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THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised financial adviser. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should in particular carefully consider the section entitled “Risk Factors” set out in Part 2 of this document.

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares on or before the Record Date, please send this document and accompanying Form of Proxy and Application Form as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom you have sold or transferred your shares for delivery to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares on or before the Record Date, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

The maximum amount to be raised under the Open Offer shall be less than €8 million (or an equivalent amount in pounds sterling). Neither the Placing nor the Open Offer constitutes an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules made by the Financial Conduct Authority of the United Kingdom (“FCA”) pursuant to sections 73A(1) and (4) of FSMA and has not been approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body nor has it been approved for the purposes of section 21 of FSMA. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange (“Admission”). The New Ordinary Shares will not be admitted to trading on any other investment exchange. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM on 16 July 2019. The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares.

AIM is a market designed for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration, and if appropriate, consultation with a financial adviser.

STAFFLINE GROUP PLC

(incorporated and registered in England and Wales with registered number 05268636)

Placing of 34,000,000 New Ordinary Shares at 100 pence per Ordinary Share

Open Offer of up to 6,986,097 New Ordinary Shares at 100 pence per Ordinary Share

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn, in particular, to the letter from the Chairman of Staffline Group plc set out on in Part 1 of this document which provides details of the Transaction and recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below and to the Risk Factors in Part 2 of this document which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company.

Notice of a General Meeting of Staffline Group plc, to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL on 15 July 2019 at 9.00 a.m., is set out at the end of this document. A Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out therein as soon as possible but in any event so as to reach the Company’s registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, by not later than 9.00 a.m. on 11 July 2019. Completion of a Form of Proxy will not prevent a Shareholder from attending the meeting and voting in person. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed to any other person or published in whole or in part for any purpose.

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a bona fide market claim arising out of the sale or transfer of Ordinary Shares prior to the date on which the relevant Ordinary Shares are marked “ex” the entitlement by the London Stock Exchange. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer. The latest time for application and payment in full under the Open Offer is 11.00 a.m. on 12 July 2019 and the procedure for application and payment is set out in Part 4 of this document.

Liberum Capital Limited (“Liberum”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as nominated adviser, sole bookrunner and broker and no-one else in connection with the Transaction. Liberum will

not regard any other person (whether or not a recipient of this document) as a client in relation to the Transaction and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Transaction or any other matter referred to herein. Liberum has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Liberum nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this document or for the omission of any information. Liberum expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Neither the content of any website referred to in this document nor any hyperlinks on such website is incorporated in, or forms part of, this document.

Notice to overseas persons

The distribution of this document, the Form of Proxy and/or the Application Form in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document is for information purposes only. The Existing Ordinary Shares and the New Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “**US Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and the New Ordinary Shares may not be offered or sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States unless registered under the US Securities Act or offered in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any New Ordinary Shares to any person with a registered address, or who is resident or located in, the United States, and there will be no public offer of New Ordinary Shares in the United States. Neither the Existing Ordinary Shares nor the New Ordinary Shares have been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The Placing Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Placing Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Placing Shares may not be offered, sold, taken up, delivered or transferred in, into or from Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “**Placing Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of a Placing Restricted Jurisdiction.

The Open Offer Shares will not qualify for distribution in any jurisdiction other than the United Kingdom. Accordingly, the Open Offer Shares may not be offered, sold, taken up, delivered or transferred in, into or from any jurisdiction other than the UK (each an “**Open Offer Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of an Open Offer Restricted Jurisdiction.

This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Placing Restricted Jurisdiction or Open Offer Jurisdiction (as applicable) and this document is not for distribution in, into or from a Placing Restricted Jurisdiction.

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KEY STATISTICS

Number of Existing Ordinary Shares in issue at the date of this document	27,944,389
Issue Price for each New Ordinary Share	100 pence

PLACING STATISTICS

Number of Placing Shares	34,000,000
Placing Shares as a percentage of Existing Ordinary Shares	121.7%
Number of Ordinary Shares in issue following Admission ¹	61,944,389
Placing Shares as a percentage of Enlarged Share Capital ¹	49.3%
Estimated proceeds of the Placing to be received by the Company net of expenses relating to the Placing	£32,000,000

OPEN OFFER STATISTICS

Maximum number of Open Offer Shares to be offered pursuant to the Open Offer ²	6,986,097
Open Offer Shares as a percentage of Existing Ordinary Shares ²	25.0%
Open Offer Shares as a percentage of Enlarged Share Capital ²	10.1%

OVERALL TRANSACTION STATISTICS

Enlarged Share Capital immediately following completion of the Transaction ²	68,930,486
New Ordinary Shares as a percentage of the Enlarged Share Capital ²	59.5%
Estimated gross proceeds of the Transaction ²	£40,986,097
Market capitalisation at Issue Price immediately following completion of the Transaction ²	£68,930,486
ISIN – Ordinary Shares	GB00B040L800
ISIN – Open Offer Basic Entitlements	GB00BJ5FPJ65
ISIN – Open Offer Excess Entitlements	GB00BJ5FP413

(1) Assuming no further issue of Ordinary Shares prior to the issue of the New Ordinary Shares and excluding the impact from any issue of Open Offer Shares.

(2) Assuming no further issue of Ordinary Shares prior to the issue of the New Ordinary Shares and full take up of the Open Offer.

EXPECTED TIMETABLE OF KEY EVENTS

Record Date for entitlements under the Open Offer	Close of business on 26 June 2019
Announcement of the proposed Placing and Open Offer	7.00 a.m. on 27 June 2019
Ex-entitlement Date of the Open Offer	7.00 a.m. on 27 June 2019
Announcement of the result of the Placing	27 June 2019
Publication of this document, the Application Form and Form of Proxy	28 June 2019
Open Offer Entitlements and Excess Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	as soon as possible after 8.00 a.m. on 28 June 2019
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess Entitlements from CREST	4.30 p.m. on 8 July 2019
Latest time and date for depositing Open Offer Entitlements and Excess Entitlements into CREST	3.00 p.m. on 9 July 2019
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 10 July 2019
Latest time and date for receipt of Forms of Proxy	9.00 a.m. on 11 July 2019
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 12 July 2019
Announcement of result of Open Offer	15 July 2019
Time and date of General Meeting	9.00 a.m. on 15 July 2019
Announcement of the results of the General Meeting	15 July 2019
Admission and commencement of dealings in Placing Shares and Open Offer Shares	8.00 a.m. on 16 July 2019
Despatch of definitive share certificates for the New Ordinary Shares in certificated form	Within 10 Business Days of Admission

- (1) Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service.
- (2) All of the above times, and other time references in this document, refer to UK time.

