, director, officer or employee of the Freshwater Group has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states, in each case to an extent which is material in the context of the Freshwater Group taken as a whole; or

- 1.10.4 no member of the Freshwater Group being engaged in any transaction which would cause Raglan to be in breach of any law or regulation upon its acquisition of Freshwater, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

2 Waiver or Variation on Conditions to the Offer

- 2.1 Subject to the requirements of the Code and the Panel, Raglan will reserve the right to waive all or any of conditions in paragraphs 1.3 to 1.10 (inclusive) above of this Appendix I, in whole or in part, at its absolute discretion.
- 2.2 The Code requires that, except with the consent of the Panel, all conditions to the Offer must either be fulfilled or the Offer must lapse within 21 days after the later of the First Closing Date and the date on which the Offer becomes, or is declared, unconditional as to acceptances.
- 2.3 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
- 2.4 Raglan shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in paragraph 1 (inclusive) of this Appendix I by a date earlier than the latest date specified for the fulfilment of them notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
- 2.5 Raglan may not invoke any Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Raglan in the context of the Offer and with the consent of the Panel.
- 2.6 If Raglan is required by the Panel to make a mandatory offer for Freshwater Shares under the provisions of Rule 9 of the Code, Raglan may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
- 2.7 If the Offer lapses, it will cease to be capable of further acceptance. Freshwater Shareholders who have accepted the Offer and Raglan shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses.
- 2.8 Raglan reserves the right to elect, with the consent of the Panel, to implement the acquisition of Freshwater by way of a court-approved scheme of arrangement in accordance with Part 26 of the Act. In such event, the acquisition shall be implemented on substantially the same terms and conditions, subject to appropriate amendments, as those which would apply to the Offer.
- 2.9 The Offer will be governed by English law and will be subject to the exclusive jurisdiction of the Courts of England and Wales and to the Conditions and further terms to be set out in the Offer Document. The Offer will be subject to the applicable requirements of the Panel, FSMA and the Code.

3 Unlisted Share Alternative

- 3.1 The issue of any Raglan Shares is conditional upon the Offer becoming or being declared unconditional in all respects.

PART B

FURTHER TERMS OF THE OFFER

Definitions

Except where the context requires otherwise, any reference in this Part B of Appendix I or in Parts C or D of this Appendix I and in the Form of Acceptance to:

- (i) the **Offer** will mean the Offer (including the Unlisted Share Alternative) and includes any election available under the Offer and any revision, variation, renewal or extension thereto;
- (ii) the **acceptance condition** means the condition in paragraph 1.1 of Part A of this Appendix I;
- (iii) the **Offer becoming unconditional as to acceptances** means the Offer being or becoming or being declared unconditional as to acceptances by virtue of the acceptance condition having become or been declared fulfilled, whether or not any other condition to the Offer remains to be satisfied;
- (iv) the **Offer becoming wholly unconditional** or the **Offer becoming unconditional in all respects** (and similar terms) means all of the Conditions to the Offer becoming, or being declared, satisfied, or where capable of being waived, waived, and references to the Offer having become, or having been declared, unconditional in all respects shall be construed accordingly;
- (v) **acceptance of the Offer** includes deemed acceptance of the Offer;
- (vi) a person **acting in concert with** Raglan is a reference to a person acting, or deemed to be acting, in concert with Raglan for the purposes of the Code and/or the Offer;
- (vii) **send, sent or sending** or a similar expression in relation to any document, announcement or other information shall include distribution in hard copy form or electronic form or publication on a website in such manner as shall be permitted by the Code or otherwise with the Panel's consent;
- (viii) **Day 39 means** 28 January 2019 (or any later time and/or date as the Panel may determine);
- (ix) **Day 42 means** 31 January 2019 (or any later time and/or date as the Panel may determine);
- (x) **Day 46 means** 4 February 2019 (or any later time and/or date as the Panel may determine); and
- (xi) **Day 60 means** 18 February 2019 (or any later time and/or date as the Panel may determine).

The following further terms apply, unless the context requires otherwise, to the Offer.

1 Acceptance Period

- 1.1 The Offer will initially be open for acceptance until 1.00 pm (London time) on the First Closing Date of the Offer. Raglan reserves the right (but will not be obliged, other than as may be required by the Code) at any time and from time to time after that date to extend the Offer and, in such event, it will make an announcement of such extension as described in paragraph 2.1 below and give oral or written notice of such extension to the Receiving Agent. If the Offer has not become unconditional by First Closing Date, Raglan will have the option to extend the Offer until such time as the Offer becomes unconditional as to acceptances. There can be no assurance, however, that Raglan will, in such circumstances, extend the Offer and, if no such extension is made, the Offer will lapse on First Closing Date of the Offer and no Freshwater Shares will be purchased pursuant to the Offer.
- 1.2 Although no revision is contemplated, if the Offer is revised (in its original or previously revised form) it will remain open for acceptance for a period of at least 14 days (or such other period as may be permitted by the Panel) from the date on which the document containing details of the revision is posted to Freshwater Shareholders. Except with the Panel's consent, no revision of the Offer may be made or revised offer documentation published after Day 46 of the Offer or, if later, the date falling 14 days before the last date on which the Offer can become unconditional as to acceptances.
- 1.3 The Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming unconditional as to acceptances after midnight (London time) on Day 60 (or any earlier time and/or date beyond which Raglan has stated that the Offer will not be extended and in respect of which it has not, where permitted, withdrawn that statement) nor of being kept open after that time and/or date unless it has previously become unconditional as to acceptances. However, Raglan reserves the right, with the consent of the Panel, to extend the Offer to a later time(s) and/or date(s). If the Offer has not become unconditional as

to acceptances at such time (or any later time and/or date to which the Offer has been extended), the Offer will lapse, unless the Panel agrees otherwise. If the Offer lapses for any reason, the Offer shall cease to be capable of further acceptance and Raglan shall cease to be bound by prior acceptances.

- 1.4 Except with the consent of the Panel, Raglan may not, for the purpose of determining whether the acceptance condition has been satisfied, take into account acceptances received, or purchases of Freshwater Shares made, in respect of which relevant electronic instructions or documents have been received by the Receiving Agent after 1.00 pm (London time) on Day 60 of the Offer (or any earlier time and/or date beyond which Raglan has stated that the Offer will not be extended and in respect of which it has not, where permitted, withdrawn that statement) or such later time and/or date as Raglan may, with the permission of the Panel, decide. If the Offer is extended beyond midnight (London time) on Day 60 of the Offer, acceptances received and purchases made in respect of which relevant documents have been received by the Receiving Agent after 1.00 pm (London time) on the relevant date may (except where the Code otherwise permits) only be taken into account with the consent of the Panel.
- 1.5 If the Offer becomes unconditional as to acceptances, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer has become unconditional as to acceptances and it is stated by or on behalf of Raglan that the Offer will remain open until further notice or if the Offer will remain open for acceptance beyond the 70th day following the sending of this document, then not less than 14 days' notice in writing will be given prior to the closing of the Offer to those Freshwater Shareholders who have not accepted the Offer.
- 1.6 If a competitive situation arises after Raglan has made a 'no extension' statement or a 'no increase' statement (as referred to in the Code), Raglan may, if it specifically reserved the right to do so at the time such statement was made (or otherwise with the Panel's consent), choose not to be bound by and withdraw that statement and extend or revise the Offer (as appropriate) provided that it complies with the requirements of the Code and, in particular, that:
 - 1.6.1 it announces the withdrawal and that it is free to extend or revise the Offer (as appropriate) as soon as possible (and in any event within four Business Days of the firm announcement of the competing offer or other competitive situation);
 - 1.6.2 Freshwater Shareholders and persons with information rights are informed in writing at the earliest practicable opportunity or, in the case of Freshwater Shareholders with registered addresses outside the UK or whom Raglan knows to be a nominee, trustee or custodian Freshwater Shares for such persons, by announcement in the UK at the earliest practicable opportunity; and
 - 1.6.3 any Freshwater Shareholders who accepted the Offer after the date of the 'no extension' or 'no increase' statement are given a right of withdrawal in accordance with paragraph 3.4 of this Part B of Appendix I.
- 1.7 Raglan may choose not to be bound by a 'no increase' or 'no extension' statement if, having reserved the right to do so, it publishes an increased or improved offer (either as to the value or form of the consideration or otherwise) which is recommended for acceptance by the Freshwater Directors, or in other circumstances permitted by the Panel.
- 1.8 If Freshwater makes an announcement of the kind referred to in Rule 31.9 of the Code after Day 39, Raglan may, if it has reserved the right to do so (or otherwise with the consent of the Panel) choose not to be bound by a 'no increase' or a 'no extension' statement, and to revise or extend the Offer with the consent of the Panel, provided that Raglan complies with the requirements of the Code and in particular that notice to this effect is given as soon as possible (and in any event within four Business Days of the date of Freshwater's announcement) and Freshwater Shareholders (except those resident in Restricted Jurisdictions) are informed in writing at the earliest opportunity.
- 1.9 If a competitive situation arises and is continuing on Day 60, Raglan will enable holders of Freshwater Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by special form of acceptance to take effect on Day 60. The special form of acceptance shall constitute a valid acceptance of the Offer provided that:
 - 1.9.1 it is received by the Receiving Agent on or before Day 60 of the Offer;
 - 1.9.2 the relevant Freshwater Shareholder shall have applied to withdraw his acceptance of the competing offer but that the Freshwater Shares to which such withdrawal relates shall not have been released from escrow before Day 60 by the escrow agent to the competing offer; and

- 1.9.3 the Freshwater Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in this document on or before Day 60, but an undertaking is given that they will be so transferred as soon as possible thereafter.

Freshwater Shareholders wishing to use such forms of acceptance should contact the Receiving Agent, Neville Registrars, between 9.00 am and 5.00 pm on Monday to Friday (except UK public holidays), on 0121 585 1131 (if calling from the UK) and +44 121 585 1131 (if calling from outside the UK). Subject to the right to use such special form of acceptance in the terms of this paragraph 1.9, holders of Freshwater Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

- 1.10 For the purposes of determining at any particular time whether the acceptance condition is satisfied, Raglan is not bound (unless otherwise required by the Panel) to take into account any Freshwater Shares which have been issued or unconditionally allotted or which arise as the result of the exercise of subscription or conversion rights before the determination takes place unless Freshwater or its agent has given written notice containing relevant details of the allotment, issue, subscription or conversion before that time to Raglan or the Receiving Agent on behalf of Raglan at one of the addresses specified in paragraph 3.2 of this Part B of Appendix I. Notification by e-mail, or facsimile or other electronic transmission or copies shall not be sufficient to constitute written notice for this purpose.

2 Announcements

- 2.1 Without prejudice to paragraph 3.2 of this Part B, by 8.00 am (London time) on the Business Day (the **relevant day**) next following the day on which the Offer is due to expire or becomes wholly unconditional or is revised or extended, as the case may be (or such later time(s) or date(s) as the Panel may agree), Raglan will make an appropriate announcement. The announcement will state (unless otherwise permitted by the Panel):

2.1.1 the number of Freshwater Shares for which acceptances of the Offer have been received (showing the extent, if any, to which such acceptances have been received from persons acting in concert with Raglan or in respect of Freshwater Shares which were subject to an irrevocable commitment, or letter of intent, to accept the Offer procured by Raglan or any of its concert parties);

2.1.2 details of any relevant securities of Freshwater in which Raglan or any person acting in concert with it has an interest or in respect of which it has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, will also be stated;

2.1.3 details of any relevant securities of Freshwater in respect of which Raglan or any of its concert parties has an outstanding irrevocable commitment or letter of intent; and

2.1.4 details of any relevant securities of Freshwater which Raglan or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and will in each case specify the percentage of each class of relevant securities of Freshwater represented by each of these figures. Any such announcement shall include a prominent statement of the total number of Freshwater Shares, which Raglan may count towards the satisfaction of the acceptance condition and the percentage of Freshwater Shares represented by this figure.

- 2.2 Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced not later than, 8.00 am (London time) on the relevant day (as defined above in paragraph 2.1 of this Part B) or such later time(s) and/or date(s) as the Panel may agree. The announcement will state the next expiry date unless the Offer is then unconditional as to acceptances, in which case a statement may instead be made that the Offer will remain open until further notice.
- 2.3 In computing the number of Freshwater Shares represented by acceptances and/or purchases, an acceptance or purchase shall only be counted towards fulfilling the acceptance condition if the requirements of Notes 4, 5 and 6 (as applicable) on Rule 10 of the Code are satisfied (unless the Panel agrees otherwise). Subject to this, Raglan may include or exclude for announcement purposes acceptances and purchases which are not complete in all respects or which are subject to verification.
- 2.4 In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of Raglan include: (i) the release of an announcement by public relations consultants or by Cattaneo to the

press; and (ii) the delivery by hand or telephone or telex or facsimile or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service (unless otherwise agreed by the Panel).

- 2.5 A copy of any announcement made by Raglan in accordance with this paragraph 2 will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Freshwater's website at www.freshwater-uk.com/freshwater-group/99162-2 as soon as possible after the making of such announcement and in any event by no later than 12 noon on the following Business Day and will remain on such website while the Offer remains open for acceptances.
- 2.6 Without limiting the manner in which Raglan may choose to make any public announcement and, subject to the obligations of Raglan under applicable law and paragraph 2.5 of this Part B of Appendix I, Raglan will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

3 Rights of withdrawal

- 3.1 Except as provided by this paragraph 3 or as otherwise permitted by Raglan (either generally or for any particular Freshwater Shareholder), acceptances of and elections under the Offer, including the Unlisted Share Alternative, shall be irrevocable, except as otherwise may be required by applicable law.
- 3.2 If Raglan, having announced the Offer to be unconditional as to acceptances, fails to comply by 3.30 pm (London time) on the relevant day (as defined in paragraph 2.1 of this Part B) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in paragraph 2.1 of this Part B, an accepting Freshwater Shareholder may (unless the Panel agrees otherwise) immediately thereafter withdraw his acceptance of the Offer: (i) by written notice received by post or, during normal business hours only, by hand to the Receiving Agent at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom; or (ii) if the relevant Freshwater Shares are held in uncertificated form, in the manner set out in paragraph 3.8 of this Part B. Subject to paragraph 1.3 of this Part B, this right of withdrawal may be terminated not less than eight days after the relevant day by Raglan confirming, if it be the case, that the Offer is still unconditional, and complying with the other requirements specified in paragraph 2.1 of this Part B. If any such confirmation is given, the first period of 14 days referred to in paragraph 1.5 of this Part B will run from the date of such confirmation and compliance.
- 3.3 If by 1.00 pm (London time) on Day 42 (or such later time(s) and/or date(s) as the Panel may agree) the Offer has not become unconditional, an accepting Freshwater Shareholder may withdraw his acceptance at any time thereafter: (i) by written notice in the manner referred to in paragraph 3.2 of this Part B; or (ii) if the relevant Freshwater Shares are held in uncertificated form, in the manner set out in paragraph 3.8 of this Part B, until the earlier of:
 - 3.3.1 the time when the Offer becomes unconditional; and
 - 3.3.2 the final time for the lodging of acceptances of the Offer which can be taken into account in accordance with paragraph 1.3 of this Part B.
- 3.4 If a 'no extension' statement and/or a 'no increase' statement has been withdrawn in accordance with paragraph 1.6 of this Part B, any Freshwater Shareholder who accepts the Offer after the date of the statement may withdraw his acceptance: (i) in the manner referred to in paragraph 3.2 of this Part B; or (ii) if the relevant Freshwater Shares are held in uncertificated form, in the manner set out in paragraph 3.8 of this Part B, not later than the eighth day after the date on which written notice of withdrawal of the statement is posted to Freshwater Shareholders.
- 3.5 In this paragraph 3, **written notice** (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Freshwater Shareholder(s) or his/her agent(s) duly appointed in writing (evidence of whose appointment is produced with the notice in a form reasonably satisfactory to Raglan). E-mail, telex, facsimile or other electronic transmission, or copies, will not be sufficient to constitute written notice. If a notice from a Freshwater Shareholder withdrawing his acceptance is received in an envelope post-marked in, or which otherwise appears to Raglan or its agents to have been sent from, a Restricted Jurisdiction, Raglan reserves the right in its absolute discretion to treat that notice as invalid.
- 3.6 To be effective, a written notice of withdrawal must be received on a timely basis by the Receiving Agent and must specify the name of the person who has tendered the Freshwater Shares to be withdrawn and (if

share certificates have been tendered) the name of the holder of the relevant Freshwater Shares if different from the name of the person who tendered the Freshwater Shares.

