

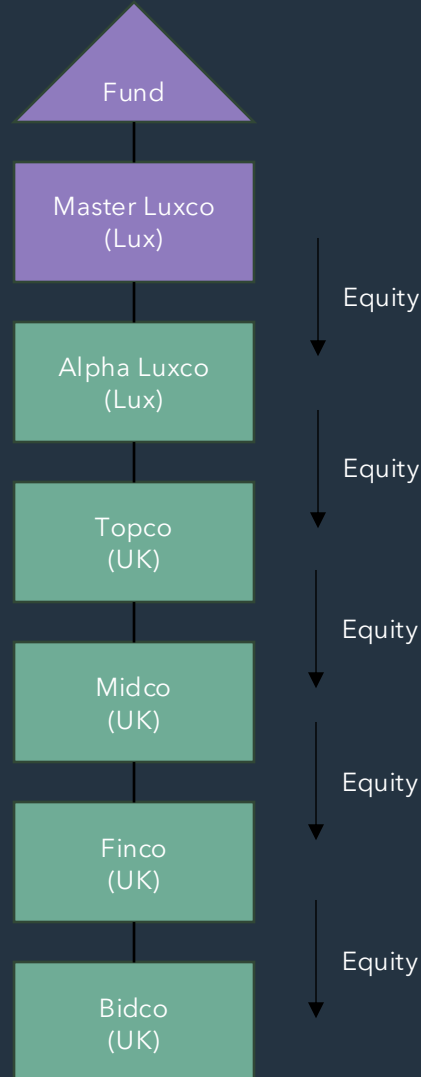


Project Alpha

The public-to-private acquisition of a
UK Target Group

Structure | Pre-Closing steps

Formation of the proposed acquisition structure



Overview

- The proposed acquisition structure consists of one Luxembourg incorporated and tax resident company, Alpha Luxco and four UK incorporated and tax resident companies Alpha Topco Limited ("Topco"), Alpha Midco Limited ("Midco"), Alpha Finco Limited ("Finco"), and Alpha Bidco Limited ("Bidco"). This is consistent with the Target Group's operations being UK headquartered and the fact that you hold your investments underneath a Luxembourg master holding company ("Master Luxco").

Steps

1. Master Luxco has established a new Luxembourg incorporated and Luxembourg tax resident entity under the legal form of a S.à r.l., Alpha Luxco, with a minimum share capital of EUR 12,000.
2. Alpha Luxco establishes Topco with minimal equity.
3. Topco establishes Midco with minimal equity.
4. Midco establishes Finco with minimal equity.
5. Finco establishes Bidco with minimal equity.

Notes

- We understand that all of these steps will take place prior to the formal announcement of your intention to make an offer to acquire shares in the Target Group (the "2.7 Announcement").

Structure | Pre-Closing steps

Formation of the proposed acquisition structure

General (continued)

- Alpha Luxco is included as a wholly-owned special purpose vehicle, to avoid Master Luxco being required to sign up to shareholders' agreements or exit documentation with other parties directly in due course.
- Topco will pool the investment of the Fund (investing through Alpha Luxco) and any other investors (potentially including investment from Management post-Closing).
- Midco is included to provide flexibility to provide the potential future drawdown of junior third party debt (though we understand this is not necessarily anticipated at this stage).
- Finco is included as a clean pledge company to pledge its shares in Bidco as part of the third-party debt security package.
- Bidco will draw down the third-party debt, acquire the Target and pay transaction costs.