In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part 4 of this document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Computershare on 0370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314, where relevant, quoting the shareholder reference number (SRN) on their Application Form.

If you have questions on how to complete the Form of Proxy, please contact Computershare on 0370 7071314 or, if calling from outside the United Kingdom, +44 (0) 370 7071314. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays).

Calls to the Computershare telephone number from outside the UK are charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Computershare cannot provide advice on the merits of the Transaction and cannot give any financial, legal or tax advice.

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“Admission”	in respect of the Placing Shares means admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules, and in respect of the Open Offer Shares means admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, as published by the London Stock Exchange from time to time
“Applicant”	a Qualifying Shareholder or a person by virtue of a bona fide market claim who lodges an Application Form or relevant CREST instruction under the Open Offer
“Application Form”	the application form relating to the Open Offer and enclosed with this document for use by Qualifying non-CREST Shareholders
“Basic Entitlement(s)”	the <i>pro rata</i> entitlement for Qualifying Shareholders to subscribe for Open Offer Shares, pursuant to the Open Offer as described in Part 4 of this document
“Board” or “Directors”	the board of directors of the Company, whose names are set out at page 10 of this document
“Business Day”	a day (other than a Saturday, Sunday or public holiday) when banks are usually open for business in London
“CCSS”	the CREST Courier and Sorting Service, established by Euroclear to facilitate, inter alia, the deposit and withdrawal of certificated securities
“certificated or in certificated form”	in relation to a share or other security, a share or other security that is not in uncertificated form, that is not in CREST
“Company” or “Staffline”	Staffline Group plc, a company incorporated in England and Wales with registered number 05268636
“Computershare”	Computershare Investor Services PLC
“Credit Facility”	the senior multicurrency facility agreement originally dated 4 July 2018 as amended on 31 May 2019 made between, amongst others, the Company (as Parent), the Original Obligors (defined therein) and the Original Lenders (defined therein) (as amended, restated, supplemented or varied from time to time) pursuant to which the Original Lenders agreed to make available a multicurrency revolving credit facility of up to £120,000,000 to the Borrowers (defined therein) as amended and restated on 26 June 2019
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the Regulations)

“CREST Manual”	the rules governing the operation of CREST, as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001-No. 3775), 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 (which includes all CREST Personal Members)
“Enlarged Share Capital”	the issued share capital of the Company following Admission, as enlarged by the New Ordinary Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of the Basic Entitlement in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to the Basic Entitlement credited to the Qualifying CREST Shareholder’s account in CREST, pursuant to the Excess Application Facility, which is conditional on the Qualifying CREST Shareholder taking up his Basic Entitlement in full and which may be subject to scaleback in accordance with the provisions of this document
“Excess Entitlement(s)”	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part 4 of this document
“Excess Shares”	the Open Offer Shares for which Qualifying Shareholders may apply under the Excess Application Facility in addition to their Basic Entitlement
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked ‘ex’ for entitlement under the Open Offer being 27 June 2019
“Existing Ordinary Shares”	the 27,944,389 Ordinary Shares in issue at the date of this document
“FCA”	the Financial Conduct Authority
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting, which is enclosed with this document
“FSMA”	Financial Services and Markets Act 2000 (as amended)

“General Meeting”	the general meeting of the Company convened for 9.00 a.m. on 15 July 2019 at which the Resolutions will be proposed, notice of which is set out at the end of this document
“Group”	the Company and its Subsidiaries
“ISIN”	International Securities Identification Number
“Issue Price”	100 pence per New Ordinary Share
“Liberum” or “Broker and Nominated Advisor”	Liberum Capital Limited, the Company’s Sole Bookrunner, Financial Adviser and Nominated Adviser
“London Stock Exchange”	London Stock Exchange plc
“Member account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
“New Ordinary Shares”	up to 41,000,000 new Ordinary Shares to be issued pursuant to the Transaction (being the Placing Shares and the Open Offer Shares)
“Notice of General Meeting”	the notice of General Meeting set out at the end of this document
“Open Offer”	the conditional invitation to Qualifying Shareholders to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in this document and, where relevant, in the Application Form
“Open Offer Entitlements”	entitlements for Qualifying Shareholders to subscribe for Open Offer Shares pursuant to the Basic Entitlement and the Excess Entitlement
“Open Offer Restricted Jurisdiction”	any jurisdiction other than the United Kingdom
“Open Offer Shares”	up to 7,000,000 New Ordinary Shares to be issued pursuant to the Open Offer
“Ordinary Shares”	the ordinary shares of 10 pence each in the share capital of the Company
“Overseas Shareholders”	Shareholders with registered addresses, or who are citizens or residents of, or incorporated in Restricted Jurisdictions
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placees”	any person who has agreed to subscribe for Placing Shares
“Placing”	the proposed placing by the Company of the Placing Shares at the Issue Price
“Placing and Open Offer Agreement”	the conditional agreement dated 27 June 2019 between the Company and Liberum in connection with the Transaction, further details of which are set out in this document
“Placing Restricted Jurisdiction”	the United States, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and any other jurisdiction where the extension or availability of the Placing would breach any applicable law

“Placing Shares”	up to 34,000,000 New Ordinary Shares to be conditionally subscribed for in accordance with the terms of the Placing and Open Offer Agreement
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive (2003/71/EC) in relation to offers of securities to the public and admission of securities to trading on a regulated market
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in uncertificated form in CREST
“Qualifying non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares other than Shareholders with registered addresses, or who are citizens or residents of, or incorporated in an Open Offer Restricted Jurisdiction, whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this document
“Receiving Agent”	Computershare Investor Services PLC
“Record Date”	26 June 2019
“Registrar”	Computershare Investor Services PLC
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“Resolutions”	the resolutions to be proposed at the General Meeting and set out in the Notice of General Meeting
“Restricted Jurisdictions”	Open Offer Restricted Jurisdictions and Placing Restricted Jurisdictions
“Securities Act”	the United States Securities Act of 1933
“Shareholder”	a holder of Ordinary Shares
“Subsidiary”	has the meaning given to it in section 1159 of the Act
“Transaction”	together, the Placing and Open Offer
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated or in uncertificated form”	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US or United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“USE”	unmatched stock event