- 3.7 Raglan may, in its absolute discretion, allow any acceptances of the Offer to be withdrawn, in whole or part, without allowing withdrawal of other acceptances, insofar as is necessary to enable the relevant Freshwater Shares to be purchased by it otherwise than pursuant to the Offer.
- 3.8 In the case of Freshwater Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraphs 3.2, 3.3 or 3.4 of this Part B, an accepting Freshwater Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:
- 3.8.1 the number of Freshwater Shares to be withdrawn, together with their ISIN number (which is GB00B1YLGV82);
 - 3.8.2 the member account ID of the accepting shareholder;
 - 3.8.3 the participant ID of the accepting shareholder;
 - 3.8.4 the Escrow Agent's participant ID (which is **7RA11**);
 - 3.8.5 the member account ID of the Escrow Agent included in the relevant Electronic Acceptance (which is either '**FWCASH**' or '**FWSHARE**', as applicable);
 - 3.8.6 the CREST transaction ID of the Electronic Acceptance to be withdrawn, to be inserted at the beginning of the shared note field;
 - 3.8.7 the intended settlement date for the withdrawal;
 - 3.8.8 the corporate action number for the Offer allocated by Euroclear;
 - 3.8.9 input with a standard delivery instruction priority of 80; and
 - 3.8.10 a contact telephone number in the shared note field.

Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of Raglan either reject the withdrawal by transmitting in CREST a receiving agent reject (AEAD) message or accept the withdrawal by transmitting in CREST a receiving agent accept (AEAN) message.

- 3.9 If an accepting Freshwater Shareholder withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned by the Receiving Agent as soon as practicable following the receipt of the withdrawal (and in any event within 14 days) by post (or by such other method as may be approved by the Panel). All documents sent to certificated Freshwater Shareholders (or their appointed agents) will be sent at their own risk.
- 3.10 Any question as to the validity (including time of receipt) of any notice of withdrawal will be determined by Raglan whose determination (save as the Panel otherwise determines) will be final and binding. None of Raglan, Freshwater, the Receiving Agent, Cattaneo or any other person will be under any duty to give notification of any defect in any notice of withdrawal or will incur any liability for failure to do so or for any determination under this paragraph 3.
- 3.11 Except as stated in this paragraph 3, acceptances of the Offer shall be irrevocable.
- 3.12 Freshwater Shares in respect of which acceptances have been validly withdrawn in accordance with this paragraph 3 may subsequently be the subject of a new acceptance where the procedures set out in Part C of this document are followed while the Offer remains open for acceptance.
- 3.13 Any Freshwater Shareholder properly withdrawing his acceptance of the Offer pursuant to this paragraph 3 shall be deemed equally to have withdrawn any election under the Unlisted Share Alternative.

4 Revisions of the Offer

- 4.1 No revision of the Offer is contemplated, but if the Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise) and such revision represents on the date on which it is announced (on such basis as Cattaneo may consider appropriate) an improvement or no diminution in the value of the revised Offer compared with the consideration or terms previously offered or in the overall value received and/or retained by a Freshwater

Shareholder (under the Offer or otherwise), the benefit of the revised Offer will, subject to paragraphs 4.3, 4.4 and 8 of this Part B, be made available to any Freshwater Shareholder who has accepted the Offer in its original or any previously revised form(s) and who has not validly withdrawn such acceptance (a previous acceptor). The acceptance of the Offer by or on behalf of a previous acceptor in its original or any previously revised form(s) shall, subject to as provided in paragraphs 4.3, 4.4 and 7 of this Part B, be deemed an acceptance of the revised Offer and shall constitute the separate appointment of each of Raglan and any director of, or person authorised by, Raglan or any of Raglan's financial advisers as his attorney and/or agent with authority:

4.1.1 to accept any such revised Offer on behalf of such previous acceptor;

4.1.2 if the revised Offer includes alternative forms of consideration, to make on his behalf elections for and/or accept alternative forms of consideration in the proportions which the attorney and/or agent in his absolute discretion thinks fit; and

4.1.3 to execute on behalf of and in the name of such previous acceptor all further documents (if any) and to do all things (if any) as may be required to give effect to such acceptances and/or elections.

In making any such election and/or acceptance, the attorney and/or agent shall take into account the nature of any previous acceptance(s) or election(s) made by or on behalf of the previous acceptor and such other facts or matters as he may reasonably consider relevant, and shall not be liable to any Freshwater Shareholder or other person with respect to the making of any such election and/or acceptance or in making any determination relating thereto.

4.2 Subject to paragraph 4.3 and paragraph 4.4 of this Part B, the powers of attorney and authorities conferred by this paragraph 4 and any acceptance of a revised Offer and/or any election pursuant thereto shall be irrevocable unless and until the previous acceptor becomes entitled to withdraw his acceptance under paragraph 3 of this Part B and duly and validly does so.

4.3 The deemed acceptance and/or election referred to in paragraph 4.1 of this Part B shall not apply, and the power of attorney and authorities conferred by that paragraph shall not be exercised, to the extent that a previous acceptor:

4.3.1 in respect of Freshwater Shares in certificated form, lodges with the Receiving Agent, within 14 days of the posting of the document containing the revised Offer, a Form of Acceptance (or other form validly issued by or on behalf of Raglan) in which he validly elects to receive the consideration receivable by him under such revised Offer in some other manner than that set out in his original or any previous acceptance; or

4.3.2 in respect of Freshwater Shares in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA instruction must, in order for it to be valid and settle, include the following details:

- (a) the number of Freshwater Shares in respect of which the changed election is made, together with their ISIN number (this is GB00B1YLGV82);
- (b) the member account ID of the previous acceptor;
- (c) the participant ID of the previous acceptor;
- (d) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance, which is either 'FWCASH' or 'FWSHARE', as applicable;
- (e) the Escrow Agent's participant ID, which is **7RA11**;
- (f) the CREST transaction ID of the Electronic Acceptance in respect of which the election is to be changed to be inserted at the beginning of the shared note field;
- (g) the intended settlement date for the changed election;
- (h) the corporate action number for the Offer allocated by Euroclear;
- (i) the member account ID of the Escrow Agent relevant to the new election; and
- (j) input with a standard delivery instruction priority of 80.

Any such change of election will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly, the Receiving Agent will on behalf of Raglan reject or accept the requested

change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message as appropriate.

- 4.4 The deemed acceptance and/or election referred to in paragraph 4.1 of this Part B shall not apply, and the power of attorney and authorities conferred by that paragraph shall not be exercised, if, as a result thereof, the previous acceptor would (on such basis as Cattaneo may reasonably consider appropriate) thereby receive and/or retain less in aggregate in consideration under the revised Offer than he would have received and/or retained in aggregate as a result of acceptance of the Offer in the form in which it was previously accepted by or on his behalf, unless the previous acceptor has previously agreed in writing. The authorities conferred by paragraph 4.1 of this Part B shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph.
- 4.5 Raglan and the Receiving Agent reserve the right to treat an executed Form of Acceptance or TTE instruction in respect of the Offer (in its original or any previously revised form(s)) which is received (or dated) on or after the announcement of any revised Offer as a valid acceptance of the revised Offer (and, where applicable, a valid election for or acceptance of any of the alternative forms of consideration). Such acceptance shall constitute an authority in the terms of paragraph 4.1 of this Part B, mutatis mutandis, on behalf of the relevant Freshwater Shareholder.

5 Dividends

- 5.1 If after the date of the Announcement, any dividend, distribution and/or return of capital is paid or made or becomes payable by Freshwater, other than the Special Dividend, Raglan reserves the right (without prejudice to any of its other rights) to reduce the consideration payable under the Offer by the aggregate amount of such dividend, distribution and/or return of capital. Any exercise by Raglan of its rights referred to in this paragraph will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Offer. Furthermore, Raglan reserves the right to reduce the consideration payable under the Offer in such circumstances as are, and by such amount as is, permitted by the Panel.
- 5.2 If Raglan exercises the right to reduce the consideration payable under the Offer by all or part of the amount of a dividend, distribution and/or return of capital that has not been paid or made, Freshwater shareholders will be entitled to receive and retain the amount of that dividend, distribution and/or return of capital. Subject to the foregoing and notwithstanding the Conditions on which the Freshwater Shares are expressed to be acquired by Raglan pursuant to the Offer, the Freshwater Shares will be acquired by or on behalf of Raglan pursuant to the Offer fully paid and free from all liens, charges, encumbrances and other rights and interests of whatsoever nature and together with all rights now attaching and to become attached thereto, including the right to receive all dividends and other distributions declared, paid or made at any time after the date of the Announcement (other than the Special Dividend).
- 5.3 To the extent that such a dividend, distribution (other than the Special Dividend) and/or return of capital has been declared, paid, made or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles Raglan to receive the dividend, distribution and/or return of capital and to retain it; or (ii) cancelled, the consideration payable under the Offer will not be subject to change in accordance with this paragraph.

6 Acceptances and purchases

- 6.1 Without prejudice to any other provisions of this Part B, Raglan, the Receiving Agent and Cattaneo reserve the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other relevant document(s) of title or not accompanied by the relevant TTE instruction, or if received by or on behalf of any of them at any place or places or in any manner determined by any of them or otherwise than as set out in this document or (in respect of Freshwater Shares held in certificated form) in the Form of Acceptance (subject to paragraph 6.2).
- 6.2 Except as otherwise agreed by the Panel:
- 6.2.1 an acceptance of the Offer shall not be treated as valid for the purposes of the acceptance condition unless the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied with respect to it (and the Freshwater Shares to which such acceptance relates do not fall within Note 8 on Rule 10 of the Code);
- 6.2.2 a purchase of Freshwater Shares by Raglan or its nominee(s) (or, if Raglan is required to make an offer or offers under the provisions of Rule 9 of the Code, by a person acting in concert with Raglan or its nominee(s) for the purpose of such offer(s)) will be treated as valid for the purposes of the acceptance

condition only if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied with respect to it (and the Freshwater Shares to which such acceptance relates do not fall within Note 8 on Rule 10 of the Code);

6.2.3 Freshwater Shares which have been borrowed by Raglan may not be counted towards fulfilling the acceptance condition; and

6.2.4 before the Offer may become or be declared unconditional as to acceptances, the Receiving Agent must have issued a certificate to Raglan which states: (i) the number of Freshwater Shares in respect of which acceptances have been received and which comply with paragraph 6.2.1; (ii) the number of Freshwater Shares otherwise acquired, whether before or during the Offer Period, which comply with paragraph 6.2.2; and (iii) the number of Freshwater Shares subscribed by Raglan during the Offer Period and which comply with paragraph 6.2.3.

6.3 For the purpose of determining at any particular time whether the acceptance condition has been satisfied, Raglan shall be entitled to take account only of those Freshwater Shares carrying voting rights which have been unconditionally allotted or issued before that time, and written notice of allotment or issue of which, containing all the relevant details, has been received before that time by the Receiving Agent from Freshwater or its agents at the address specified in paragraph 3.2 of this Part B. E-mail, telex, facsimile, the internet or other electronic transmission, or copies, will not be sufficient to constitute written notice.

6.4 In relation to any acceptance of the Offer in respect of Freshwater Shares which are in uncertificated form, Raglan reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the Panel's consent.

6.5 For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.

7 General

7.1 The Offer is made at 1.00 pm (London time) on 20 December 2018 and is capable of acceptance from that date and after that time. Copies of this document, the Form of Acceptance and any related documents are available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on the website maintained by Raglan in relation to the Offer at www.freshwater-uk.com/freshwater-group/99162-2 and from the Receiving Agent at the address set out in paragraph 3.2 of this Part B from that time.

7.2 Raglan reserves the right (subject to the requirements of the Code and the Panel) to waive all or any of Conditions in Part A of this Appendix I (other than the acceptance condition), in whole or in part, at its absolute discretion.

7.3 Raglan shall be under no obligation to waive or treat as fulfilled any of the Conditions, by a date earlier than the latest date specified below for the fulfilment of them notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

7.4 Except with the consent of the Panel, the Offer will lapse unless all the Conditions to the Offer set out in Part A of this Appendix I have been fulfilled or (if capable of waiver) waived or (where appropriate) have been determined by Raglan to be or remain satisfied, by midnight (London time) on the date which is 21 days after the later of the First Closing Date and the date on which the Offer becomes or is declared unconditional as to acceptances or such later date as Raglan may, with the consent of the Panel, decide.

7.5 The Offer will lapse, and will not proceed, if there is a Phase 2 CMA reference or if Phase 2 European Commission proceedings are initiated or if, following a referral of the Offer by the European Commission under Article 9(1) of the European Council Merger Regulation to a competent authority in the United Kingdom, there is a Phase 2 CMA reference, in any such case before 1.00pm (London time) on the First Closing Date or the time and date at which the Offer becomes, or is declared, unconditional as to acceptances (whichever is the later). The effect of the Offer lapsing is that the Offer will cease to be capable of further acceptance and that Raglan and any Freshwater Shareholders who have accepted the Offer will cease to be bound by prior acceptances of the Offer.

7.6 If the Offeror is required by the Panel to make a mandatory offer for Freshwater Shares under Rule 9 of the Code, the Raglan may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.

- 7.7 Raglan reserves the right (with the consent of the Panel) to implement the Offer by way of a scheme of arrangement pursuant to Part 26 of the Companies Act. In such event, the scheme of arrangement will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those that would apply to the Offer. In particular, the Condition set out in paragraph 1.1 of Part A of this Appendix I will not apply and the scheme of arrangement will become subject to the following further conditions which are not intended to be capable of waiver:
- 7.7.1 approval of the scheme of arrangement at the court meeting (or any adjournment thereof) being given by a majority in number, representing 75 percent or more in value present and voting, either in person or by proxy, of the holders of the Freshwater Shares (or the relevant class or classes thereof) (excluding any Freshwater Shares held by Raglan and any person acting in concert with it);
 - 7.7.2 the resolution(s) required to approve and implement the scheme of arrangement and to be set out in the notice of the general meeting of the Freshwater Shareholders, being passed by the requisite majority at such general meeting; and
 - 7.7.3 sanction of the scheme of arrangement by the court (with or without modifications on terms reasonably acceptable to Raglan and Freshwater) and an office copy of the orders of the court sanctioning the scheme of arrangement being delivered for registration to the Registrar of Companies in England and Wales and being registered by it.
- 7.8 The Offer will extend to all Freshwater Shares unconditionally allotted or issued and fully paid on the date of the Offer, and any further Freshwater Shares unconditionally allotted or issued and fully paid including pursuant to the exercise of options and awards under the Share Option Scheme, before the date on which the Offer closes or such earlier date as Raglan may, subject to the Code, decide, not being earlier than the date on which the Offer becomes unconditional as to acceptances.
- 7.9 The Freshwater Shares will be acquired by Raglan under the Offer fully paid and free from all liens, charges, encumbrances, equitable interests, options, rights of pre-emption and other third party rights and interests of whatsoever nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain, in full, all dividends, interest and other distributions (if any) other than the Special Dividend declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this document.
- 7.10 The terms, provisions, instructions and authorities contained or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer, and the provisions of this Appendix I shall be deemed to be incorporated in and form part of the Form of Acceptance. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance unless the context otherwise requires.
- 7.11 Except with the Panel's consent, settlement of the consideration to which any Freshwater Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Raglan may otherwise be, or claim to be, entitled as against such Freshwater Shareholder and will be effected in the manner described in paragraph 2 of Part III (letter from Raglan) of this document. No consideration will be sent to an address in a Restricted Jurisdiction.
- 7.12 Any omission or failure to despatch this document, (where relevant) the Form of Acceptance, any other document relating to the Offer or any notice required to be despatched under the terms of the Offer, to (or any failure to receive the same by) any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way nor be treated as meaning, expressly or by implication, that the Offer has not been made to any such person. Subject to paragraph 8 of this Part B, the Offer extends to any such person and to all Freshwater Shareholders to whom this document, the Form of Acceptance and any related documents may not be despatched, or who may not receive such documents. Any and all such persons may collect copies of all such documents from the Receiving Agent at the address set out in paragraph 3.2 of this Part B or inspect this document, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on the website maintained by Raglan in relation to the Offer at www.freshwater-uk.com/freshwater-group/99162-2 while the Offer remains open for acceptances.
- 7.13 All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix I, or (where relevant) in the Form of Acceptance, are given by way of security for the performance of the obligations of the Freshwater Shareholder concerned and are irrevocable (in respect of powers of attorney, in accordance with section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part B and duly and validly does so.