UK tax

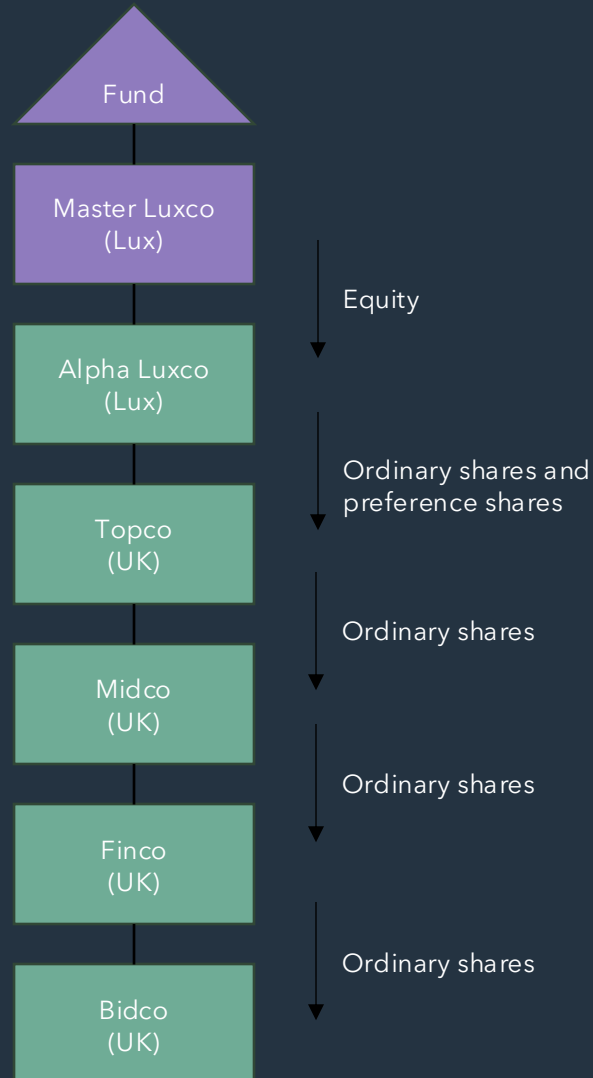
- Topco, Midco, Finco and Bidco should be centrally managed and controlled in the UK only such that they are treated as solely tax resident in the UK.
- No stamp duty is payable on the incorporation of a UK company.
- Topco, Midco, Finco and Bidco should register for corporation tax with HMRC within three months of coming in the charge to corporation tax.

Luxembourg tax

- The incorporation of Alpha Luxco should trigger registration duty of EUR 75.
- Alpha Luxco should be centrally managed and controlled in Luxembourg only such that it is treated as solely tax resident in Luxembourg. As a Luxembourg incorporated company, Alpha Luxco should be considered as a Luxembourg tax resident company for Corporate Income Tax, Municipal Business Tax and Net Wealth Tax purposes to the extent its statutory seat and/or central administration is in Luxembourg.

Structure | Pre-Closing steps

Funding of Bidco



Steps

6. The Fund funds Master Luxco.
7. Master Luxco uses the funds received to capitalize Alpha Luxco with additional equity.
8. Alpha Luxco uses the funds received to subscribe for ordinary shares and preference shares in Topco.
9. Topco uses the funds received to subscribe for additional ordinary shares in Midco.
10. Midco uses the funds received to subscribe for additional ordinary shares in Finco.
11. Finco uses the funds received to subscribe for additional ordinary shares in Bidco.

Notes

General

- We have assumed that the Transaction will be funded through a mixture of ordinary shares and preference shares subscribed for by Master Luxco.

UK tax

- No stamp duty is payable on the issuance of new shares by a UK company.

Luxembourg tax

- The funding of Alpha Luxco via an equity contribution should not trigger material adverse Luxembourg tax consequences.

Structure | Pre-Closing steps

Funding of Bidco

Luxembourg tax (continued)

- The funding of Alpha Luxco via an equity contribution should not trigger material adverse Luxembourg tax consequences.
- A portion of the equity could be allocated to share premium in line with a 10:90 ratio (i.e. minimum 10% allocated to share capital and maximum 90% allocated to share premium).
- Provided that the Luxco equity characteristics (e.g. no pre-determined maturity, stapling, right to the annual profits and/or liquidation proceeds, etc.), the preference shares subscribed for by Alpha Luxco should be considered as equity instruments for Luxembourg tax purposes.
- The terms and conditions of the preference shares should be reviewed from a Luxembourg tax perspective before execution to confirm their equity classification.
- A Luxembourg company should be adequately funded with respect to its shareholding activities. At this stage, we understand that the financing of the shareholding activity undertaken by Alpha Luxco is to be fully financed by means of equity. As a result, Alpha Luxco should be considered as adequately capitalised.
- Note that if Alpha Luxco were instead to be financed with a mixture of equity and intra-group debt at arm's length, a debt capacity analysis should be performed to support the quantum of shareholding-related debt borrowed.