DIRECTORS, SECRETARY AND ADVISERS

Directors	John Crabtree OBE (<i>Non-Executive Chairman</i>) Chris Pullen (<i>Group Chief Executive Officer</i>) Mike Watts (<i>Group Chief Financial Officer</i>) Edward Barker (<i>Non-Executive Director</i>) Tracy Lewis (<i>Non-Executive Director</i>) Dawn Ward CBE (<i>Non-Executive Director</i>)
Company Secretary	Paul Collins
Head office and registered office	19-20 The Triangle NG2 Business Park Nottingham, NG2 1AE
Broker and Nominated Adviser	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY
Legal advisers to the Broker and Nominated Adviser	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Legal advisers to the Company	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Registrars and Receiving Agent	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

PART 1

LETTER FROM THE CHAIRMAN

STAFFLINE GROUP PLC

(incorporated in England and Wales with registered number 05268636)

Directors:

John Crabtree OBE (*Non-Executive Chairman*)
Chris Pullen (*Group Chief Executive Officer*)
Mike Watts (*Group Chief Financial Officer*)
Edward Barker (*Non-Executive Director*)
Tracy Lewis (*Non-Executive Director*)
Dawn Ward CBE (*Non-Executive Director*)

Registered Office:

19-20 The Triangle
NG2 Business Park
Nottingham, NG2 1AE

27 June 2019

Dear Shareholder

**Placing of 34,000,000 New Ordinary Shares at 100 pence per Ordinary Share
Open Offer of up to 6,986,097 New Ordinary Shares at 100 pence per Ordinary Share
and
Notice of General Meeting**

1. Introduction

On 27 June 2019, the Board announced a conditional Placing of 34,000,000 Placing Shares at 100 pence each to raise £34 million before expenses.

In addition, in order to provide Shareholders who have not taken part in the Placing with an opportunity to participate in the proposed issue of New Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 6,986,097 Open Offer Shares, to raise up to £6,986,097 (before expenses), on the basis of 1 Open Offer Share for every 4 Existing Ordinary Shares held on the Record Date, at 100 pence per share. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility.

Liberum has conditionally agreed, pursuant to the terms of the Placing and Open Offer Agreement, to use its reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price. The Placing comprises 34,000,000 Placing Shares. The Placing Shares are not subject to clawback and are not part of the Open Offer.

The Placing and Open Offer are conditional, *inter alia*, on the passing of the Resolutions by Shareholders at the General Meeting, which is being convened for 9.00 a.m. on 15 July 2019. Application will be made to the London Stock Exchange for Admission of the New Ordinary Shares. It is expected that Admission of the New Ordinary Shares will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 16 July 2019 (being the business day following the General Meeting).

If the conditions relating to the issue of the Placing Shares are not satisfied, or the Placing and Open Offer Agreement is terminated in accordance with its terms, the Placing Shares will not be issued and the Company will not receive the related placing monies. In this scenario, the Open Offer will similarly not proceed.

The purpose of this document is to provide Shareholders with information regarding the Transaction, and to convene a General Meeting at which the Resolutions seeking Shareholder authority for the issue of the New Ordinary Shares will be put to the Shareholders. If the Resolutions are not passed, the Company will be unable to issue the New Ordinary Shares.

Further information about the Transaction and the Company's current trading and prospects is set out below.

You will find set out at the end of this document the Notice of General Meeting, to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 9.00 a.m. on 15 July 2019, at which the Resolutions will be proposed in the case of Resolution 1 as an ordinary resolution and in the case of Resolution 2 as a special resolution.

The Company has also announced its results for the financial year ended 31 December 2018 today. The Company's Annual Report is enclosed with this document and is available on the Company's website at <https://www.stafflinegroupplc.co.uk/investor-relations/>. The Company's notice of annual general meeting is expected to be posted during July 2019.

2. Background to and reasons for the Transaction

Summary

Staffline is a leading workforce recruitment and training organisation.

On 30 January 2019, the Company announced that concerns were brought to the attention of the Board relating to invoicing and payroll practices within the Recruitment division which would be fully investigated.

On 17 May 2019, the Company issued a trading update referencing headwinds faced in the Group's training and recruitment divisions.

On 17 June 2019, the Company announced that as a consequence, the Board expected the Group to require a waiver of possible future breaches to the leverage covenant in its lending agreements. The Company confirmed that it was in constructive discussions with its lenders and, in conjunction, was in discussions with Shareholders with regard to a placing of new ordinary shares to raise approximately £30 million with the target of reducing expected 2019 year-end leverage to 2x net debt/EBITDA. The Company also announced that in the event that it does pursue the placing the Board anticipated also launching an open offer for an additional £7 million to enable wider Shareholder participation.

Following these discussions with both the Group's lenders and Shareholders, the Board believes that reducing the indebtedness of the Group by way of the Placing and Open Offer is in the best interests of the Company. Furthermore, the Company's lenders have agreed to waive covenant obligations in respect of the Company's indebtedness at 30 June 2019, and subject to the Company raising equity, agreed to relax the Company's covenant obligations at the next two quarterly test dates.

Further background to investigations into invoicing and payroll practices

On the evening of 29 January 2019, the Group auditors received an anonymous email which made various allegations including in relation to payroll and invoicing practices. The same email was also purportedly sent to various regulatory authorities. A sub-committee of the Board – the Investigation Committee – consisting of the Chairman and three Non-Executive Directors, was immediately established in order to consider the allegations and oversee the Group's response. In light of the anonymous email and the preliminary findings from extended audit procedures, the Investigation Committee recommended that an independent legal investigation be conducted, and separate independent expert advice obtained on the Group's obligations with regard to compliance with National Minimum Wage ("NMW") regulations. The independent legal investigation was conducted by Osborne Clarke LLP. Independent expert advice in respect of the NMW was provided by KPMG LLP.

Following the conclusion of the legal investigation there was no material adjustment required to the underlying results. The statutory result was affected by an increase in the NMW provision. The most significant and time-consuming area of the investigation related to the Group's historical compliance with NMW legislation. Liabilities in relation to this have been booked as exceptional, non-underlying charges on the basis of their nature, magnitude and the fact that they relate to a period of six years including and prior to 2018 (the years 2013 to 2018). After a detailed investigation of the Group's self-review and with the benefit of further expert legal advice and independent specialist advice, the Group further reviewed its

obligations and liabilities in respect of this matter. As a result of this further review, the Group assessed that its NMW liabilities were higher than initially estimated. In recent years, NMW compliance has emerged as a highly complex area which has affected a significant number of businesses across industry and retail, in particular. The Group's non-compliance was initially identified by a self-review process as part of HMRC's compliance review. It relates to a limited number of food production facilities and the payment for preparation time, which is generally the time spent donning workwear. In these cases, the Group was following its end customers' operational procedures for clocking in and out. These procedures have now been rectified so that all work-related time is paid in accordance with legislation. Any additional time paid is charged to the customer in the same way as all other hours supplied. However, the additional costs incurred in relation to historical non-compliance are not recoverable from customers. The nature, complexity and volume of data to be analysed as part of the additional independent specialist review, and the subsequent audit of this information, was a very significant undertaking which took several months to complete. This was a significant contributor to the delay in finalising the Company's 2018 results.