- 7.14 All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Freshwater Shareholders (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agents) at their risk. No acknowledgement of receipt of any Form of Acceptance, Electronic Acceptance, transfer by means of CREST, communication, notice, share certificate and/or other document of title will be given by or on behalf of Raglan.
- 7.15 Raglan reserves the right to notify any matter (including the making of the Offer) to all or any Freshwater Shareholder(s) with registered address(es) outside the UK or whom Raglan knows to be nominees, trustees or custodians for such persons by announcement or paid advertisement in any daily newspaper published and circulated in the UK in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Freshwater Shareholders to receive or see such notice, and all references in this document to notice in writing (other than in paragraph 3 of this Part B) shall be construed accordingly.
- 7.16 If all Conditions are satisfied, fulfilled or, to the extent permitted, waived and sufficient acceptances under the Offer are received and/or sufficient Freshwater Shares are otherwise acquired whether pursuant to the Offer or otherwise, Raglan intends to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily any outstanding Freshwater Shares to which the Offer relates on the same terms as the Offer.
- 7.17 If the Offer does not become, or is not declared, unconditional in all respects and lapses:
- 7.17.1 in respect of Freshwater Shares held in certificated form, Forms of Acceptance, share certificates and other documents of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address outside a Restricted Jurisdiction is set out in the relevant box in the Form of Acceptance or, if none is set out, to the first-named holder at his registered address outside a Restricted Jurisdiction. No such documents will be sent to an address in a Restricted Jurisdiction; and
- 7.17.2 in respect of Freshwater Shares held in uncertificated form, the Receiving Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days from the lapsing of the Offer), give instructions to Euroclear to transfer all Freshwater Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of Freshwater Shareholders concerned.
- 7.18 In relation to any acceptance of the Offer in respect of Freshwater Shares which are held in uncertificated form, Raglan reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.
- 7.19 For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- 7.20 All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date of this document).
- 7.21 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
- 7.22 The Offer, this document, all acceptances of it and all elections pursuant to it, the Form of Acceptance and Electronic Acceptances, all contracts made pursuant to the Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms, the relationship between a Freshwater Shareholder and Raglan and/or the Receiving Agent and/or Cattaneo and all contractual and non-contractual obligations arising from any of the foregoing, shall be governed by and interpreted in accordance with English law. Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of a Freshwater Shareholder will constitute that shareholder's agreement that:
- 7.22.1 the courts of England are (subject to paragraph 7.22.2 below) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance or the Electronic Acceptance, and for such purposes that he irrevocably submits to the jurisdiction of the courts of England; and

7.22.2 the agreement in paragraph 7.22.1 above is included for the benefit of Raglan, Cattaneo and the Receiving Agent and accordingly each of Raglan, Cattaneo and the Receiving Agent shall each retain the right to, and may in their absolute discretion, bring proceedings in any other courts which may have jurisdiction, and that the accepting Freshwater Shareholder irrevocably submits to the jurisdiction of such courts.

- 7.23 Due completion of the Form of Acceptance or the making of a valid Electronic Acceptance will constitute an instruction to Raglan that, on the Offer becoming unconditional in all respects, all mandates and other instructions or notices recorded in Freshwater's records immediately prior to the Offer becoming so unconditional in relation to the Freshwater Shares will, unless and until revoked or varied continue in full force, mutatis mutandis, in relation to the Raglan Shares allotted or issued to the relevant Freshwater Shareholders pursuant to the Offer.
- 7.24 The Unlisted Share Alternative will lapse if the Offer lapses or expires. An election for the Unlisted Share Alternative may only be made in respect of Freshwater Shares for which the offer is validly accepted.

8 Overseas Shareholders

- 8.1 **The making of the Offer (including the provision of the Unlisted Share Alternative) to Overseas Shareholders or in jurisdictions outside the UK may be prohibited or affected by the laws of such a jurisdiction. Overseas Shareholders should fully inform themselves about and observe any applicable legal requirements.**

It is the responsibility of each Overseas Shareholder receiving a copy of this document and/or Form of Acceptance and wishing to accept the Offer to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Each Overseas Shareholder will be responsible for any such issue, transfer or other taxes or other payments by whomsoever payable, and Raglan (and any person acting on its behalf) shall be fully indemnified and held harmless by the Freshwater Shareholder concerned for any such issue, transfer or other taxes or duties which Raglan (or any such person) may be required to pay.

If you are an Overseas Shareholder and you are in any doubt about your position, you should consult your independent financial adviser in the relevant jurisdiction.

- 8.2 The Offer is being made for all the Freshwater Shares, and is being made into all jurisdictions where it is capable of being lawfully made in compliance with local laws. The Offer (including the provision of the Unlisted Share Alternative) is not being extended directly or indirectly in or into, by use of mails or any other means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of foreign or interstate commerce of, or any facilities of a securities exchange of, any jurisdiction, where to do so would violate the laws of that jurisdiction. Accordingly, copies of this document and of the documents accompanying it are not being (unless otherwise determined by Raglan), and must not be, directly or indirectly mailed, transmitted or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction including to Freshwater Shareholders or Option holders with registered addresses in a Restricted Jurisdiction or to persons whom Raglan knows to be custodians, trustees or nominees holding Freshwater Shares for persons with registered addresses in a Restricted Jurisdiction.

Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should observe these restrictions and must not mail or otherwise forward, distribute or send them in, into or from a Restricted Jurisdiction. Doing so may render any purported acceptance of the Offer invalid.

- 8.3 Persons wishing to accept the Offer must not use the mail or any other means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of foreign or interstate commerce of, or any facilities of a securities exchange of, any jurisdiction, where to do so would violate, directly or indirectly, the laws of that jurisdiction for any purpose relating to acceptance of the Offer. All Freshwater Shareholders (including nominees, trustees or custodians) who may have a contractual or legal obligation, or may otherwise intend, to forward this document and/or Form of Acceptance, should read the further details in this regard which are contained in this paragraph 8 and in Parts C and D of Appendix I before taking any action. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer should not be despatched from a Restricted Jurisdiction (whether or not postmarked in the Restricted Jurisdiction). All acceptors of the

Offer must provide an address outside a Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offer or for the return of Forms of Acceptance or documents of title; otherwise any purported acceptance may be rendered invalid. Raglan reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes that such acceptance may violate applicable legal or regulatory requirements.

- 8.4 If, in connection with the making of the Offer (including the provision of the Unlisted Share Alternative) and notwithstanding the restrictions set out in paragraphs 8.2 and 8.3 above, any person (including, without limitation, any custodian, nominee and/or trustee) sends, forwards or otherwise distributes this document, the Form of Acceptance or any related documents, whether pursuant to a legal obligation or otherwise, in, into or from a Restricted Jurisdiction or uses the mail of, or any other means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of foreign or interstate commerce of, or any facilities of a securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such person should:
- 8.4.1 inform the recipient of such fact;
 - 8.4.2 explain to the recipient that such action may invalidate any purported acceptance or election by the recipient; and
 - 8.4.3 draw the attention of the recipient to this paragraph 8.
- 8.5 The Raglan Shares to be issued pursuant to the Unlisted Share Alternative have not been, and will not be, registered under the US Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States, the relevant security clearances have not been, and will not be, obtained from the securities commission of any province of Canada. Accordingly the Raglan Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or Canada or any other jurisdiction if to do so would constitute (or result in the Offer constituting) a violation of relevant laws or require registration thereof, or to or for the account or benefit of any Restricted Overseas Person.
- 8.6 Subject to the provisions of this paragraph 8 and applicable laws, a Freshwater Shareholder may be deemed not to have validly accepted the Offer if:
- 8.6.1 he puts 'NO' in Box 3 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph 1.2 of Part C of this Appendix I;
 - 8.6.2 he has a registered address in a Restricted Jurisdiction or completes Box 4 of the Form of Acceptance with an address in a Restricted Jurisdiction and in either case does not insert in Box 4 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent, subject to the provisions of this paragraph and applicable laws;
 - 8.6.3 he inserts in Box 4 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;
 - 8.6.4 a Form of Acceptance received from him is received in an envelope postmarked in, or otherwise appears to Raglan or its agents to have been sent from, any Restricted Jurisdiction;
 - 8.6.5 he inserts in Box A of the Form of Acceptance a telephone number in a Restricted Jurisdiction for use in the event of queries; or
 - 8.6.6 he makes a Restricted Escrow Transfer pursuant to paragraph 8.7 below without also making a related Restricted ESA instruction which is accepted by the Receiving Agent.

Raglan reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph 1.2 of Part C (or, as the case may be, Part D) of this Appendix I could have been truthfully given by the relevant Freshwater Shareholder and, if such investigation is made and, as a result, Raglan cannot satisfy itself that such representation and warranty was true and correct, the acceptance may be rejected as invalid. Any acceptance of the Offer by a Freshwater Shareholder who is unable to give the representations and warranties set out in paragraph 1.2 of Part C of this Appendix I is liable to be disregarded.

- 8.7 If a Freshwater Shareholder holding Freshwater Shares in uncertificated form cannot give the warranty set out in paragraph 1.2 of Part D of this Appendix I, but nevertheless can provide evidence satisfactory to Raglan that he can accept the Offer in compliance with all relevant legal and regulatory requirements, he

may purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:

- 8.7.1 a TTE instruction to a designated escrow balance detailed below (a **Restricted Escrow Transfer**); and
- 8.7.2 one or more valid ESA instructions (a **Restricted ESA instruction**) which specify the form of consideration which he wishes to receive (consistent with any alternatives which may from time to time be offered under the Offer).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and Raglan decides, in its absolute discretion, to exercise its right described in paragraph 8.10 of this Part B to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1.1 of this Part B. If Raglan accordingly decides to permit such acceptance to be made, the Receiving Agent will, on behalf of Raglan, accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will, on behalf of Raglan, reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- 8.7.3 the ISIN number for the Freshwater Shares, which is GB00B1YLGV82;
- 8.7.4 the number of Freshwater Shares in uncertificated form in respect of which the Offer is to be accepted;
- 8.7.5 the member account ID of the Freshwater Shareholder;
- 8.7.6 the participant ID of the Freshwater Shareholder;
- 8.7.7 the participant ID of the Escrow Agent, which is **7RA11**;
- 8.7.8 the member account ID specific to a Restricted Escrow Transfer, which is either '**FWCASH**' or '**FWSHARE**' as applicable;
- 8.7.9 the intended settlement date;
- 8.7.10 the corporate action number for the Offer allocated by Euroclear;
- 8.7.11 input with a standard delivery instruction priority of 80; and
- 8.7.12 the contact name and telephone number inserted in the shared note file.

Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- 8.7.13 the ISIN number for the Freshwater Shares, which is GB00B1YLGV82;
 - 8.7.14 the number of Freshwater Shares relevant to that Restricted ESA instruction;
 - 8.7.15 the member account ID of the accepting Freshwater Shareholder;
 - 8.7.16 the participant ID of the accepting Freshwater Shareholder;
 - 8.7.17 the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer;
 - 8.7.18 the participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
 - 8.7.19 the participant ID (which is **7RA11**) and the member account ID (which is either '**FWCASH**' or '**FWSHARE**', as applicable) of the Escrow Agent;
 - 8.7.20 the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA instruction relates to be inserted at the beginning of the shared note field;
 - 8.7.21 the intended settlement date. This should be as soon as possible and in any event not later than 1.00 pm (London time) on 11 January 2019;
 - 8.7.22 input with a standard delivery instruction priority of 80; and
 - 8.7.23 the corporate action number for the Offer.
- 8.8 Raglan reserves the right to notify any matter (including the making of the Offer) to all or any Overseas Shareholders by announcement in the UK through a Regulatory Information Service or by notice in the London Gazette or paid advertisement in any daily newspaper published and circulated in the UK, or

in any other appropriate manner. Where such announcement, notice or advertisement is duly made, the relevant notice shall be deemed to have been sufficiently given notwithstanding any failure by any Overseas Shareholders to receive or see such notice. All references in this document to 'notice in writing' (other than in paragraph 3 of this Part B) shall be construed accordingly.

- 8.9 Notwithstanding any other provision of this paragraph 8, Raglan may in its sole and absolute discretion make the Offer to a resident in a Restricted Jurisdiction if Raglan is satisfied, in that particular case, that to do so would not constitute a breach of any securities or other relevant legislation of a Restricted Jurisdiction
- 8.10 These provisions and any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Overseas Shareholders or on a general basis by Raglan in its absolute discretion. Subject to this discretion, the provisions of this paragraph 8 supersede any terms of the Offer inconsistent with them.
- 8.11 References in this paragraph 8 to a Freshwater Shareholder include references to the person or persons executing a Form of Acceptance and, if more than one person executes the Form of Acceptance, the provisions of this paragraph 8 shall apply to them jointly and severally.
- 8.12 None of Raglan, Cattaneo or the Receiving Agent, nor any agent or director of Raglan, Cattaneo or the Receiving Agent shall have any liability whatsoever to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out above in this paragraph 8 of this Part B or otherwise in connection with any such decision.
- 8.13 The provisions of this paragraph 8 of this Part B override any terms of the Offer inconsistent with such provisions.

9 Unlisted Share Alternative

- 9.1 The Unlisted Share Alternative forms part of the Offer and, subject to the remainder of this paragraph 9 and to paragraph 8 of Part B of Appendix I, is available to Freshwater Shareholders who validly accept the Offer and is conditional upon the Offer becoming unconditional in all respects.
- 9.2 Save as stated below, Freshwater Shareholders may elect, in respect of all of their Freshwater Shares, to receive the Unlisted Share Alternative comprising one Raglan Share, credited as fully paid per every one Freshwater Share.
- 9.3 An election for the Unlisted Share Alternative in respect of Freshwater Shares held in certificated form may only be made on the Form of Acceptance. An election for the Unlisted Share Alternative in respect of Freshwater Shares held in uncertificated form may only be made by the input and settlement of a TTE instruction in respect of the number of Freshwater Shares specified in that instruction.
- 9.4 In respect of Freshwater Shares held in certificated form, the insertion of a number in the Unlisted Share Alternative section of Box 1B on the Form of Acceptance shall, subject to the terms of the Offer be treated as:
 - 9.4.1 an election for the Unlisted Share Alternative in respect of the amount of cash to which such Freshwater Shareholder would otherwise become entitled pursuant to the terms of the Offer in respect of the number of Freshwater Shares (if any) as is inserted or deemed to be inserted in the Unlisted Share Alternative section of Box 1B of the Form of Acceptance;
 - 9.4.2 an irrevocable request and authority to Raglan or its agent to enter the name of such Freshwater Shareholder in the register of shareholders of Raglan; and
 - 9.4.3 an irrevocable request and authority to Raglan or its agent to dispatch definitive certificates for any Raglan Shares to which such accepting Freshwater Shareholder is entitled (on election for the Unlisted Share Alternative), at such Freshwater Shareholder's risk, to a person or agent whose name and address outside a Restricted Jurisdiction is set out in Box 4 of the Form of Acceptance or, if none is set out, to the first named holder at his registered address outside a Restricted Jurisdiction.
- 9.5 No election for the Unlisted Share Alternative will be valid unless, in the case of Freshwater Shares held in certificated form, both a valid acceptance of the Offer and a valid election for the Unlisted Share Alternative, duly completed in all respects and accompanied by all relevant share certificate(s) and/or other document(s) of title or, in the case of Freshwater Shares held in uncertificated form, the relevant TTE instructions, is/are duly received by the time and date on which the Offer closes.

- 9.6 If any acceptance of the Offer which includes an election for the Unlisted Share Alternative is received before the Unlisted Share Alternative has closed but is not, and is not deemed to be, valid or complete in all respects at such time, such election shall for all purposes be void and the Freshwater Shareholder(s) purporting to make such election shall not, for any purpose, be entitled to receive any consideration under the Unlisted Share Alternative, but any acceptance which is otherwise valid shall be deemed to be an acceptance of the Offer for number of Freshwater Shares inserted or deemed to be inserted in the Cash Offer Consideration section of Box 1A of the Form of Acceptance or in the relevant TTE instruction and the Freshwater Shareholder(s) will, on the Offer becoming unconditional in all respects, be entitled to receive the cash consideration due under the Offer.
- 9.7 The Unlisted Share Alternative will remain open for so long as the Offer remains open for acceptance. The provisions of paragraph 1.6 of this Part B of Appendix I shall apply mutatis mutandis in respect of any “no increase” and/or “no extension” statement made.
- 9.8 Each person electing for the Unlisted Share Alternative will be deemed to represent and warrant that he is not a Restricted Overseas Person and is not acquiring, and will not be holding, such Raglan Shares for the account or benefit of a Restricted Overseas Person or with a view to the offer, sale, re-sale, delivery, or transfer, directly or indirectly, of such Raglan Shares in a Restricted Jurisdiction of, to or for the account or benefit of any Overseas Restricted Person. Any person unable to give such a representation and warranty is not permitted to elect for the Unlisted Share Alternative.
- 9.9 As set out in paragraph 8 of this Part B of Appendix I, unless an exemption under relevant securities laws is applicable, the Raglan Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States or Canada or to or for the benefit of any Restricted Overseas Person.

PART C

PROCEDURE FOR ACCEPTANCE (FOR FRESHWATER SHARES IN CERTIFICATED FORM)

This Part C applies only to Freshwater Shares held in certificated form. If you hold all your Freshwater Shares in uncertificated form, you should ignore this Part C and instead read Part D below.

For the purposes of this Part C of Appendix I and the Form of Acceptance, the phrase ‘**Freshwater Shares in certificated form comprised in the acceptance**’ shall mean the number of Freshwater Shares inserted in either Cash Offer Consideration section (Box 1A of the Form of Acceptance) or Unlisted Share Alternative section (Box 1B of the Form of Acceptance) or, if no number is inserted (or a number greater than the relevant Freshwater Shareholder’s holding of Freshwater Shares), the greater of:

- the relevant Freshwater Shareholder’s entire holding of Freshwater Shares in certificated form as disclosed by details of the register of members made available to the Receiving Agent prior to the time the relevant Form of Acceptance is processed by them;
- the relevant Freshwater Shareholder’s entire holding of Freshwater Shares in certificated form, as disclosed by details of the register of members made available to the Receiving Agent prior to the latest time for receipt of Form(s) of Acceptance which can be taken into account in determining whether the Offer is unconditional; and
- the number of Freshwater Shares in certificated form in respect of which certificates or an indemnity in lieu thereof is received.

Without prejudice to the terms of the Form of Acceptance and the provisions of Parts A and B of this Appendix I, each Freshwater Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and delivered to the Receiving Agent, irrevocably undertakes, represents, warrants and agrees to and with Raglan, the Receiving Agent and Cattaneo (so as to bind his/her personal or legal representatives, heirs, successors and assigns) that:

1.1 the execution of the Form of Acceptance constitutes:

1.1.1 an acceptance of either the Cash Offer (Box 1A) or the Unlisted Share Alternative (Box 1B) in respect of the number of Freshwater Shares in certificated form inserted or deemed to be inserted either in Box 1A or 1B of the Form of Acceptance;

1.1.2 an undertaking to execute any further documents and give any further assurances which may be required to enable Raglan to obtain the full benefit of this Part C and/or to perfect any of the authorities expressed to be given in this Part C, and

in each case on and subject to the terms and conditions set out or referred to in this document (which are deemed to be incorporated in the Form of Acceptance) and those expressly set out in the Form of Acceptance, and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part B of this Appendix I, such acceptance shall be irrevocable.

If neither the Cash Offer Consideration section (Box 1A) nor the Unlisted Share Alternative election (Box 1B) are completed, but the Form of Acceptance is otherwise executed correctly, it will be deemed to be an acceptance of the Cash Offer in respect of all Freshwater Shares held in certificated form.

If the total number of Freshwater Shares inserted in either the Cash Offer Consideration section (Box 1A) or the Unlisted Share Alternative election (Box 1B) is greater than the number of Freshwater Shares held in certificated form but the Form of Acceptance is otherwise executed correctly, it will be deemed to be an acceptance of either the Cash Offer or Unlisted Share Alternative (as applicable) in respect of the Freshwater Shares held in certificated form.

1.2 If both the Cash Offer Consideration section (Box 1A) and the Unlisted Share Alternative election (Box 1B) are completed but the Form of Acceptance is otherwise executed correctly, it will be deemed to be an acceptance of the Cash Offer in respect of all Freshwater Shares in certificated form comprised in the acceptance, unless the Freshwater Shareholder has written ‘NO’ in Box 3 of the Form of Acceptance, the Freshwater Shareholder:

1.2.1 has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into, or from a Restricted Jurisdiction;

- 1.2.2 has not, in connection with the Offer or the execution or delivery of the Form of Acceptance utilised, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, any Restricted Jurisdiction;
- 1.2.3 is accepting the Offer from outside a Restricted Jurisdiction and was outside such jurisdictions when the Form of Acceptance was delivered;
- 1.2.4 is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside a Restricted Jurisdiction;
- 1.2.5 if he/she is a US person, or is acting on behalf of a US person, he/she or that US person, as the case may be, is outside the United States within the meaning of Regulation S under the Securities Act;
- 1.2.6 if such Freshwater Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that shall or may result in Raglan or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of the Offer; and
- 1.2.7 if the Freshwater Shareholder has made an election for the Unlisted Share Alternative, he is not a Restricted Overseas Person, does not hold any Freshwater Shares in certificated form in respect of which he has accepted the Offer and elected for the Unlisted Share Alternative on behalf of any such person, and is not acquiring, and will not hold, any Raglan Shares for the account or benefit of a Restricted Overseas Person or with a view to, or for the purposes, the offer, sale, resale, delivery or transfer, directly or indirectly, of any Raglan Shares in or into a Restricted Jurisdiction or to or for the account or benefit of any Restricted Overseas Person;
- 1.3 in relation to Freshwater Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming wholly unconditional and to the Freshwater Shareholder not having validly withdrawn his/her acceptance, the irrevocable and separate appointment of each of Raglan and/or Cattaneo, and any of its or their respective directors or agents and/or any person authorised by either of them, as the Freshwater Shareholder's attorney and/or agent (the **attorney**), and an irrevocable instruction and authorisation to the attorney:
 - 1.3.1 to complete and execute all or any form(s) of transfer and/or any other document(s) in connection with acceptance of the Offer which the attorney may consider necessary or appropriate in relation to the Freshwater Shares in certificated form comprised in the acceptance in favour of Raglan or such other person(s) as Raglan or its agents may direct;
 - 1.3.2 to deliver for registration such form(s) of transfer and/or other document(s) which the attorney may consider necessary or appropriate, together with the certificate(s) and/or other document(s) of title relating to such Freshwater Shares within six months of the Offer becoming unconditional in all respects; and
 - 1.3.3 to execute all such other documents and do all such other acts and things as may in the attorney's opinion be necessary or expedient for the purpose of, or in connection with, acceptance of the Offer and/or Unlisted Share Alternative and the vesting in Raglan or its nominee of the Freshwater Shares in certificated form comprised in the acceptance;
- 1.4 in relation to Freshwater Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming wholly unconditional and to the Freshwater Shareholder not having validly withdrawn his/her acceptance, an irrevocable authority and request (subject to the provisions of paragraph 8 of Part B of this Appendix I):
 - 1.4.1 to Freshwater or its agents to procure the registration of the transfer pursuant to the Offer of the Freshwater Shares in certificated form comprised in the acceptance and the delivery of the share certificate(s) and/or other document(s) of title in respect of those Freshwater Shares to Raglan or as it may direct;

- 1.4.2 subject to the provisions of paragraph 8 of Part B of this Appendix I, to Raglan or its agents to procure the despatch by post (or by such other method as the Panel may approve) of the cheque for any cash consideration payable under the Offer, at the risk of the Freshwater Shareholder, to the person or agent whose name and address is set out in Box A of the Form of Acceptance, or to the name and address (if any) set out in Box 4 or, if none is set out, to the first-named holder at his registered address (outside the Restricted Jurisdictions unless otherwise permitted by Raglan);
- 1.4.3 to Raglan or its agents to procure that such Freshwater Shareholder's name is entered on the register of Raglan's shareholders in respect of the Raglan Shares to which such Freshwater Shareholder becomes entitled pursuant to election in respect of Freshwater Shares held in certificated form under the Unlisted Share Alternative and to procure the dispatch by post (or by such other method as the Panel may approve) of the documents of title for any Raglan Shares at the risk of the Freshwater Shareholder, to the person or agent whose name and address is set out in Box A of the Form of Acceptance, or to the name and address (if any) set out in Box 4 or, if none is set out, to the first-named holder at his registered address (outside the Restricted Jurisdictions unless otherwise permitted by Raglan);
- 1.4.4 to Raglan or its agents, to record, act (including in respect of the Raglan Shares) and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of Freshwater in respect of his holding of Freshwater Shares (until such are revoked or varied) and to record and act, in respect of the Raglan Shares to be received by such Freshwater Shares;
- 1.5 the execution of the Form of Acceptance constitutes the giving of authority to Raglan, the Receiving Agent and/or Cattaneo and/or their respective directors, agents or authorised persons within the terms of Part B and Part C of this Appendix I;
- 1.6 subject to the Offer becoming wholly unconditional (or if the Offer will become wholly unconditional or lapse immediately upon the outcome of the resolution in question, or if the Panel consents) and pending registration of any transfer pursuant to the Offer:
 - 1.6.1 Raglan or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Freshwater or of any class of its shareholders) attaching to any Freshwater Shares in certificated form for which an acceptance of the Offer has been given under paragraph 1.1 of this Part C; and
 - 1.6.2 the execution of a Form of Acceptance in respect of any such Freshwater Shares constitutes:
 - (a) an authority to Freshwater and its agents from the Freshwater Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to the Freshwater Shareholder as a member of Freshwater (including any share certificate(s) or other document(s) of title) to Raglan at its registered office;
 - (b) an authority to Raglan or any of its directors to sign any consent to short notice of a general or separate class meeting as the Freshwater Shareholder's attorney and/or agent and on his/her behalf, and/or to attend (and/or execute a form of proxy in respect of such Freshwater Shares appointing any person nominated by Raglan to attend) general and separate class meetings of Freshwater (and any adjournments thereof) and to exercise the votes attaching to such shares on his/her behalf, upon the understanding where relevant that such votes are to be cast so far as possible to satisfy any outstanding condition of the Offer; and
 - (c) the agreement of the Freshwater Shareholder not to exercise any of such rights without the consent of Raglan, and the irrevocable undertaking of the Freshwater Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting

provided that the authorities given, and agreement made, under this paragraph shall cease to be of effect if the acceptance of the relevant Freshwater Shares is validly withdrawn;
- 1.7 the Freshwater Shareholder will deliver or procure the delivery to the Receiving Agent at the address referred to in paragraph 3.2 of Part B of this Appendix I his share certificate(s) and/or other document(s) of title in respect of all Freshwater Shares held by the Freshwater Shareholder in certificated form comprised in the acceptance (which has not been not validly withdrawn), or an indemnity acceptable to Raglan in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;
- 1.8 the Freshwater Shareholder has all necessary rights to dispose of the Freshwater Shares for which an acceptance has been given under paragraph 1.1 of this Part C and has full capacity and authority to execute

the Form of Acceptance in respect of such Freshwater Shares, that such Freshwater Shares are fully paid up and that Raglan will acquire title to and all interests in them free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them, including voting rights and the right to receive and retain all dividends and distributions (if any), or any returns of capital, declared, made or paid on or after 19 December 2018 other than the Special Dividend;

- 1.9 the Freshwater Shareholder will do all such acts and things as shall be necessary or expedient to vest in Raglan or its nominee(s) or such other persons as Raglan may decide the Freshwater Shares in certificated form for which an acceptance of the Offer has been given under paragraph 1.1 of this Part C (which has not been validly withdrawn), and will ratify each and every act or thing which may be done or effected by Raglan, Cattaneo or the Receiving Agent or any director of Raglan, Cattaneo or the Receiving Agent or their respective agents, or by Freshwater or its agents, as the case may be, in the proper exercise of any of their powers and/or authorities under this Part C;

the execution of the Form of Acceptance constitutes the Freshwater Shareholder's agreement to the terms of paragraph 7.22 of Part B of this Appendix I;

- 1.10 upon execution, the Form of Acceptance shall take effect as a deed;
- 1.11 if any provision of Part B or this Part C of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Raglan or Cattaneo or the Receiving Agent or any director of any of them the benefit of the authorities and powers of attorney (or any of them) expressed to be given therein, the Freshwater Shareholder shall with all practicable speed do all such acts and things and execute all such documents as may be required to enable Raglan and/or Cattaneo and/or the Receiving Agent and/or any of their respective directors to secure the full benefits of all such authorities and powers of attorney; and
- 1.12 the Freshwater Shareholder is not a client (as defined by the rules of the Financial Conduct Authority) of Cattaneo in connection with the Offer.

References in this Part C to a Freshwater Shareholder shall include references to the person or persons executing a Form of Acceptance and, if more than one person executes a Form of Acceptance, the provisions of this Part C shall apply to each of such persons jointly and severally.

PART D

ELECTRONIC ACCEPTANCE (FOR FRESHWATER SHARES IN UNCERTIFICATED FORM)

This Part D applies only to Freshwater Shares held in uncertificated form. If you hold all your Freshwater Shares in certificated form, you should ignore this Part D and instead read Part C above.

For the purposes of this Part D of Appendix I, the phrase ‘**Freshwater Shares in uncertificated form comprised in the acceptance**’ shall mean the number of Freshwater Shares that are transferred by the relevant Freshwater Shareholder by Electronic Acceptance to an escrow account by means of a TTE instruction.

Without prejudice to the provisions of Parts A and B of this Appendix I, each Freshwater Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with Raglan, Cattaneo and the Receiving Agent (so as to bind his/her personal representatives, heirs, successors and assigns) to the effect that:

- 1.1 the Electronic Acceptance shall constitute:
 - 1.1.1 an acceptance of the Offer in respect of the number of Freshwater Shares held in uncertificated form to which a TTE instruction relates and an election for the Unlisted Share Alternative in respect of such amount of cash as would fall to be paid pursuant to the Offer in respect of the number of Freshwater Shares held in uncertificated form to which a TTE instruction relates; and
 - 1.1.2 an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing,
in each case on and subject to the terms and conditions set out or referred to in this document and that, subject to the rights of withdrawal set out in paragraph 3 of Part B of Appendix I, each such acceptance, election and undertaking shall be irrevocable;
- 1.2 that such Freshwater Shareholder:
 - 1.2.1 has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from any Restricted Jurisdiction;
 - 1.2.2 has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, fax, e-mail, TTE instruction or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction;
 - 1.2.3 is accepting the Offer from outside any Restricted Jurisdiction and was outside those jurisdictions at the time of the input and settlement of the relevant TTE instruction(s);
 - 1.2.4 in respect of the Freshwater Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside any Restricted Jurisdiction;
 - 1.2.5 if the Freshwater Shareholder is an Overseas Shareholder, the Freshwater Shareholder has observed the applicable laws of any relevant jurisdiction, obtained all necessary governmental, exchange control and other consents, complied with all requisite formalities, paid any issue, transfer or other taxes and made other payments due in any such jurisdiction in connection with the Freshwater Shareholder's acceptance and has not taken or omitted to take any action that will or may result in Raglan, Cattaneo or any other person acting in breach of the legal or regulatory requirements of any relevant jurisdiction in connection with the Offer or the Freshwater Shareholder's acceptance thereof; and
 - 1.2.6 if the Freshwater Shareholder has made an election for the Unlisted Share Alternative, he is not a Restricted Overseas Person, does not hold any Freshwater Shares in certificated form in respect of which he has accepted the Offer and elected for the Unlisted Share Alternative on behalf of any such person, and is not acquiring, and will not hold, any Raglan Shares for the account or benefit of a Restricted Overseas Person or with a view to, or for the purposes, the offer, sale, resale, delivery or transfer, directly or indirectly, of any Raglan Shares in or into a Restricted Jurisdiction or to or for the account or benefit of any Restricted Overseas Person
- 1.3 the Electronic Acceptance constitutes, subject to the Offer becoming wholly unconditional with its terms and to the Freshwater Shareholder not having validly withdrawn his/her acceptance, the irrevocable appointment

of each of Raglan and/or Cattaneo and/or any of its or their respective directors or agents and/or any person authorised by either of them as the Freshwater Shareholder's attorney and/or agent (the **attorney**), and an irrevocable instruction and authorisation to the attorney to do all such acts and things as may in the attorney's opinion be necessary or expedient for the purpose of, or in connection with, acceptance of the Offer and to vest in Raglan or its nominee the Freshwater Shares for which an acceptance of the Offer has been given under paragraph 1.1 of this Part D;