In relation to payroll practices, the legal investigation identified some non-compliance with relevant employment legislation and regulations including Working Time Regulations 1998, in respect of payments due to leavers. The Group has rectified these issues and believes there is no material liability in relation to this matter. The Group is taking all steps necessary to ensure ongoing compliance with relevant legislation and regulations.

The legal investigation considered the allegations in relation to certain invoicing practices and found that the Company was operating in compliance with relevant legislation and regulations. The legal investigation also identified that certain customer disputes and other claims had not been properly accounted for, and that certain staff had not been transparent in disclosing relevant information to our external auditors. The correction of these matters did not have a material impact on the underlying results for the current and prior financial year.

Finally, the independent review also highlighted areas for required improvement in internal controls and governance in the Group and its recruitment business. This extends to the conduct of certain individuals employed by the business. The Company will deal with this aspect of the review in the appropriate manner. The Group has taken further independent advice in relation to these areas and will implement the recommendations to a best practice standard.

The detailed and thorough nature of the investigation and the completion of the related audit procedures, albeit time consuming, reflects the Group's commitment to operating to the very highest standards of ethics and compliance. It is therefore all the more disappointing that, as a result of the independent review, the Company has identified serious issues. Where issues are raised, they will be thoroughly reviewed. Looking forwards, the Company will benefit from having comprehensively addressed these issues and will act as an exemplar to the wider industry. The Group is committed to its future leadership role within the industry, driving standards and raising ethics. There has been no material impact on the financial statements of the year ended 31 December 2017, or prior periods, and therefore no prior period adjustments are required.

3. Principal terms of the Placing

The Company has conditionally placed 34,000,000 Placing Shares through a Placing at 100 pence per Placing Share raising £34 million (before expenses). Alongside the Placing, the Company is making an Open Offer pursuant to which it may raise a further amount of up to £6,986,097 (before expenses). The proposed Issue Price of 100 pence per Open Offer Share is the same price as the price at which Placing Shares are being issued pursuant to the Placing.

Placing

Pursuant to the terms of the Placing and Open Offer Agreement, Liberum, as agent for the Company, has conditionally agreed to use reasonable endeavours to place the Placing Shares at the Issue Price.

The Placing is conditional, *inter alia*, on the following:

- i) Resolutions 1 and 2 being passed at the General Meeting;

- ii) the Placing and Open Offer Agreement not being terminated prior to Admission of the Placing Shares and becoming unconditional in all respects; and
- iii) Admission of the Placing Shares having become effective on or before 8.00 a.m. on 16 July 2019 (or such later date and/or time as the Company and Liberum may agree, being no later than 30 July 2019).

Application will be made for the Placing Shares to be admitted to trading on AIM subject to the passing of the Resolutions at the General Meeting. It is expected that Admission will become effective on 16 July 2019 and that dealings for normal settlement in the Placing Shares will commence at 8.00 a.m. on 16 July 2019.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission. The Placing Shares are not subject to clawback and are not part of the Open Offer. The Placing is not underwritten.

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares but the Placing is not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing from completing.

Directors' Participation

The Directors have participated in the Placing as follows:

<i>Director</i>	<i>Intended Participation, GBP</i>
John Crabtree, Chairman	25,000
Chris Pullen, CEO	100,000
Mike Watts, CFO	18,000
Ed Barker, Non-Executive Director	10,000
Tracey Lewis, Non-Executive Director	100,000
Total	<u>253,000</u>

Open Offer

Subject to the fulfilment of the conditions set out below, Qualifying Shareholders may subscribe for Open Offer Shares in proportion to their holding of Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer. The Open Offer is not underwritten.

The Open Offer is conditional, *inter alia*, on the following:

- i) Resolutions 1 and 2 being passed at the General Meeting;
- ii) the Placing and Open Offer Agreement not being terminated prior to Admission of the Placing Shares and having become unconditional in all respects; and
- iii) Admission of the Open Offer Shares becoming effective on or before 8.00 a.m. on 16 July 2019 (or such later date and/or time as the Company and Liberum may agree, being no later than 30 July 2019).

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares but the Placing is not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing from completing.

If these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.

Basic Entitlement

On, and subject to the terms and conditions of the Open Offer, the Company invites Qualifying Shareholders to apply for their Basic Entitlement of Open Offer Shares at the Issue Price. Each Qualifying Shareholder's Basic Entitlement has been calculated on the following basis:

1 Open Offer Share for every 4 Existing Ordinary Shares held at the Record Date

Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

Excess Entitlement

Qualifying Shareholders are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for an Excess Entitlement at the sole and absolute discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission of the Open Offer Shares. The Open Offer is not underwritten.

Qualifying Shareholders should note that the Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy bona fide market claims. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply for Open Offer Shares under the Open Offer.

Settlement and dealings

Application will be made to the London Stock Exchange for Admission of the Open Offer Shares. It is expected that Admission of the Open Offer Shares will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. on 16 July 2019 (being the business day following the General Meeting).

Overseas Shareholders

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Shareholders with registered addresses in, or who are resident or located in the United States or any other Open Offer Restricted Jurisdiction since to do so would require compliance with the relevant securities laws of that jurisdiction. The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents or professional advisers to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents or professional advisers believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares outside the UK, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would not be in the UK.

Notwithstanding the foregoing and any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Part 4 of this document together with the accompanying Application Form, in the case of Qualifying non-CREST Shareholders, contains the terms and conditions of the Open Offer. If a Qualifying Shareholder does not wish to apply for Open Offer Shares he or she should not complete or return the Application Form or send a USE message through CREST.

Qualifying non-CREST Shareholders

If you are a Qualifying non-CREST Shareholder you will receive an Application Form, which accompanies this document and which gives details of your Basic Entitlement (as shown by the number of the Open Offer Shares allocated to you). If you wish to apply for Open Offer Shares under the Open Offer you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 1 of Part 4 of this document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to arrive as soon as possible and in any event no later than 9.00 a.m. on 11 July 2019.