- 1.4 the Electronic Acceptance constitutes the irrevocable appointment of the Escrow Agent and an irrevocable instruction and authority to the Escrow Agent: (i) subject to the Offer becoming wholly unconditional and to the accepting Freshwater Shareholder not having validly withdrawn his/her acceptance, to transfer to itself (or to such other person or persons as Raglan or its agents may direct) by means of CREST all or any of the Freshwater Shares for which an acceptance of the Offer has been given under paragraph 1.1 of this Part D; and (ii) if the Offer does not become wholly unconditional, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing of the Offer), to transfer all such Freshwater Shares to the original available balance of the Freshwater Shareholder;
- 1.5 the Electronic Acceptance constitutes, subject to the Offer becoming wholly unconditional and to the Freshwater Shareholder not having validly withdrawn his/her acceptance, an irrevocable authority and request to Raglan or its agents (subject to the provisions of paragraph 8 of Part B of this Appendix) to procure the making of a CREST payment obligation in favour of the Freshwater Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which the Freshwater Shareholder is entitled, provided that Raglan may (if, for any reason, it wishes to do so) determine that all or any part of any such cash consideration shall be paid by cheque despatched by post;
- 1.6 the Electronic Acceptance constitutes in respect of Freshwater Shares for which an acceptance of the Offer has been given under paragraph 1.1 of this Part D a separate authority to Raglan, Cattaneo and/or their respective directors in the terms of paragraph 4.1 of Part B of this Appendix I (subject to the other paragraphs of such paragraph 4);
- 1.7 subject to the Offer becoming wholly unconditional (or if the Offer will become unconditional in all respects or lapse immediately upon the outcome of the resolution in question or if the Panel consents) and pending registration of any transfer pursuant to the Offer:
 - 1.7.1 Raglan and/or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Freshwater or of any class of its shareholders) attaching to the Freshwater Shares for which an acceptance of the Offer has been given under paragraph 1.1 of this Part D; and
 - 1.7.2 an Electronic Acceptance, in respect of the Freshwater Shares for which an acceptance of the Offer has been given under paragraph 1.1 of this Part D, constitutes:
 - (a) an authority to Freshwater from the Freshwater Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to the Freshwater Shareholder as a member of Freshwater (including any share certificate(s) and/or other document(s) of title issued as a result of a conversion of such Freshwater Shares into certificated form) to Raglan at its registered office;
 - (b) an authority to Raglan or any director of Raglan to sign any consent to short notice of a general or separate class meeting as the Freshwater Shareholder's attorney and/or agent and on his/her behalf and/or to attend, and/or to execute a form of proxy in respect of such Freshwater Shares appointing any person nominated by Raglan to attend general and separate class meetings of Freshwater (and any adjournments thereof) and to exercise the votes attaching to such shares on the Freshwater Shareholder's behalf, where relevant such votes to be cast so far as possible to satisfy any outstanding condition of the Offer; and
 - (c) the agreement of the Freshwater Shareholder not to exercise any of such rights without the consent of Raglan and the irrevocable undertaking of the Freshwater Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;

Provided that the authorities given and the agreement made under this paragraph 1.7 shall cease to be of effect if the acceptance of the relevant Freshwater Shares is validly withdrawn;

- 1.8 the Freshwater Shareholder has all necessary rights to dispose of the Freshwater Shares for which an acceptance of the Offer has been given under paragraph 1.1 of this Part D and has with full capacity and

authority to effect an Electronic Acceptance in respect of such Freshwater Shares, that such Freshwater Shares are fully paid up and that Raglan will acquire title to and all interests in them free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including voting rights and the right to receive and retain all dividends and other distributions (if any), or any returns of capital, declared, made or paid on or after 19 December 2018 other than the Special Dividend;

- 1.9 the Freshwater Shareholder will do all such acts and things as shall be necessary or expedient to vest in Raglan or its nominee(s) or such other person(s) as Raglan may decide the Freshwater Shares for which an acceptance of the Offer has been given under paragraph 1.1 of this Part D (which has not been validly withdrawn), will do all such acts and things as may be necessary or expedient to enable the Escrow Agent to perform its functions as escrow agent for the purposes of the Offer, and will ratify each and every act or thing which may be done or effected by Raglan, Cattaneo or the Receiving Agent or any director of Raglan, Cattaneo or the Receiving Agent or their respective agents, or by Freshwater or its agents, as the case may be, in the exercise of any of their powers and/or authorities under this Part D;
- 1.10 if for any reason any Freshwater Shares in respect of which a TTE instruction has been effected in accordance with paragraph 15 of the letter from Raglan contained in this document are converted to certificated form, the Freshwater Shareholder will (without prejudice to paragraph 1.7.2(a) of this Part D) immediately deliver or procure the immediate delivery of the share certificate(s) and/or other document(s) of title in respect of all such Freshwater Shares as so converted to the Receiving Agent at the address referred to in paragraph 3.2 of Part B of this Appendix I, or to Raglan at its registered office, or as Raglan or its agents may direct; and the Freshwater Shareholder shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix I in relation to such Freshwater Shares without prejudice to the application of this Part D as far as Raglan deems appropriate;
- 1.11 the creation of a CREST payment obligation in favour of the Freshwater Shareholder's payment bank in accordance with the CREST payment arrangements referred to in paragraph (e) of this Part D shall, to the extent of the obligation so created, discharge in full any obligation of Raglan to pay the Freshwater Shareholder any cash consideration to which the Freshwater Shareholder is entitled pursuant to the Offer;
- 1.12 the making of an Electronic Acceptance constitutes the Freshwater Shareholder's agreement to the terms of paragraph 7.22 of Part B of this Appendix I;
- 1.13 by virtue of the CREST Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney in favour of Raglan, Cattaneo, the Receiving Agent and any of their respective agents by the Freshwater Shareholder in the terms of all the powers and authorities expressed to be given by Part B, this Part D and (where applicable by virtue of paragraph 1.10 above) Part C of this Appendix I;
- 1.14 if any provision of Part B or this Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Raglan, Cattaneo or the Receiving Agent or any director of any of them the benefit of the authorities and powers of attorney (or any of them) expressed to be given therein, the Freshwater Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Raglan and/or Cattaneo and/or the Receiving Agent and/or any director of either of them to secure the full benefits of all such powers and attorneys; and
- 1.15 the Freshwater Shareholder is not a client (as defined by the rules of the Financial Conduct Authority) of Cattaneo in connection with the Offer.

References in this Part D to a Freshwater Shareholder shall include references to the person or persons making an Electronic Acceptance and, if more than one makes an Electronic Acceptance, the provisions of this Part D shall apply to them jointly and severally.

APPENDIX II

ESTIMATE OF VALUE OF THE UNLISTED SHARE ALTERNATIVE LETTER



Livery Place
35 Livery Street
Birmingham
B3 2PB

The Directors
Raglan House Holdings Limited
No. 1 Colmore Square
Birmingham
B4 6AA

20 December 2018

Dear Sirs,

Recommended offer by Raglan House Holdings Limited (“Raglan”) for Freshwater UK PLC (“Freshwater”)

We are writing to you in our capacity as financial adviser to Raglan in relation to its offer for Freshwater (“Offer”). Pursuant to the requirements of the City Code on Takeovers and Mergers (“City Code”), you have requested our view as to the estimated value of the Raglan Shares upon the Offer becoming effective in accordance with its terms (“Estimate of Value”).

Under the terms of the Offer, for each Freshwater Share held, holders of Freshwater Shares will be entitled to receive 12 pence in cash under the Cash Offer, or they may elect for the Unlisted Share Alternative in respect of all of their Freshwater Shares, under which they will be entitled to receive one Raglan Share for each Freshwater Share held.

The Raglan Shares will be unlisted and there are no plans to seek a public quotation on any recognised investment exchange or other market or provide any other trading facility for the Raglan Shares.

Capitalised terms used in this letter will, unless otherwise stated, have the meaning given to them in the offer document published by Raglan on 20 December 2018 providing details of the Offer (“Offer Document”).

1. Purpose

This Estimate of Value is provided to the directors of Raglan solely for the purpose of complying with the requirements of Rule 24.11 of the City Code in connection with the Offer and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to, and may not be relied upon by, any other person for any purpose whatsoever and Cattaneo Corporate Finance Solutions Limited (“Cattaneo”) expressly disclaims any duty or liability to any third party with respect to the contents of this letter. In providing this Estimate of Value, Cattaneo consents to the inclusion of this letter in the Offer Document on the basis that no duties or responsibilities are accepted by it to any third party, individually or collectively with respect to this Estimate of Value.

This Estimate of Value reflects our opinion as to the cash price which a Raglan Share, available under the Unlisted Share Alternative, might be expected to realise as at the date of this letter assuming a willing buyer and seller, neither being under any compulsion to buy or sell, dealing on an arm’s length basis and with equal information. We have assumed for this purpose that, at the date of this letter, the Offer had become effective in accordance with its terms and that Raglan owns 100 percent of the Freshwater Shares.

We have also considered the effect on the value of a Raglan Share of the proportion of Freshwater Shareholders who receive cash consideration under the Cash Offer or opt for the Unlisted Share Alternative. In doing so we have taken into account the irrevocable undertakings to accept the Offer received by Raglan as at the date of this letter (“Irrevocable Undertakings”) and the commitments therein to accept the Cash Offer and the commitments therein to accept the Unlisted Share Alternative.

This Estimate of Value does not represent the value that a holder of a Raglan Share may realise for a holding that is redeemed in the future, which may be higher or lower than the figure in this letter. In providing this letter Cattaneo assumes no obligation to update or revise its Estimate of Value at any date in the future.

2. Information

In arriving at this Estimate of Value, we have, among other things, reviewed or otherwise taken the following into account:

- certain publicly available financial statements and other information relating to Freshwater;
- the terms of the Offer and its proposed financing;
- the Raglan Board's commercial assessment of the past and current operations and financial condition and prospects of Raglan and Freshwater; and
- other factors and such other analyses as we consider appropriate.

We have relied on and assumed, without independent verification, the accuracy, reasonableness and completeness of the information provided to us. We have not made any independent valuation or appraisal of the assets and liabilities of Raglan or Freshwater, nor have we sought or been provided with any such valuation or appraisal. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, as at the date of this letter.

The valuation of securities, particularly those not traded on a recognised exchange, is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing this analysis, we have made assumptions with respect to industry performance and general business, economic and market conditions, many of which are beyond the control of Raglan.

Consequently, the view expressed in this letter is not necessarily indicative of: (i) the price at which a Raglan Share might actually trade in any public market at any future date; (ii) the amount which might be realised upon a sale of Raglan to a third party; or (iii) the amount that might be realised by a holder of a Raglan Share upon a liquidation of Raglan.

This Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing conditions, the financial condition and prospects of Raglan and Freshwater and other factors that generally influence the valuation of companies and securities.

3. Methodology

We have arrived at this Estimate of Value using our experience of a range of widely accepted valuation methods including, inter alia, comparable company trading multiples and comparable transaction multiples and we have taken into account the information, factors, assumptions and limitations set out above. We have also taken into account the fact that the Raglan Shares will be unlisted and that the Raglan Board has no plans to seek a public quotation on any recognised investment exchange or other market or provide any other trading facility for the Raglan Shares.

No account has been taken of any potential transaction costs that a holder of a Raglan Share may incur, or any potential costs that might be associated with a sale of Raglan to a third party or a liquidation of Raglan and which might be expected to reduce any return to a holder of a Raglan Share upon the occurrence of such an event.

The taxation position of individual shareholders will vary and so we have not taken into account the effects of any taxation exemptions, allowances or reliefs available for income, capital gains or inheritance tax purposes, notwithstanding that these may be significant in the case of some shareholders.

4. General

Cattaneo is acting exclusively as financial adviser to Raglan and for no one else in connection with the Offer and is not, and will not be, responsible to anyone other than Raglan for providing the protections afforded to clients of Cattaneo, or for providing advice in connection with the Offer, the Estimate of Value or any other matter referred to in the Offer Document. Cattaneo will receive fees from Raglan in respect of its services.

The market value of Raglan Shares can fluctuate and may not always reflect the underlying value of Raglan or Freshwater. A number of factors outside of the control of Raglan and Freshwater may impact its performance and the price of the Raglan Shares. Any decision to elect for the Unlisted Share Alternative should be based on independent financial, tax and legal advice and a full consideration of the Offer Document.

In providing this Estimate of Value, no recommendation or opinion is given by Cattaneo as to whether Freshwater Shareholders should accept the Offer or whether they should elect for the Unlisted Share

Alternative or whether they should refrain from making such an election. Cattaneo expresses no opinion as to the fairness from a financial point of view or otherwise of the Cash Offer, or the Unlisted Share Alternative, payable in connection with the Offer.

5. Opinion

On the basis of and subject to the foregoing, if the Offer had become effective in accordance with its terms and the Raglan Shares had been in issue as at the date of this letter, we estimate that the value of one Raglan Share pursuant to the Unlisted Share Alternative would be:

- between 15.4 pence and 16.8 pence on the basis that all Freshwater Shareholders received cash under the Cash Offer, taking into account the Irrevocable Undertakings; or
- between 14.3 pence and 15.3 pence on the basis that all Freshwater Shareholders elected for the Unlisted Share Alternative, taking into account the Irrevocable Undertakings.

Yours faithfully

Charles Cattaneo

Cattaneo Corporate Finance Solutions Limited

APPENDIX III

FINANCIAL INFORMATION ON FRESHWATER AND RAGLAN

- 1 The following information referred to in this Appendix III has been incorporated into this document by reference in accordance with Rule 24.15 of the Code.**

Information	Source of information
Audited consolidated accounts of the Freshwater Group for the last two financial years	Freshwater's annual report and accounts for the financial year 31 August 2018: www.freshwater-uk.com/wp-content/uploads/31-August-2018-FWUK-Plc-accounts.pdf Freshwater's annual report and accounts for the financial year 31 August 2017: www.freshwater-uk.com/wp-content/uploads/FW0845-Annual-Report-2017.pdf

These documents are available free of charge on Freshwater's website at www.freshwater-uk.com/freshwater-group/99162-2. A person who has received this document may request a copy of such information in hard copy form (hard copies will not otherwise be provided) by contacting Neville Registrars, between 9.00 am and 5.00 pm on Monday to Friday (except UK public holidays), on 0121 585 1131 (if calling from the UK) and +44 121 585 1131 (if calling from outside the UK) or by submitting a request in writing to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom.

- 2 Raglan financial and ratings information**

Since its incorporation on 24 October 2018, Raglan has not traded and has not been engaged in any activities other than those relating to its incorporation and to the Offer (and the financing thereof), nor published any accounts.

Raglan has no material assets or liabilities, in each case other than those described in this document in connection with the Offer and the financing of the Offer. In the event that the Offer is declared unconditional in all respects and there is full acceptance of the Offer by Freshwater Shareholders, other than the subscription by the Management Team pursuant to the Subscription Agreement and the loan to Raglan pursuant to the Facilities Agreement, each to finance the Offer as described in paragraph 9 of Part III of this document, the earnings, assets and liabilities of Raglan will comprise the consolidated earnings, assets and liabilities of the Freshwater Group at that time.

The Raglan Board are not aware of any current ratings or outlooks publicly accorded to Raglan by ratings agencies.

- 3 No incorporation of website information**

Since its incorporation on 24 October 2018, Raglan has not traded and has not been engaged in any activities other than those relating to its incorporation and to the Offer (and the financing thereof), nor published any accounts.

APPENDIX IV

UNITED KINGDOM TAXATION

The comments set out below summarise certain limited aspects of the UK taxation treatment of Shareholders and do not purport to be a complete analysis of all tax considerations relating to the Offer. They are based on current UK legislation and what is understood to be current HMRC practice, which may not be binding on HMRC as at the date hereof, both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and apply only to Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in the UK, who hold Freshwater Shares as an investment (other than under a self-invested personal pension or new individual savings account) and who are the absolute beneficial owners of their Freshwater Shares. These comments do not deal with certain types of shareholders (such as charities, persons holding or acquiring shares in the course of a trade or persons who have or could be treated for tax purposes as having acquired their Freshwater Shares by reason of any office or employment), brokers, dealers or traders in shares or securities, intermediaries, depositaries or clearance services, collective investment schemes and insurance companies. They do not apply to Shareholders who hold (either alone or together with Connected Persons) more than five percent of, or any class of, shares or debentures in Freshwater. Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult an appropriate independent professional tax adviser immediately.

UK taxation of chargeable gains

Cash consideration

The transfer of Freshwater Shares in return for cash should be treated as a disposal of Freshwater Shares for capital gains tax (“CGT”) purposes for individual Shareholders and corporation tax for company Shareholders and therefore may, depending on the Shareholder’s particular circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains or, alternatively, an allowable capital loss.

Share Alternative

Freshwater Shareholders should take advice as to whether it is desirable, having regard to the particular circumstances of the Freshwater Shareholder in question, to elect to receive Raglan Shares pursuant to the Cash Alternative. New Raglan Shares should be treated for tax purposes as “rolled-over” into the Raglan, and the Raglan Shares should be treated for tax purposes as the same asset as those Freshwater Shares acquired at the same time, and for the same acquisition cost, as those Freshwater Shares.

In principle, the provisions described above regarding the “roll-over” of any gain or loss will apply to all shareholders who take up the Share Alternative. However where a Freshwater Shareholder who (either alone or together with persons connected with him) holds more than five percent of, or of any class of, shares in or debentures of, Freshwater the “roll-over” provisions only apply where the transaction is effected for bona fide commercial reasons and not for tax avoidance purposes, pursuant to section 137 of the TCGA. Clearance has been obtained from HMRC under section 138 TCGA to the effect that section 137 TCGA will not apply to prevent roll-over of chargeable gains in these circumstances.