Qualifying CREST Shareholders

Application will be made for the Open Offer Entitlements of Qualifying CREST Shareholders to be credited to stock accounts in CREST. It is expected that the Open Offer Entitlements will be credited to stock accounts in CREST on 28 June 2019. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim. If you are a Qualifying CREST Shareholder, no Application Form is enclosed but you will receive credits to your appropriate stock account in CREST in respect of the Basic Entitlements to which you are entitled. You should refer to the procedure for application set out in paragraph 2 of Part 4 of this document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 12 July 2019.

4. Use of Proceeds

The Placing is expected to raise up to £34 million in gross proceeds (approximately £32 million in net proceeds). The Board currently intends to use the funds raised to reduce indebtedness of the Group. All proceeds of the Open Offer will be used to further reduce indebtedness.

5. Current Trading and Prospects

The Company announced the following trading update on 17 May 2019.

“Recruitment

The ongoing Brexit uncertainty is impacting the UK labour market and has led to a number of customers transferring a significant volume of their temporary workforce into permanent employment to mitigate the risk of that labour market tightening. Typically, this reaction to uncertainty tends to reverse over time, but the Board expects that it will continue to impact temporary worker demand throughout the current year.

A proportion of these “temp to perm” transfers have occurred in the higher margin driving sector, resulting in an overall margin dilution. In addition, the Group is seeing further challenges in the higher margin automotive sector and associated supply chain where reductions in demand have been greater than expected.

There has also been a slowdown in new contract momentum in the current financial year, which the Company largely attributes to the impact of the delay in publication of the 2018 full year results.

Notwithstanding these current headwinds, the Recruitment division is beginning to see the definitive benefits from the Company’s market-leading approach to worker engagement and digitally enabled candidate

attraction. Management expects this strategy to result in increasing differentiation and to support future growth.

PeoplePlus

In PeoplePlus, the successful transition from a Work Programme provider to the UK's leading skills and training company is almost complete. With approximately 60% of 2020 market consensus revenues already contracted, the Company maintains a positive outlook for PeoplePlus in 2020 under its new operating model. However, performance in 2019 will be affected by continued delays in apprenticeship new starts. This is partially as a result of the slow take-up of the Apprenticeship Levy scheme nationally, but also a reflection of the current economic uncertainty. Sectors such as retail, for example, are delaying apprenticeships whilst store restructure programmes are completed. Nevertheless, management remains confident that this market is attractive, notwithstanding this timing effect. However, the other elements of PeoplePlus, which are expected to contribute c.85% of PeoplePlus revenue in 2020, continue to develop well.

As a consequence of these headwinds, the Board expects the Group to deliver adjusted EBIT in the range of £23 million to £28 million for the financial year ending 31 December 2019.”

Update to 17 May 2019 announcement

Trading has continued as expected since 17 May 2019. The Board reiterates the above underlying operating profit guidance for the full year but expects a greater weighting toward the second half of the year than normal due to the transformation in PeoplePlus and the difficulties the Recruitment business has faced in the first half. The Board expects net debt, before the proceeds of the Transaction, to be in line with current market expectations.

Amendments to Credit Facility

Following discussions with the lenders (the “Lenders”) of the existing £120,000,000 revolving credit facility (the “Credit Facility”), the Company and the Lenders have agreed certain amendments to the Credit Facility.

The Lenders have agreed to a waiver of all financial covenant tests for the period ending 30 June 2019. The material amendments to the Credit Facility are:

- i) relaxation of the September and December 2019 leverage covenants followed by a gradual reduction of the leverage covenant to net debt of less than 2x EBITDA by 31 December 2020;
- ii) restrictions on new material share/business and assets acquisitions until January 2021;
- iii) prepayment and cancellation of revolving facility commitments by £10,000,000 on 15 November 2019 and 15 November 2020; and
- iv) subject to Nomad approval and compliance with the AIM Rules, the Lenders have the ability to nominate a non-executive director to the board of the Company.

In consideration of the aforementioned amendments an amendment fee is to be paid to the Lenders and certain other changes are being made to the Credit Facility (including the removal of the accordion option and the ability to request the Lenders to extend the Credit Facility for an additional 12 months beyond July 2022).

The expiry date for the Credit Facility remains in July 2022. The Company has agreed to pay the Lenders an exit fee based on a percentage of the outstanding commitments when the Credit Facility expires or, if sooner, refinanced.

6. General Meeting

The issue of the New Ordinary Shares is conditional upon, *inter alia*, the approval by the Shareholders of the Resolutions to be proposed at the General Meeting of the Company. A notice convening the General Meeting to be held at Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 9.00 a.m. on 15 July 2019 is

set out at the end of this document, at which the following Resolutions will be proposed to enable the issue of the New Ordinary Shares:

Resolution 1 – Authority to allot shares

Resolution 1 is an ordinary resolution to authorise the Directors under section 551 of the Act to issue and allot Ordinary Shares. The Act requires that the authority of Directors to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or convert any security into shares (the “relevant securities”) should be subject to the approval of Shareholders in a general meeting or to an authority set out in the Company’s articles of association. Accordingly, Resolution 1 will be proposed to authorise the Directors to allot relevant securities in respect of the issue of the New Ordinary Shares. This authority is in addition to all existing authorities under section 551 of the Act and will expire at on the conclusion of the Company’s next Annual General Meeting.

Resolution 2 – Disapplication of statutory pre-emption rights

Resolution 2 is a special resolution to disapply the statutory pre-emption rights under section 571 of the Act in respect of equity securities (as defined in section 560 of the Act). The Act requires that any equity securities issued wholly for cash must be offered to existing Shareholders in proportion to their existing shareholdings unless otherwise approved by Shareholders in a general meeting or accepted under the Company’s articles of association. A special resolution will be proposed at the General Meeting to give the Directors authority to allot equity securities for cash other than on a pro rata basis pursuant to the issue of the New Ordinary Shares. This authority is in addition to all existing authorities under section 570 of the Act and will expire on the conclusion of the Company’s next Annual General Meeting.

7. Related Party Transaction

Octopus Investments Limited (“Octopus”) is considered to be a related party to the Company by virtue of Octopus being a “substantial shareholder” as defined in the AIM Rules for Companies. As such, Octopus’ participation in the Placing is deemed to be a related party transaction as per the AIM Rules for Companies. Octopus has agreed to subscribe for 4,000,000 Placing Shares as part of the Placing.

The Directors, having consulted with the Company’s nominated adviser, Liberum, consider that the terms of the participation of Octopus in the Placing is fair and reasonable insofar as the Company is concerned.