A subsequent disposal of Raglan Shares by UK shareholders who are individuals may, depending on the individual’s circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to CGT. Any chargeable gain or allowable loss on a disposal of Raglan Shares should be computed by reference to the proceeds of that disposal and the allowable base cost in the Freshwater Shareholder’s holding of Freshwater Shares that was “rolled over” into Raglan Shares.

A holder of Raglan Shares that is a company will generally be subject to corporation tax in respect of any gains arising from a disposal of Raglan Shares in each accounting period broadly in accordance with generally accepted accounting practice. Any “held over” chargeable gain or loss which was calculated on exchange of Freshwater Shares for Raglan Shares will, as mentioned above, only accrue on the disposal of the Raglan Shares.

General

Subject to available reliefs, allowances or losses, gains arising on a disposal of Freshwater Shares by an individual Shareholder will be taxed at the rate of 10 percent except to the extent that the gain, when it is added to the Shareholder’s other taxable income and gains in the relevant tax year, exceeds the upper limit of the income tax

basic rate band (£34,500 for the tax year ending 5 April 2019), in which case it will be taxed at the rate of 20 percent

The capital gains tax annual exemption (£11,700 for the tax year ending 5 April 2019) may be available to individual Shareholder to offset against chargeable gains realised on the disposal of the Shareholder's Shares.

If an individual is only temporarily resident outside the UK for CGT purposes, at the date of disposal, the individual could, on becoming resident in the UK again, be liable to UK tax on chargeable gains in respect of disposals made while the individual was temporarily resident outside the UK.

For a Shareholder that is a company, chargeable gains are charged at the corporation tax rate applicable to the company (subject to any applicable exemptions and reliefs including the substantial shareholding exemption). Indexation allowance may be available to a company to reduce the amount of a chargeable gain on a disposal of Freshwater Shares. However, indexation cannot create or increase an allowable loss for UK corporation tax purposes. Furthermore, indexation allowances for companies will be calculated only up to 31 December 2017.

UK stamp duty and stamp duty reserve tax ("SDRT")

No UK stamp duty or SDRT will be payable by Shareholders as a result of accepting the Offer.

APPENDIX V

ADDITIONAL INFORMATION ON FRESHWATER AND RAGLAN

1 Responsibility

- 1.1 The Raglan Directors whose names are set out in paragraph 2.1 below accept responsibility for the information contained in this document, other than: (a) the information relating to Freshwater, the Freshwater Directors, their close relatives, related trusts and connected persons and (b) the recommendations and opinions of the Freshwater Directors relating to the Offer contained in Part I of this document. To the best of the knowledge and belief of the Raglan Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of that information.
- 1.2 The Freshwater Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this document relating to the Freshwater Group, the Freshwater Directors, their close relatives, related trusts and connected persons and the recommendations and opinions of the Freshwater Directors relating to the Offer contained in Part I of this document. To the best of the knowledge and belief of the Freshwater Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of that information.

2 Directors

- 2.1 The directors of Raglan and their respective functions are:

Name	Position held
David Matthew Rustin Howell	Non-Executive Chairman
John Morris Underwood	Executive Director
John Haydn Evans	Executive Director
Eleanor Angharad Neagle	Executive Director
Stephen Brandon Howell	Executive Director

The registered office of Raglan, which is also the business address of each of the Raglan Directors, is No. 1 Colmore Square, Birmingham B4 6AA. Raglan was incorporated in England and Wales as a private limited company on 24 October 2018 with registered number 11639220. Raglan was formed for the purpose of making the Offer. Prior to the Announcement of the Offer, and save in relation to the making of the Offer, Raglan had not carried on any business and no accounts for Raglan have been prepared.

- 2.2 The directors of Freshwater are:

Name	Position held
David Matthew Rustin Howell	Non-Executive Chairman
John Morris Underwood	Chief Executive
John Haydn Evans	Finance Director
Eleanor Angharad Neagle	Group Managing Director
Stephen Brandon Howell	Executive Director

Freshwater is a public company limited by shares and incorporated in England with registration number 04059741. The registered office of Freshwater, which is also the business address of each of the Freshwater Directors, is Raglan House Malthouse Avenue, Cardiff Gate Business Park, Pontprennau, Cardiff, Wales, CF23 8BA.

3 Market quotations

Since, the cancellation of admission to trading on AIM of the Freshwater Shares on 22 November 2010, Freshwater has offered a trading platform for any share dealings first via JP Jenkins until February 2012 and from then on via BritDAQ. There have been 14 transactions during the period October 2013 to April 2018 for a total of 414,010 shares at prices ranging from 2p to 30p. The full list of the prices per share for each such transaction is detailed below:

Date	Size	Price (pence)
26-Apr-18	20,000	20
29-Jun-16	20,000	30
27-Apr-16	23,640	30
29-Jan-16	12,000	20
08-Dec-15	76,000	20
02-Nov-15	25,000	21
27-Jan-15	25,000	21
29-Dec-14	17,332	14
22-Dec-14	65,336	14
18-Dec-14	25,000	12
24-Apr-14	17,840	5
31-Mar-14	5,612	1.65
23-Oct-13	44,000	2
23-Oct-13	37,250	2

4 Interests and dealings

4.1 For the purposes of this paragraph 4:

acting in concert with a person means any other person acting or deemed to be acting in concert with that first person for the purposes of the Code and the Offer;

control means an interest, or interests, in shares carrying in aggregate 30 percent or more of the voting rights attributable to the capital of the company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give de facto control;

dealing includes: (a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities; (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities; (c) subscribing or agreeing to subscribe for relevant securities; (d) the exercise or conversion, whether in respect of new or existing relevant securities, of any relevant securities carrying conversion or subscription rights; (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities; (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

derivative means any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

disclosure date means 19 December 2018, being the latest practicable date before publication of this document;

disclosure period means the period commencing 19 December 2017 (the date 12 months prior to the date of commencement of the Offer Period) and ending on the disclosure date;

a person has an **interest** or is **interested** in securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities). In particular a person will be treated as having an interest in securities if: (a) he owns them; (b) 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; (c) by virtue of any agreement to purchase, option or derivative, he: (i) has the right or option to acquire them or call for their delivery; or (ii) 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 (d) he is party to any derivative: (i) whose value is determined by reference to their price; and (ii) which results, or may result, in his having a long position in them;

relevant securities includes: (a) Freshwater Shares and any other securities of Freshwater conferring voting rights; (b) equity share capital of Freshwater or, as the context requires, Raglan; (c) securities of Raglan which carry substantially the same rights as any to be issued as consideration for the Offer;

If there is any inconsistency between the above definitions and the Code, those used in the Code shall prevail.

4.2 *Persons acting in concert with Raglan and Freshwater*

In addition to the Raglan Directors (together with their close relatives, related trusts and connected persons), and in addition to members of the Freshwater Group, the persons who are acting in concert with Raglan and Freshwater for the purposes of the Offer and which are required to be disclosed are as set out in paragraphs 12.1 and 12.2 respectively of Appendix V of this document.

4.3 *Arrangements of the kind referred to in Note 11 on the definition of acting in concert*

Save as Disclosed in this Offer Document, there are no arrangements of the kind referred to in Note 11 on the definition of acting in concert set out in the Code relating to relevant securities which exist between Raglan or any person acting in concert with Raglan and any other person nor between Freshwater or any person acting in concert with Freshwater and any other person.

4.4 *Interests in Freshwater relevant securities*

4.4.1 At the close of business on the disclosure date, the Raglan Directors, their close relatives, related trusts and connected persons were interested in the following Freshwater relevant securities:

Name	Number of Freshwater Shares
David Matthew Rustin Howell	3,150,000 ¹
John Morris Underwood	908,261 ²
John Haydn Evans	9,377 ³
Eleanor Angharad Neagle	41,667 ⁴
Stephen Brandon Howell	1,761,695 ⁵

1 David Howell is the registered holder of 100,000 Freshwater Shares. Hillco Investments (UK) Limited is the registered holder of 3,025,000 Freshwater Shares, a company owned and controlled by David Howell. Sandra Daly, David Howell's spouse, is the registered holder of 25,000 Freshwater Shares.

2 MW Trustees Limited is the registered holder of 905,381 Freshwater Shares as trustee for Mattioli Woods PLC, John Underwood's SIPP. John Underwood is the registered holder of 2,880 Freshwater Shares.

3 John Haydn Evans is the registered holder of 9,377 Freshwater Shares.

4 Eleanor Angharad Neagle is the registered holder of 41,667 Freshwater Shares.

5 Stephen Howell is the registered owner of 1,316,760 Freshwater Shares. ISCA Mercatura Limited, a company owned and controlled by Stephen Howell, is the registered holder of 360,535 Freshwater Shares. Kim Howell, Stephen Howell's spouse, is the registered holder of 84,400 Freshwater Shares.

4.4.2 At the close of business on the disclosure date, persons acting, or presumed to be acting, in concert with Raglan, other than the Raglan Directors (and their close relatives, related trusts and connected persons, as listed in paragraph 4.4.1 above ("Associates")) were interested in the following Freshwater relevant securities:

Name	Number of Freshwater Shares
Aled Edwards	3,069

In addition to Aled Edwards, those persons referred to in paragraphs 12.1 and 12.2 below are deemed to be acting in concert with Raglan and Freshwater respectively but (save for any persons who are Associates, who hold the Share interests set out in paragraphs 4.4.1) have no share interests.

4.4.3 At the close of business on the disclosure date, Raglan and/or persons acting in concert with it had not borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code) any Freshwater relevant securities.

4.4.4 At the close of business on the disclosure date, the following Freshwater Directors (together with their respective close relatives, related trusts and connected persons) held the following interests in Freshwater Shares (with the exception of interests held under the Share Option Scheme details of which are disclosed under paragraph 4.4.5 below):

Name	Number of Freshwater Shares	Percentage of Freshwater Shares
David Matthew Rustin Howell	3,150,000 ¹	15.51%
John Morris Underwood	908,261 ²	4.47%
John Haydn Evans	9,377 ³	0.05%
Eleanor Angharad Neagle	41,667 ⁴	0.21%
Stephen Brandon Howell	1,761,695 ⁵	8.67%

- 1 David Howell is the registered holder of 100,000 Freshwater Shares. Hillco Investments (UK) Limited is the registered holder of 3,025,000 Freshwater Shares, a company owned and controlled by David Howell. Sandra Daly, David Howell's spouse, is the registered holder of 25,000 Freshwater Shares.
- 2 MW Trustees Limited is the registered holder of 905,381 Freshwater Shares as trustee for Mattioli Woods PLC, John Underwood's SIPP. John Underwood is the registered holder of 2,880 Freshwater Shares.
- 3 John Haydn Evans is the registered holder of 9,377 Freshwater Shares.
- 4 Eleanor Angharad Neagle is the registered holder of 41,667 Freshwater Shares.
- 5 Stephen Howell is the registered owner of 1,316,760 Freshwater Shares. ISCA Mercatura Limited, a company owned and controlled by Stephen Howell, is the registered holder of 360,535 Freshwater Shares. Kim Howell, Stephen Howell's spouse, is the registered holder of 84,400 Freshwater Shares.

4.4.5 At the close of business on the disclosure date, the following awards in respect of Freshwater Shares had been granted to the following Freshwater Directors and remained outstanding under the Share Option Scheme:

Name	Maximum number of Freshwater Shares under option/awards	Date of grant	Share price at date of grant (pence)	Exercise price per Share (pence)	Exercise period/ vesting date
John Haydn Evans	15,000	18/06/10	20p	20p	10 years
John Haydn Evans	50,000	23/03/15	16p	16p	10 years
John Haydn Evans	50,000	23/03/15	18p	18p	10 years
Eleanor Angharad Neagle	10,000	18/06/10	20p	20p	10 years
Eleanor Angharad Neagle	100,000	01/09/14	8p	8p	10 years
Eleanor Angharad Neagle	50,000	23/03/15	16p	16p	10 years
Eleanor Angharad Neagle	50,000	01/11/15	18p	18p	10 years

4.4.6 There were no dealings in relevant securities of Freshwater by Raglan, the Raglan Directors (nor by their respective close relatives, related trusts and connected persons) and persons acting in concert with Raglan during the disclosure period.

4.4.7 There were no dealings during the period between the start of the Offer Period and the disclosure date in relevant securities of Freshwater by the Freshwater Directors nor by their respective close relatives, related trusts and connected persons nor by any person acting in concert with Freshwater.

4.5 *Dealings in relevant securities of Raglan*

4.5.1 Dealings in relevant securities of Raglan by the Freshwater Directors and their respective close relatives, related trusts and connected persons which have taken place during the disclosure period were as follows:

Name	Date	Nature of dealing	Number of Raglan Shares	Price per Share (pence)
Stephen Brandon Howell	24 October 2018	Purchase	1	100

Such share was subdivided into 10 ordinary Raglan Shares of 10 pence each on 18 December 2018.

4.6 General

4.6.1 Save as disclosed in this paragraph 4, as at the close of business on the disclosure date:

- (a) neither Raglan nor the Raglan Directors (nor any of their respective close relatives, related trusts and connected persons), nor any person acting in concert with Raglan,
 - (i) held any interest in, or right to subscribe for, or any short position in respect of (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, any relevant securities of Freshwater, nor
 - (ii) save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any relevant securities of Freshwater (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code);
- (b) none of the Freshwater Directors (and their respective close relatives, related trusts and connected persons), nor any other person acting in concert with Freshwater, held any interest in, or right to subscribe for, or any short position in respect of, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, any relevant securities of Freshwater;
- (c) neither Freshwater nor any person acting in concert with Freshwater had borrowed or lent any relevant securities of Freshwater (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code), save for any borrowed shares which have either been on-lent or sold; and
- (d) neither Freshwater nor any of the Freshwater Directors (and their respective close relatives, related trusts and connected persons) had an interest in, or right to subscribe for, or any short position in respect of, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, any relevant securities of Raglan.

5 Share Option Scheme

The Offer extends to any Freshwater Shares which are unconditionally allotted or issued fully paid (or credited as fully paid) pursuant to the exercise of options granted under the Share Option Scheme or otherwise while the Offer remains open for acceptance (or such earlier date as Freshwater may, subject to the Code, and in accordance with the conditions and further terms of the Offer, decide). To the extent that such options are not exercised in full, Raglan will make appropriate proposals to Freshwater Option holders in due course.

As at the last day of the disclosure period, the following Freshwater Shares were in issue and options under the Share Option Scheme in respect of Freshwater Shares were outstanding:

Name	Maximum number of Freshwater Shares under option/awards	Date of grant	Share price at date of grant (pence)	Exercise price per Share (pence)	Exercise period/ vesting date
John Haydn Evans	15,000	18/06/10	20p	20p	10 years
John Haydn Evans	50,000	23/03/15	16p	16p	10 years
John Haydn Evans	50,000	23/03/15	18p	18p	10 years
Eleanor Angharad Neagle	10,000	18/06/10	20p	20p	10 years
Eleanor Angharad Neagle	100,000	01/09/14	8p	8p	10 years
Eleanor Angharad Neagle	50,000	23/03/15	16p	16p	10 years
Eleanor Angharad Neagle	50,000	01/11/15	18p	18p	10 years
Lucy Battle	15,000	18/06/10	20p	20p	10 years
Lucy Battle	20,000	23/03/15	16p	16p	10 years
Carolyn Pugsley	10,000	18/06/10	20p	20p	10 years
Carolyn Pugsley	20,000	23/03/15	16p	16p	10 years
Aled Edwards	20,000	23/03/15	16p	16p	10 years
Heather Jones	20,000	23/03/15	16p	16p	10 years

6 Service contracts and remuneration of the Freshwater Directors

6.1 The following are details of the service contracts of the executive Freshwater Directors with Freshwater:

6.1.1 John Morris Underwood

There is a service agreement between John Morris Underwood, now Chief Executive, and Freshwater dated 30 May 2006. The contract was originally with Clear Communications Specialists Limited and novated to Freshwater pursuant to the acquisition on 31 May 2006. The appointment was for an initial term of two years from 30 May 2006 and then ongoing with the ability to be terminated by either party giving 12 months' notice. John's annual salary is £108,000. As well as the annual salary the contract provides for a contribution by Freshwater of 5 percent of gross basic salary to a pension scheme. There is also provision for death in service, participation in a bonus scheme (as set out in paragraph 6.3), 30 days' holiday plus public holidays and 6 months' sick pay in any 12 month period. The appointment can be terminated immediately in circumstances of gross misconduct, material breach of the agreement, criminal offence, bankruptcy, prohibition from becoming a director and incapacity. There are restrictive covenants, which apply for 12 months after the termination of employment.

6.1.2 Stephen Brandon Howell

There is a service agreement between Stephen Brandon Howell, former Chief Executive, now Executive Director, and Freshwater dated 11 May 2005. The appointment was for an initial term of two years and then ongoing with the ability to be terminated by either party giving 6 months' notice. Stephen's full time salary is £108,000, pro-rated to £64,800 per annum to reflect that Stephen currently provide services for 3 days per week. As well as the annual salary, the contract provides for a monthly contribution by Freshwater of 5 percent of gross basic salary into a pension scheme. There is also provision for life assurance, participation in a bonus scheme (as set out in paragraph 6.3), private medical insurance, a company car allowance, 30 days' holiday (increased to 45 days in September 2014) plus public holidays and 6 months' sick pay in any 18 month period. The appointment can be terminated immediately in circumstances of gross misconduct, material breach of the agreement, material prejudice to the interests or reputation of the Freshwater Group, criminal offence, bankruptcy, prohibition from becoming a director and incapacity. There are restrictive covenants, which apply for 12 months after the termination of employment.

6.1.3 Eleanor Angharad Neagle

There is an employment contract in place between Eleanor Angharad Neagle and Freshwater dated 20 May 2008. Angharad's annual salary is £92,000. As well as the annual salary the contract provided for a contribution by Freshwater of 3 percent (raised to 5 percent in October 2014) of gross basic salary to a pension scheme. There is also provision for death in service, participation in a bonus scheme (as set out in paragraph 6.3), 26 days' holiday (raised to 30 days' holiday in October 2014) plus public holidays. In October 2015 provision was made for private medical insurance and a leased company car. The appointment can be terminated by either side giving 3 months' notice (increased to 6 months in October 2014) or immediately in circumstances of gross misconduct, material breach of the agreement, criminal offence, bankruptcy, prohibition from becoming a director and incapacity. There are restrictive covenants that apply for 6 months' after the termination of employment.

6.1.4 John Haydn Evans

There is a service agreement between John Haydn Evans, Finance director, and Freshwater dated 11 May 2005. The appointment was for an initial term of two years and then ongoing with the ability to be terminated by either party giving 6 months' notice. Haydn's annual salary is £92,000. As well as the annual salary, the contract provides for a monthly contribution by Freshwater of 5 percent of gross basic salary into a pension scheme. There is also provision for life assurance, participation in a bonus scheme (as set out in paragraph 6.3), private medical insurance, a leased company car, 30 days' holiday plus public holidays and 6 months' sick pay in any 18 month period. The appointment can be terminated immediately in circumstances of gross misconduct, material breach of the agreement, material prejudice to the interests or reputation of the Freshwater Group, criminal offence, bankruptcy, prohibition from becoming a director and incapacity. There are restrictive covenants which apply for 12 months after the termination of employment.

- 6.2 The Chairman of Freshwater has a letter of appointment setting out the terms and conditions of their appointment, particulars of which are set out below.

Name	Date of letter	Current annual fee (£)	Other benefits	Unexpired term	Notice Period	Date of appointment	Compensation on early termination
David Howell	6 December 2018	£15,000	n/a	n/a	3 months	1 October 2010	n/a

- 6.3 As well as the benefits shown above the Freshwater executive directors are entitled to participate in Freshwater's annual bonus scheme. This scheme is based on the Freshwater Group meeting annual targets, which are set by the Freshwater Directors each year, and could pay out a maximum of 15 percent of annual salary depending on the targets achieved. No bonuses to the Freshwater Directors or any other staff received any awards in the year ending 31 August 2017 or 31 August 2018.
- 6.4 The non-executive Freshwater Director is not entitled to participate in any of Freshwater's shares, bonus or pension schemes or employee benefit arrangements.
- 6.5 Freshwater has entered into an indemnity with each non-executive Freshwater Director against certain liabilities incurred in certain circumstances in connection with the execution of their duties and to provide funds to them to meet certain expenditure in connection with litigation.
- 6.6 Each Freshwater Director's term of office runs for three years, subject to re-election at the annual general meeting. The appointment of a Freshwater Director will also terminate on that director:
- 6.6.1 vacating office under the articles of association;
 - 6.6.2 being removed from office as a director under the articles of association; or
 - 6.6.3 becoming prohibited by law from being a director;
 - 6.6.4 becoming bankrupt or making any arrangement or composition with his creditors;
 - 6.6.5 is the subject of an order made by a court of competent jurisdiction by reason of his mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs;
 - 6.6.6 not being a director whose contract of employment precludes resignation, he resigns his office by notice to the Company;
 - 6.6.7 being absent for more than six months without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during that period have attended any such meeting in his stead and the directors resolve that his office be vacated; or
 - 6.6.8 being removed from office by notice in writing served upon him signed by at least three-quarters of his co-directors and all of the other directors are not less than three in number, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed to be an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 6.7 Freshwater maintains appropriate director's and officer's liability insurance for the benefit of each Freshwater Director and maintains such cover for any claims that might be lawfully brought against them during the policy period (including after they have ceased to be a Freshwater Director).
- 6.8 Save as set out above in this paragraph 6:
- 6.8.1 there are no service agreements in force between any Freshwater executive director or proposed Freshwater executive director nor any letters of appointment in force between any Freshwater non-executive director or proposed non-executive Freshwater Director and any member of the Freshwater Group; and
 - 6.8.2 there are no service agreements or letters of appointment which were entered into by any member of the Freshwater Group within the six month period prior to the date of this document nor have any amendments been made to any of such service agreements or letters of appointment during that period.

7 Financing of the Offer

The cash consideration payable by Raglan pursuant to the Offer, taking into account the irrevocable undertakings received as set out in paragraph 8 of this Appendix V, being approximately £1.5 million will

be financed from: (i) cash subscriptions for Raglan Shares under the Subscription Agreement; and (ii) debt facilities provided under the Facilities Agreement entered into by Raglan (as borrower) and Hillco Investments (UK) Limited (as lender), a Concert Party, on 18 December 2018.

7.1 *Subscription Agreement*

Under the Subscription Agreement, subject to the Offer becoming unconditional in all respects, the Management Team have agreed to subscribe £643,000 for 5,358,336 Raglan Shares at a price of 12 pence per Raglan Share as follows:

Name	Number of Raglan Shares	Subscription total
David Matthew Rustin Howell	3,333,334	£400,000.08
MW Trustees Limited ¹	833,334	£100,000.08
John Haydn Evans	625,000	£75,000.00
Eleanor Angharad Neagle	66,667	£8,000.04
Stephen Brandon Howell	416,667	£50,000.04
Aled Edwards	83,334	£10,000.08

1 MW Trustees Limited is the trustee for Mattioli Woods PLC, John Underwood's SIPP.

7.2 *Facilities Agreement*

Under the Facilities Agreement, Hillco Investments (UK) Limited (a company controlled by David Howell) makes available an unsecured loan facility of £860,000 to Raglan. The loan attracts interest at a rate of 6 percent per annum. Interest on the drawn and undrawn elements of the facility rolls up and is capitalised until six months from the Facility Date and is payable on the last Business Day of each month thereafter. A facility fee of £8,600 is payable on the Facility Date. The facility may be drawn down for the purpose of funding the Cash Offer and for no other purpose without the prior consent of both the lender and Cattaneo. The facility is capable of being reduced (with the prior consent of Cattaneo) whilst the Offer remains open to the extent that the maximum cash requirement from time to time needed to satisfy the Cash Offer is exceeded by the amount of the drawn and undrawn facility. The loan drawn down under the facility is repayable in 54 monthly instalments starting six months after the Facility Date but may be prepaid in whole or in part at any time. The Facilities Agreement contains conventional covenants relating to the delivery of financial information, compliance with laws, and not making material changes to the business.

7.3 *Raglan Articles of Association*

If the Shareholder elects to receive the Unlisted Share Alternative, they will, as holders of Raglan Share be subject to Raglan's articles of association, which are displayed at www.freshwater-uk.com/freshwater-group/99162-2. The articles of association reflect the reduced level of regulation and procedural requirements imposed on a private limited company (as compared with a public limited company). The Articles do not contain pre-emption on allotment or transfers, or any deemed transfer provisions. The Articles include a drag along right (Article 11), which allows the holder(s) of 75 percent of the Raglan Shares to force the remaining shareholders to sell their shares to a bona fide third party buyer on the same terms as the dragging majority, and a tag along right (Article 10), which provides that where the holder(s) of 75 percent of the Raglan Shares wish to sell to a third party buyer, the remaining shareholders can require their shares be purchased by such third party buyer on the same terms. Directors will not be required to retire in rotation.

8 **Irrevocable undertakings**

8.1 Irrevocable undertakings to accept, or procure the acceptance of, the Offer have been received by Raglan from the following persons in respect of the following interests in Freshwater Shares:

Name	Number of Freshwater Shares	Percentage of existing share capital of Freshwater	Freshwater Shares accepting the Cash Offer	Freshwater Shares accepting the Unlisted Share Alternative
Management Team				
David Matthew Rustin Howell	3,150,000 ¹	15.51%		3,150,000 ¹
John Morris Underwood	908,261 ²	4.47%		908,261 ²
John Haydn Evans	9,377 ³	0.05%		9,377 ³
Eleanor Angharad Neagle	41,667 ⁴	0.21%		41,667 ⁴
Stephen Brandon Howell	1,761,695 ⁵	8.67%		1,761,695 ⁵
Aled Edwards	3,069	0.02%		3,069
Total	5,874,069	28.92%		5,874,069

Other Freshwater Shareholders

IBIS Media VCT 1 PLC	1,957,385	9.64%	1,957,385	
DBW Investments (2) Ltd	1,414,284	6.96%	1,414,284	
DBW FM Ltd	804,856	3.96%		804,856
Herald Investment Trust plc	806,000	3.97%	806,000	
Criseren Investments Ltd	577,310	2.84%		577,310
Martin Howell	569,701	2.81%		569,701
Suzanne Howell	29,985	0.15%		29,985
Bruce Morris	487,301	2.40%		487,301
Alyson Smith	412,554	2.03%	412,554	
Kenneth Tilley	328,000	1.62%		328,000
Marilyn Tilley	72,000	0.35%		72,000
Bart Haines	160,000	0.79%		160,000
Patricia Haines	56,471	0.28%		56,471
Total	7,675,847	37.80%	4,590,223	3,085,624

The Irrevocable Undertakings are conditional on the making of the Offer.

- David Howell is the registered holder of 100,000 Freshwater Shares. Hillco Investments (UK) Limited is the registered holder of 3,025,000 Freshwater Shares, a company owned and controlled by David Howell. Sandra Daly, David Howell's spouse, is the registered holder of 25,000 Freshwater Shares.
 - MW Trustees Limited is the registered holder of 905,381 Freshwater Shares as trustee for Mattioli Woods PLC, John Underwood's SIPP. John Underwood is the registered holder of 2,880 Freshwater Shares.
 - John Haydn Evans is the registered holder of 9,377 Freshwater Shares.
 - Eleanor Angharad Neagle is the registered holder of 41,667 Freshwater Shares.
 - Stephen Howell is the registered owner of 1,316,760 Freshwater Shares. ISCA Mercatura Limited, a company owned and controlled by Stephen Howell, is the registered holder of 360,535 Freshwater Shares. Kim Howell, Stephen Howell's spouse, is the registered holder of 84,400 Freshwater Shares.
- 8.2 Irrevocable undertakings to vote in favour of the Ordinary Resolution have been received by Raglan from the following persons in respect of the following interests in Freshwater Shares:

Name	Number of Freshwater Shares	Percentage of Freshwater share capital eligible to vote
IBIS Media VCT 1 PLC	1,957,385	13.56%
DBW Investments (2) Ltd	1,414,284	9.80%
DBW FM Limited	804,856	5.58%
Herald Investment Trust plc	806,000	5.58%
Criseren Investments Ltd	577,310	4.00%
Martin Howell	569,701	3.95%
Suzanne Howell	29,985	0.21%
Bruce Morris	487,301	3.38%
Alyson Smith	412,554	2.86%
Kenneth Tilley	328,000	2.27%
Marilyn Tilley	72,000	0.50%
Bart Haines	160,000	1.11%
Patricia Haines	56,471	0.39%
Total	7,675,847	53.18%

9 Obtaining hard copies of information incorporated by reference

Appendix III incorporates financial information on the Freshwater Group by reference to Freshwater's audited annual report and accounts for the financial periods ended 31 August 2018 and 31 August 2017. These documents are available for inspection on the following websites:

- www.freshwater-uk.com/wp-content/uploads/31-August-2018-FWUK-Plc-accounts.pdf
- www.freshwater-uk.com/wp-content/uploads/FW0845-Annual-Report-2017.pdf

You may request a hard copy of any information incorporated by reference in this document by contacting Neville Registrars, between 9.00 am and 5.00 pm on Monday to Friday (except UK public holidays), on 0121 585 1131 (if calling from the UK) and +44 121 585 1131 (if calling from outside the UK) or by submitting a request in writing to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands, B62 8HD, United Kingdom. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. It is important that you note that unless you make such a request, a hard copy of any information incorporated into this document by reference will not be sent to you

10 Material contracts

10.1 Raglan

Raglan has not traded since the date of its incorporation and has not entered into any obligations, other than in connection with the Offer and the financing of the Offer.

10.2 Freshwater

No member of the Freshwater Group during the disclosure period has entered into any material contract other than in the ordinary course of business.

11 Bases of calculations and sources of information

- 11.1 For the purposes of the financial comparisons contained in this document, no account has been taken of any liability to taxation or the treatment of fractions under the Offer.
- 11.2 As at the close of business on 19 December 2018 (being the latest practicable date prior to the publication of this document) Freshwater had in issue 20,308,493 Freshwater Shares. The International Securities Identification Number (ISIN) for the Freshwater Shares is GB00B1YLGV82.
- 11.3 Unless otherwise stated, the value attributed to the existing issued share capital, and other statements made by reference to the existing share capital, of Freshwater are based upon the 20,308,493 Freshwater Shares being in issue as sourced from Freshwater's shareholder register as at 19 December 2018 (being the latest practicable date prior to the publication of this document) and assuming exercise of the Share Option granted under the Share Option Scheme to Eleanor Angharad Neagle on 1 September 2014 for 100,000 Freshwater Shares.
- 11.4 Cattaneo has advised that, based on market conditions on 19 December 2018 (being the latest practicable date prior to the publication of this document), its estimate of the value of a Raglan Share, on the basis set out in the estimate of value of the Unlisted Share Alternative letter in Appendix II, is between 15.4 pence and 16.8 pence on the basis that all Freshwater Shareholders received cash under the Cash Offer, taking into account the irrevocable undertakings received by Raglan; and between 14.3 pence and 15.3 pence on the basis that all Freshwater Shareholders elected for the Unlisted Share Alternative, taking into account the irrevocable undertakings received by Raglan.
- 11.5 Unless otherwise stated, the financial information relating to Freshwater is extracted or derived from the Freshwater consolidated financial statements for the 52 week period ended 31 August 2018.
- 11.6 All information relating to Raglan has been provided by persons duly authorised by the board of Raglan.
- 11.7 Unless otherwise stated, all share prices for Freshwater Shares are quotations derived from BritDAQ.
- 11.8 References to a percentage of issued Freshwater Shares are based on the number of Freshwater Shares in issue as set out in paragraph 11.2 above.
- 11.9 References to the percentage of Freshwater Share capital eligible to vote on the Ordinary Resolution at the General Meeting is based on the 14,434,424 Freshwater Shares in issue less the Management Team's 5,874,069 Freshwater Shares issued to the Management Team and the Concert Parties.