8. Importance of your vote

The Resolutions must be passed by Shareholders at the General Meeting in order for the Transaction to proceed.

If Shareholders do not approve the Resolutions:

- i) the Placing and the Open Offer cannot be implemented; and**
- ii) under the terms of the Credit Facility, the Group’s lenders could (following a short negotiation period) demand repayment of all borrowings, which the Group cannot afford.**

In such circumstances, the Board believes that the only realistic option for the Company would be to seek to further renegotiate or refinance the Credit Facility, and there can be no certainty that the Group would be able to do so on commercially acceptable terms or at all. In the event that the Group is unable to renegotiate or refinance the Credit Facility and the Group’s lenders were to demand repayment of all borrowings, a working capital shortfall of the amounts owed (less any surplus working capital held immediately before the demand for repayment) would arise, which would have a material adverse effect on the Group’s financial condition and prospects. Without the support of the Group’s lenders, the Company would be unable to meet its liabilities as they fall due, which would likely result in the Company becoming immediately insolvent and having to cease trading.

Accordingly, it is very important that Shareholders vote in favour of the Resolutions so that the Placing and Open Offer can proceed (assuming that all other conditions are satisfied).

9. Action to be taken

In respect of the General Meeting

Shareholders will find a Form of Proxy enclosed with this document for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Computershare, Corporate Actions Projects, Bristol BS99 6AH, by not later than 9.00 a.m. on 11 July 2019. Completion of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

In respect of the Open Offer

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 1 of Part 4 of this document and on the accompanying Application Form and return it with the appropriate payment by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to arrive no later than 11.00 a.m. on 12 July 2019.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 2 of Part 4 of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 2 of Part 4 of this document by no later than 11.00 a.m. on 12 July 2019.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

10. Recommendation

The Board considers the Transaction to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, as those Directors who hold Ordinary Shares intend to do in respect of their own beneficial holdings amounting, in aggregate, to 47,068 Ordinary Shares and representing approximately 0.17 per cent. of the Existing Ordinary Shares. If the Resolutions are not passed then the Company will be unable to issue the New Ordinary Shares.

Yours faithfully,

John Crabtree OBE

Non-Executive Chairman

PART 2

RISK FACTORS

Shareholders should be aware that an investment in the Company is highly speculative and involves a high degree of risk. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below, which are not presented in any order of priority and may not be exhaustive.

The following risk factors are all those known by the Directors which are considered to be material in their opinion. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business, financial condition and results of operations.

An investment in the Company may not be suitable for all recipients of this document. Qualifying Shareholders are advised to consult an independent financial adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

It should be noted that the Company is relying on an exemption from issuing a prospectus in section 86 and paragraph 9 of Schedule 11A of the FSMA (as amended) resulting in this document not being considered to be a prospectus. Consequently, this document does not include all information that an investor would receive if it were a prospectus.

References to the Company are also deemed to include, where appropriate, each member of the Group.

General Risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

1. Risks relating to the Group's business

National Minimum Wage compliance

The payment of the National Minimum Wage ("NMW") is a legal requirement which must cover all working time including preparation time, security checks and the provision of personal protective equipment. The payment of the NMW is regulated by HMRC who are tasked with enforcing compliance with the regulations. This can include site audits to check compliance.

During the Company's previous financial year, HMRC commenced a market wide review into compliance with National Minimum Wage Regulations. The Company has been included within this review and breaches have been identified relating to prior years, based on end-user custom and practice. The timing of any financial penalty has yet to be finalised but a provision of £15.1m has been made in the 2018 financial

results to account for the penalty and associated remedial costs. Whilst the Group is confident that, following the steps it has put in place, the business is fully compliant and has robust controls to ensure no further non-compliance, there can be no guarantee that the Group will be fully compliant with the National Minimum Wage Regulations or employment or tax laws in the future.

Shortage of staffing resource in the Recruitment division

Candidate attraction remains challenging. With UK unemployment rates remaining at around 4% (the lowest levels since 1975), record employment rates and continued uncertainties around Brexit and foreign labour leading to a reduction in net migration, there is a risk that the Group's Recruitment division will not be able to obtain sufficient resource to fulfil its contractual obligations which could result in counterparties terminating contracts with the Group and having a material adverse effect on the Group.

Business Interruption – information security breach or cyber-attack

There are two issues the Group focuses on with regard to this risk: (i) major IT failure – as with all large scale businesses, including those in the market sectors in which the Company operates, the Group is reliant on IT systems to support and operate its business and (ii) business interruption – breach of security – the Group holds sensitive personal information in respect of temporary workers, participants of the various PeoplePlus contracts, and the Group's own staff. There is increased evidence of cyber-crime and there can be no assurance that the Group's systems will be effective in preventing cyber security related incidents. Breaches or attacks could lead to interruption in the Group's business and potential reputational damage with a potential resultant loss of revenue, financial penalties for the Group and diversion of management time. The new General Data Protection Regulation ("GDPR") has further focussed the Group's attention on this risk.

PeoplePlus business development strategy

During 2018 the PeoplePlus division has undergone a fundamental transformation, from being Work Programme ("WP") centric to being the UK's leading skills and training provider. With the reliance on a long-term contract gone, and a change in strategic direction, new contracts are required to support this change and replace the Work Programme revenues and profits, although there is no guarantee that this will be achieved.

PeoplePlus – Ofsted Grade 2 rating not maintained

PeoplePlus is regulated by Ofsted for the quality of provision of teaching across a number of contracts, including the Apprenticeship Levy. Ofsted grades the quality of the teaching from 1 (Outstanding) to 4 (Inadequate). A rating of 4 can result in a loss of government funding and removal from the register of apprenticeship training providers ("RoATP"). PeoplePlus achieved an Ofsted rating of 2 ("Good") for the apprenticeship and adult education business in England in July 2017. Whilst in February 2019, Ofsted undertook a further short monitoring inspection which concluded that PeoplePlus had continued to make further reasonable progress in the delivery of its apprenticeship and adult education delivery from this Grade 2, there can no guarantee that this rating will not be downgraded in the future.

Brexit

Following the outcome of the UK referendum to leave the EU, there are a number of related uncertainties. These uncertainties are dependent upon the nature of the finalised withdrawal agreement, the associated transition period, and future immigration policy. None of these aspects are finalised. As a result, it is not possible to make a clear assessment as to any potential impacts of Brexit.

The uncertainty over the final Brexit outcome has led to a reduction in the number of EU citizens coming to the UK for employment. This trend is likely to continue unless the final Brexit outcome includes membership of the customs union – which would necessitate continued free movement. A further tightening of the labour market would reduce the overall pool of blue collar workers available, but the impact would be greater on the Company's competitors that have less well engaged workforces.

The Brexit process has created economic uncertainty. This cannot be readily quantified, particularly whilst the Brexit outcome is yet to be finalised. Political uncertainty hinders legislation and policy creation (for example National Minimum Wage changes); economic uncertainty leads to unreliable and/or volatile future growth rates and a reduction in business confidence which may delay key strategic or operational decisions; and a lack of consumer confidence reduces consumer spend, creating volatile demand which may have a knock-on impact on the demand for the Company's services. With a relative concentration in food production and distribution, the Directors regard the Company as relatively defensive.

It is also possible that Brexit will impact on other key pre-existing risks, potentially increasing their likelihood and/or impact although the Directors do not expect Brexit to lead to unforeseen adjustments to the Group's business model.

Loss of Gangmasters Labour Abuse Authority ("GLAA") licence

The Group is licensed with the GLAA and works closely with the Authority to maintain high standards of compliance controls. Regulation within the Recruitment sector has increased year-on-year and the powers and resources at the GLAA and other regulatory bodies have increased. The Group faces the risk that one of its members of staff may deliberately by-pass the procedures set up which ensure the Group fully complies with its industry legislative requirements and related best practice standards.

Economic and market conditions

The Group derives most of its revenues from the United Kingdom and is therefore sensitive to fluctuations in the UK economy. The Group's performance depends to a certain extent on a number of factors outside of the control of the Group including political and economic conditions. Changes in economic conditions in the United Kingdom and elsewhere, including, for example, levels of employment, lower economic growth, industry conditions, political and diplomatic events and trends, employment and tax laws, and other factors could have an adverse effect on the financial performance and prospects of the Group, in particular, the Group's Recruitment business.

Debt facilities

A material deterioration in the Group's operating results may lead to violations of the Group's debt facility agreements. In such circumstances, there can be no certainty that the Group would be able to obtain waivers and/or refinance the Credit Facility on commercially acceptable terms or at all. In the event that the Group is unable to renegotiate or refinance the Credit Facility and the Group's lenders were to demand repayment of all borrowings, a working capital shortfall of the amounts owed (less any surplus working capital held immediately before the demand for repayment) would arise, which would have a material adverse effect on the Group's financial condition and prospects. Without the support of the Group's lenders, the Company would be unable to meet its liabilities as they fall due, which would likely result in the Company becoming immediately insolvent and having to cease trading.

Competition

The UK recruitment market is generally highly competitive with low barriers to entry. There is no guarantee that the Group may not face increased significant competition, including from competitors who have much greater capital resources and who create or further develop rival business models. Increasing competition is likely to increase the pressure on the Group's margins which could have an adverse effect on the Group and the Group may be forced to change the nature of its business as a result of competitive factors.

Regulation and legislation

The Group's business is governed by the increasingly complex area of employment law. Legislation and its interpretation by the courts has been focussed on giving employment rights to temporary and part-time workers. Compliance with such laws, future court rulings and any amendments to such laws may increase costs and impact margins that the Group is able to achieve.

Recruitment and retention of key employees

The Group's future success is highly dependent on the expertise and continued services of certain key executives and employees, including the executive directors. Recruiting, retaining and incentivising suitably qualified personnel will be important to the Group's success. Although the Group enters into employment arrangements with each of its key employees to secure their services, the Group cannot guarantee the recruitment and retention of such key executives and employees. As a result, the loss of service of any of the Group's key personnel may adversely affect the Group's business, its results of operations and financial condition.

2. Risks relating to the Transaction

Investment in AIM Securities

An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company and the Group. Investors may therefore realise less than, or lose all of, their investment.

AIM Rules

The AIM Rules are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Dilution of ownership of Ordinary Shares

Shareholders' (who are not Placees) proportionate ownership and voting interest in the Company will be reduced pursuant to the Placing. In addition, to the extent that Shareholders (who are not Placees) do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission of the New Ordinary Shares, be reduced accordingly. Subject to certain exceptions, Shareholders with registered addresses in, or who are resident or located in, the United States and other Restricted Jurisdictions will not be able to participate in the Placing or Open Offer.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

The following factors, in addition to other risks described in this document, may have a significant effect on the market price of the Ordinary Shares:

- variations in operating results;
- actual or anticipated changes in the estimates of operating results or changes in stock market analyst recommendations regarding the Ordinary Shares, other comparable companies or the industry generally;
- macro-economic conditions in the countries in which the Group may do business;

- foreign currency exchange fluctuations and the denominations in which the Group may conduct business and holds cash reserves;
- market conditions in the industry, the industries of customers and the economy as a whole;
- actual or expected changes in the Group's growth rates or competitors' growth rates;
- changes in the market valuation of similar companies;
- trading volume of the Ordinary Shares;
- sales of the Ordinary Shares by the Directors or other Shareholders; and
- adoption or modification of regulations, policies, procedures or programmes applicable to the Group's business.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

Future capital raisings may not be successful

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and trading volume of the Ordinary Shares could decline. The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Group or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Company obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Group's business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

Future payment of dividends

The Group has suffered a number of trading headwinds during the first half of 2019, together with significant one-off exceptional costs which are higher than previously estimated. As a consequence, no final dividend is proposed for the financial year ended 31 December 2018, with no dividend expected to be proposed in respect of 2019 or 2020. There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and shareholders of the Company and will depend upon, *inter alia*, the Group's earnings, financial position, cash requirements and availability of profits as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

Valuation of shares

The Issue Price has been determined by the Board and may not relate to the Group's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Market perception

Market perception of the Group may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds by the issue of further Ordinary Shares or otherwise.

Suitability

A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors are advised to consult a person authorised by the FCA (or, if outside the UK, another appropriate regulatory body) before making their decision.

Passive Foreign Investment Company

Prospective investors should be aware and understand that, under United States federal tax laws, the Ordinary Shares may be considered an equity interest in a passive foreign investment company (a “**PFIC**”) (as defined in the U.S. Internal Revenue Code of 1986, as amended (the “**U.S. Tax Code**”). As a result, United States Shareholders may be subject to adverse U.S. federal income tax consequences as a result of the Company’s PFIC status and should seek their own independent specialist advice with respect to the U.S. tax consequences of their interest in the Ordinary Shares.