12 Persons acting in concert

- 12.1 In addition to the Raglan Directors, the persons who, for the purposes of the Offer and under the Code, are deemed to be acting in concert with Raglan are:

Name	Registered office/Address	Relationship with Raglan
Cattaneo Corporate Finance Solutions Limited	35 Livery Street, Birmingham, B3 2PB	Financial adviser in connection with the Offer
Hillco Investments (UK) Ltd	49 Mill Street, Bedford, MK40 3EU	Owned and controlled by David Howell, Director of Raglan
MW Trustees Limited	1 New Walk Place, Leicester, LE1 6RU	Related trust of John Underwood, Director of Raglan
Aled Edwards	Raglan House, Cardiff Gate Business Park, Cardiff, CF23 8BA	Member of the Management Team
Sandra Daly	49 Mill Street, Bedford, MK40 3EU	Secretary of Hillco Investments UK Ltd, Spouse of David Howell, Director of Raglan
ISCA Mercatura Limited	143 Judkin Court, Heol Tredwen, Cardiff, Wales, CF10 5AX	Owned and controlled by Stephen Howell, Director of Raglan
Kim Howell	143 Judkin Court, Heol Tredwen, Cardiff, Wales, CF10 5AX	Director of ISCA Mercatura, Spouse of Stephen Howell, Director of Raglan

- 12.2 In addition to the Freshwater Directors, the persons who, for the purposes of the Offer and under the Code, are deemed to be acting in concert with Freshwater, are:

Name	Registered office/Address	Relationship with Freshwater
EGR Corporate Broking Limited	1 Kings Avenue, London, N21 3NA	Rule 3 adviser to Freshwater
EGR Broking Limited	1 Kings Avenue, London, N21 3NA	Principal and Parent undertaking of EGR Corporate Broking Limited
Hillco Investments (UK) Ltd	49 Mill Street, Bedford, MK40 3EU	Owned and controlled by David Howell, Director of Freshwater
MW Trustees Limited	1 New Walk Place, Leicester, LE1 6RU	Related trust of John Underwood, Director of Freshwater
Aled Edwards	Raglan House, Cardiff Gate Business Park, Cardiff, CF23 8BA	Member of the Management Team
Sandra Daly	49 Mill Street, Bedford, MK40 3EU	Secretary of Hillco Investments UK Ltd, Spouse of David Howell, Director of Freshwater
ISCA Mercatura Limited	143 Judkin Court, Heol Tredwen, Cardiff, Wales, CF10 5AX	Owned and controlled by Stephen Howell, Director of Freshwater
Kim Howell	143 Judkin Court, Heol Tredwen, Cardiff, Wales, CF10 5AX	Director of ISCA Mercatura, Spouse of Stephen Howell, Director of Freshwater

13 General

- 13.1 Except as disclosed in this document, no agreement, arrangement or understanding (including any compensation or incentivisation arrangement) exists between Raglan or any party acting in concert with Raglan for the purposes of the Offer and any of the directors, recent directors, shareholders or recent shareholders of Freshwater having any connection with or dependence on, or which is conditional on the outcome of, the Offer.

- 13.2 Except as disclosed in this document, there is no agreement, arrangement or understanding by which the beneficial ownership of any of the shares which are the subject of the Offer acquired by Raglan will be transferred to any other person, but Raglan reserves the right to transfer any such shares to any other member of the Raglan Group or any joint venture, partnership, firm or company in which it has a substantial interest and the right to assign any such shares by way of security or grant any other security interest over such shares.
- 13.3 Save as disclosed in this document, there are no agreements to which Raglan is a party which relate to the circumstances in which it may or may not invoke a condition to the Offer.
- 13.4 Cattaneo has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 13.5 EGR has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 13.6 The Freshwater Directors are not aware of any significant change in the financial or trading position of the Freshwater Group since 31 August 2018, being the date to which the last published audited accounts of Freshwater were prepared.

14 Fees and expenses

- 14.1 Raglan expects to incur fees and expenses of £136,000 excluding VAT, in aggregate in connection with the Offer, comprising the following:
 - 14.1.1 £8,500 in respect of financing arrangements;
 - 14.1.2 £57,500 in respect of financial advice;
 - 14.1.3 £45,000 in respect of legal advice;
 - 14.1.4 £4,500 in respect of accounting advice; and
 - 14.1.5 £20,500 in respect of other costs and expenses, including receiving agents, printing and mailing.
- 14.2 Freshwater expects to incur fees and expenses of £58,000 excluding VAT, in aggregate in connection with the Offer, comprising the following:
 - 14.2.1 £43,000 in respect of financial advice;
 - 14.2.2 £12,500 in respect of legal advice; and
 - 14.2.3 £2,500 in respect of other costs.

15 Documents on display

Copies of the following documents will be available free of charge at the website of Freshwater at www.freshwater-uk.com/freshwater-group/99162-2 until the end of the Offer Period:

- 15.1 this document and the Form of Acceptance;
- 15.2 the articles of association of Raglan;
- 15.3 the articles of association of Freshwater;
- 15.4 the annual report and accounts of Freshwater for the years ended 31 August 2017 and 2018;
- 15.5 the estimate of value of the Unlisted Share Alternative letter prepared by Cattaneo;
- 15.6 the Irrevocable Undertakings referred to in paragraph 8 of this Appendix V procured by Raglan or any person acting in concert with it;
- 15.7 the letters of consent referred to in paragraphs 13.4 and 13.5 above; and
- 15.8 this Offer Document, the Form of Acceptance and the Announcement.

For the avoidance of doubt, save for the financial information referred to at paragraph 15.4 above which is incorporated by reference into this document, the contents of Freshwater's website is not incorporated into and do not form part of this document.

APPENDIX VI

DEFINITIONS

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

2018 Annual Report	The annual report and accounts of Freshwater for year ended 31 August 2018
Acceptance Condition	the Condition as to acceptances set out in paragraph 1.1 of Part A of Appendix I to this document
AIM	the market of that name operated by the London Stock Exchange
Announcement	the announcement made by Raglan of its firm intention to make the Offer in accordance with Rule 2.7 of the Code dated 19 December 2018
Announcement Date	19 December 2018, being the date of the Announcement
Articles	The articles of association of Raglan
Associates	has the meaning given to it in section 988 of the Companies Act
Board	as the context requires, the board of directors of Freshwater or the board of directors of Raglan and the terms “ Freshwater Board ” and “ Raglan Board ” shall be construed accordingly
BritDAQ	The online share trading platform operated by BritDAQ Limited
Business Day	a day (excluding Saturdays, Sundays and UK public holidays) on which banks are generally open for business in the City of London
Cash Offer	The offer of 12 pence in cash for each Freshwater Share, under the Offer
Cash Offer Consideration	In accordance with the terms of the Offer, the consideration of 12 pence per Freshwater Share payable in cash
Cattaneo	Cattaneo Corporate Finance Solutions Limited, financial adviser to Raglan
certificated or in certificated form	a Freshwater Share which is not in uncertificated form (that is, not in CREST)
Phase 2 CMA reference	a reference of the Offer to the Chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
Code or City Code	the City Code on Takeovers and Mergers
Companies Act	the Companies Act 2006, as amended
Concert Parties	persons acting in concert with the Raglan Directors, as set out in paragraph 12.1 of Appendix V of this document
Conditions	the conditions to the implementation of the Offer as set out in Part A of Appendix I of this document
Connected Person	has the meaning given to that expression in section 1122 of the Corporation Tax Act 2010
CREST	the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations)
CREST Manual	the CREST Manual published by Euroclear
CREST member	a person who is, in relation to CREST, a system member (as defined in the CREST Regulations)
CREST participant	a person who is, in relation to CREST, a systems participant (as defined in the CREST Regulations)

CREST payment	has the meaning given to it in the CREST Manual
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	a CREST member admitted to CREST as a sponsored member
Dealing Disclosure	has the same meaning as given in Rule 8 of the Code
Disclosed	information disclosed by, or on behalf of, Freshwater: (i) in the annual report and accounts of Freshwater for the financial year ended 31 August 2018; (ii) in any other announcement to a Regulatory Information Service by, or on behalf of, Freshwater prior to the publication of the Announcement; (iii) within the actual knowledge of the Management Team or any member of the Management Team or otherwise fairly disclosed to Raglan (or its respective officers, employees, agents or advisers) prior to the Announcement Date; or (iv) in the Announcement
Drag and Tag Rights	the drag along right set out at Article 11 of the Articles and the tag along right set out at Article 10 of the Articles
EGR	EGR Corporate Broking Limited, independent financial adviser to Freshwater
Electronic Acceptance	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document
ESA instruction	an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST Manual)
Escrow Agent	the Receiving Agent in its capacity as escrow agent (as described in the CREST Manual issued by Euroclear)
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Facilities Agreement	means the facilities agreement dated 18 December 2018 entered into by Raglan and Hillco Investments (UK) Limited pursuant to which Hillco Investments (UK) Limited agreed to make available to Raglan facilities up to £860,000 as described in paragraph 7.2 of Appendix V of this document
Facility Date	the date of the Facilities Agreement
Financial Conduct Authority or FCA	the United Kingdom Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
First Closing Date	1.00 pm on 11 January 2019
Form of Acceptance	in relation to Freshwater Shares, the form of acceptance and authority relating to the Offer which accompanies this document for use by Freshwater Shareholders with shares in certificated form in connection with the Offer
Form of Proxy	The form of proxy in connection with the General Meeting
Freshwater or the Company	Freshwater PLC, a company incorporated in England and Wales with company number 4059741
Freshwater Directors	the directors of Freshwater who are named in paragraph 2.2 of Appendix V to this document or, where the context so requires, the directors of Freshwater from time to time, and “Freshwater Director” shall mean any one of them
Freshwater Group	Freshwater and its subsidiary undertakings
Freshwater Shareholders or Shareholders	holders of Freshwater Shares

Freshwater Shares, Ordinary Shares or Shares	ordinary shares of 10p each in the capital of Freshwater
FSMA	the Financial Services and Markets Act 2000, including any statutory modification or re-enactment thereof for the time being in force
General Meeting	the general meeting of Shareholders (or any adjournment thereof) at which the Ordinary Resolution will be proposed in connection with the Management Arrangements
HMRC	Her Majesty's Revenue and Customs
Holder	a registered holder and includes any person(s) entitled by transmission
Independent Shareholders	Freshwater Shareholders other than the Management Team and the Concert Parties
London Stock Exchange	London Stock Exchange plc;
Lost Share Indemnity	the lost share indemnity which accompanies this document for use by Freshwater Shareholders, whose Freshwater Shares are held in certificated form, in connection with the Offer
Management Arrangement	the arrangements between the Management Team and Raglan as set out in Paragraph 10 of Part I of this document
Management Team	David Howell, Stephen Howell, John Underwood, Angharad Neagle, Haydn Evans and Aled Edwards being the management team of Raglan
Neville Registrars Limited or Receiving Agent	Neville Registrars Limited, the Offeror's receiving agent for the purposes of the Offer;
New Business Plan	the new business plan for Freshwater adopted by the Freshwater Board in July 2018
Offer	the recommended takeover offer made by Raglan to acquire all of the Freshwater Shares on the terms and subject to the conditions set out in this document and, in the case of Freshwater Shares held in certificated form, in the Form of Acceptance, including where the context so permits or requires, any subsequent revision, variation, extension or renewal thereof
Offer Consideration	the consideration payable in connection with the Offer being the Cash Offer Consideration or the Share Alternative
Offer Document	this document which sets out the terms and conditions of the Offer
Offer Period	the period starting on (and including 19 December 2018 and ending on whichever of the following dates shall be the latest: (i) 1.00 pm on the First Closing Date; (ii) the date on which the Offer lapses; and (iii) the date on which the Offer becomes or is declared unconditional as to acceptances
Offer Price	12 pence per Freshwater Share
Opening Position Disclosure	has the same meaning as given in Rule 8 of the Code
Option holders	holders of Share Options;
Ordinary Resolution	the ordinary resolution to be proposed at the General Meeting to approve the Management Arrangements
Overseas Person	any person who is not resident in the United Kingdom, or who is a citizen, resident or national of a jurisdiction outside the United Kingdom or who is a nominee of, or custodian or trustee for, any citizen(s), resident(s) or national(s) of any other country;
Overseas Shareholder	Shareholders who are resident in or citizens of a jurisdiction outside the United Kingdom
Panel	the Panel on Takeovers and Mergers;

pound, £ or pence	the lawful currency of the United Kingdom
Raglan	Raglan House Holdings Limited, a private limited company incorporated in England and Wales with registered number 11639220
Raglan Directors	the directors of Raglan who are named in paragraph 2.1 of Appendix V to this document or, where the context so requires, the directors of Raglan from time to time, and “Raglan Director” shall mean any one of them
Raglan Group	Raglan and its subsidiary undertakings and, where the context permits, each of them
Raglan Shareholders	holders of Raglan Shares
Raglan Shares	ordinary shares of 10p each in the capital of Raglan
Regulatory Information Service	a Regulatory Information Service that is approved by the FCA and is on the list maintained by the FCA in LR App 3 to the Listing Rules of the FCA
Relevant Authority	has the meaning given in paragraph 1.3 of Appendix 1 to this document
Restricted ESA Instruction	has the meaning given to it in paragraph 8.7.2 of Part B of Appendix I to this document
Restricted Escrow Transfer	has the meaning given to it in paragraph 8.7.1 of Part B of Appendix I to this document
Restricted Jurisdiction	United States, Japan, South Africa or Australia or any other jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Freshwater Shareholders in that jurisdiction
Restricted Overseas Person	either a person (including an individual, partnership, unincorporated syndicate, unincorporated organisation, trust, trustee, custodian, executor, administrator or other legal representative) in, or resident in, a Restricted Jurisdiction, or a US Person
Share Alternative or Unlisted Share Alternative	1 Raglan Share for every 1 Share held pursuant to the terms of the Offer
Share Options	options to subscribe for Freshwater Shares granted or awarded pursuant to the Share Option Schemes
Share Option Schemes	Enterprise Management Incentive approved schemes pursuant to which options are granted over Freshwater Shares by way of Enterprise Management Incentive option agreements
Special Dividend	A special dividend of 2 pence per Freshwater Share payable to Shareholders on the register as at 18 December 2018 subject to the Offer becoming, or being declared, unconditional.
Subscription Agreement	the agreement dated 18 December 2018 between Raglan and the Management Team as described in paragraph 7.1 of Appendix V
subsidiary, subsidiary undertaking and undertaking	shall be construed in accordance with the Companies Act
TFE instruction	a Transfer from Escrow instruction given by a holder of uncertificated Freshwater Shares through CREST (as described in the CREST Manual)
TTE instruction	a Transfer to Escrow instruction given by a holder of uncertificated Freshwater Shares through CREST (as described in the CREST Manual)

Third Party	any central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, administrative, fiscal, or investigative body, authority (including any national anti-trust or merger control authority), court, trade agency, association, institution or professional or environmental body, employee representative body or other person or body whatsoever in any relevant jurisdiction
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
US or United States	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
US Person	a US Person as defined in Regulation S under the US Securities Act
US Securities Act	the US Securities Act of 1933, as amended, and the rules and regulations promulgated under it

Certain other capitalised terms not defined above are defined and used elsewhere in this document.

In this document, “**this document**” means and includes the letter from the Chairman of Freshwater, the letter from EGR, the letter from Raglan, the Appendices thereto and the accompanying Form of Acceptance.

All references to legislation in this document are to English legislation unless the contrary is indicated.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

All references to times in this document are to London times.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

Terms defined in the CREST Manual shall, unless the context otherwise requires, bear the same meanings where used in this document.

NOTICE OF GENERAL MEETING

FRESHWATER UK PLC

(Registered in England and Wales with No. 04059741)

Notice is hereby given that a General Meeting of Freshwater UK PLC (“**Company**”) will be held at Raglan House, Malthouse Avenue, Cardiff Gate Business Park, Cardiff, South Glamorgan, CF23 8BA on 11 January 2019 at 10.00 am for the purpose of considering and, if thought fit, passing the following ordinary resolution.

ORDINARY RESOLUTION

THAT the Management Arrangements (as defined in the Offer Document referred to below) the principal terms of which are described in the Offer Document addressed to the shareholders of the Company and others, which contains the offer for shares in the Company by Raglan House Holdings Limited (a copy of which is produced to the meeting and for the purposes of the identification has been signed by the Chairman of the meeting) (“**Offer Document**”), are hereby approved in the context of the offer, notwithstanding that such arrangements are not extended to all shareholders of the Company.

Registered Office:

Raglan House
Malthouse Avenue
Cardiff Gate Business Park
Pontprennau,
Cardiff
CF23 8BA

By Order of the Board

Kenneth James Tilley
Company Secretary

20 December 2018

Notes:

Entitlement to attend and vote

- 1 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 9 January 2019; or, if this Meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Appointment of proxies

- 2 Any member entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company but must attend the meeting in person) of his own choice to attend and to vote in his/her place. To appoint more than one proxy you may photocopy this proxy form. 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 must be signed and should be returned together in the same envelope. If a member wishes to appoint a proxy other than the Chairman, delete the words “the Chairman of the Meeting,” initial the alteration and insert the name of the person you wish to appoint as your proxy. All members are entitled to attend and vote at the meeting, whether or not they have returned a form of proxy.
- 3 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

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

Appointment of proxies through CREST

- 5 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“EUI”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer’s agent (7RA11) by 10.00 am on 9 January 2019. 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

Appointment of proxy by joint members

- 6 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

- 7 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 and would like to change the instructions, please contact Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD.

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

- 8 In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Neville Registrars Limited no later than 10.00 am on 9 January 2019. 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.

Issued shares and total voting rights

- 9 As at the date of this Notice the Company’s share capital comprised 20,308,493 ordinary shares of 10 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this Notice is 20,308,493.

Documents on display

- 10 Copies of the service contracts and letters of appointment of the directors of the Company will be available for at least 15 minutes prior to the Meeting and during the Meeting.