PART 3

SOME QUESTIONS AND ANSWERS ON THE PLACING AND OPEN OFFER

The questions and answers set out in this Part 3 are intended to be in general terms only and, as such, you should read Part 4 of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part 3 deals with general questions relating to the Placing and the Open Offer and more specific questions relating principally to Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are a Shareholder with a registered address, or are a citizen or resident of, or incorporated in an Open Offer Restricted Jurisdiction, you should read paragraph 3 of Part 4 of this document. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part 4 of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is a placing and an open offer?

A placing and an open offer are ways for companies to raise money. Companies may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (an open offer) and/or providing for specifically identified investors also to acquire a certain number of shares at a fixed price (a placing). The fixed price is normally at a discount to the market price of the existing ordinary shares on the business day prior to the announcement of the placing and/or the open offer.

The Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire, in aggregate, up to 6,987,097 Open Offer Shares at a price of 100 pence per Ordinary Share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address in, or located in, the United States or another Open Offer Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 4 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Basic Entitlements. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlements in full, to apply for additional Open Offer Shares through the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should also note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), and the Open Offer Entitlements will not be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

2. Am I eligible to participate in the Placing?

Unless you are a Placee, you will not be eligible to participate in the Placing.

3. I hold my Existing Ordinary Shares in certificated form. How do I know if I am able to apply to acquire Open Offer Shares under the Open Offer?

If you have received an Application Form and, subject to certain exceptions, are not a holder with a registered address and are not resident or located in the United States or another Open Offer Restricted Jurisdiction, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares on or before 7.00 a.m. on 27 June 2019 (the Ex-entitlement Date for the Open Offer).

4. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address in and are not resident or located in the United States or another Open Offer Restricted Jurisdiction, you should have been sent an Application Form with this document.

That Application Form shows:

- how many Existing Ordinary Shares you held at close of business on the Record Date;
- how many Open Offer Shares are comprised in your Basic Entitlement; and
- how much you need to pay if you want to take up your right to subscribe for your Basic Entitlement to the Open Offer Shares.

If you have a registered address or are resident or located in the United States or another Open Offer Restricted Jurisdiction, subject to certain exceptions, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four business days for delivery if sent by first class post from within the United Kingdom. Please also see questions 5 and 11 for further help in completing the Application Form.

5. I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?

5.1 *If you want to take up all of your Basic Entitlement?*

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the completed Application Form, together with your cheque or banker's draft for the amount (as indicated in Box 5 of your Application Form), payable to 'CIS PLC re: Staffline Group Open Offer Account' in the reply paid envelope provided, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, to arrive by no later than 11.00 a.m. on 12 July 2019. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part 4 of this document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 30 July 2019.

5.2 ***If you want to take up some but not all of your Basic Entitlement?***

If you want to take up some but not all of your Basic Entitlement, you should write the number of Open Offer Shares you want to take up in Box 2 of your Application Form; for example, if you are entitled to take up 2,000 shares but you only want to take up 1,000 shares, then you should write '1,000' in Box 2.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '1,000') by £1.00, which is the price of each Open Offer Share (giving you an amount of £1,000 in this example). You should write this amount in Box 5, and this should be the amount your cheque or banker's draft is made out for. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to 'CIS PLC re: Staffline Group Open Offer Account' and crossed "A/C payee only", in the reply-paid envelope provided, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, to arrive by no later than 11.00 a.m. on 12 July 2019, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part 4 of this document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 30 July 2019.

5.3 ***If you want to apply for more than your Basic Entitlement?***

Provided that you have agreed to take up your Basic Entitlement in full, you can apply for Excess Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box 2 which must be the number of Open Offer Shares shown in Box 7. You should then write the number of Excess Shares you wish to apply for under the Excess Application Facility in Box 3 and then complete Box 4 by adding together the numbers you have entered in Boxes 2 and 3.

To work out how much you need to pay for the Open Offer Shares you are applying for, you need to multiply the number of Open Offer Shares shown in Box 4 by the Issue Price, which is the price of each Open Offer Share. You should write this amount in Box 5, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount payable to 'CIS PLC re: Staffline Group Open Offer Account' and crossed "A/C payee only", in the reply-paid envelope provided, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, to arrive by no later than 11.00 a.m. on 12 July 2019, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope.

You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part 4 of this document and in the Application Form. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event, Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 30 July 2019.

5.4 *If you do not want to take up your Open Offer Entitlement*

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. The Open Offer Shares you could have taken up will not be issued by the Company to you or for your benefit. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you are not a Placee and you do not take up any of your Open Offer Entitlement, then following the Transaction, your interest in the Company will be diluted, although you should note that even if a Qualifying Shareholder (who is not a Placee) subscribes for his full entitlement to the Open Offer Shares, his proportionate interest in the Company will be diluted by the issue of Placing Shares pursuant to the Placing.

6. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part 4 of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to apply for under their Open Offer Entitlement and should contact their CREST member should they not receive this information.

7. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 8 July 2019 and who have converted them to certificated form; and
- Qualifying non-CREST Shareholders who bought Existing Ordinary Shares before 7.00 a.m. on 27 June 2019 but were not registered as the holders of those shares at the close of business on 26 June 2019.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Computershare on 0370 7071314 from within the UK or +44 (0) 370 7071314 if calling from outside the UK. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (except English and Welsh public holidays). 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.

8. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?

If you buy or have bought Existing Ordinary Shares after the Record Date you are unlikely to be able to participate in the Open Offer in respect of those Existing Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

9. What if I change my mind?

If you are a Qualifying non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for, except in the very limited circumstances which are set out in paragraph 2 of Part 4 of this document.

10. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box 8 of the Application Form?

If you want to spend more than the amount set out in Box 8 you should divide the amount you want to spend by £1.00 (being the price in pounds sterling of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £1,000 you should divide £1,000 by £1.00, which comes to 1,000. You should round that down, if necessary, to give you the number of Open Offer Shares for which, in this example, you can apply without exceeding your chosen amount. Write the total number of Open Offer Shares (in this example 1,000) in Box 4. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example 1,000) by £1.00 and then fill in that amount rounded down to the nearest whole pound, if necessary, (in this example being £1,000), in Box 5 and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, applications made under the Excess Application Facility will be scaled back at the Company's absolute discretion. Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of an Open Offer Restricted Jurisdiction, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

If you want to spend less than the amount set out in Box 8, you should divide the amount you want to spend by £1.00 (being the price, in pound sterling, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £1,000 you should divide £1,000 by £1.00. You should round that down to the nearest whole number, if necessary, (in this example, 1,000), to give you the number of shares you want to take up. Write that number (in this example, 1,000) in Box 2. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 1,000) by £1.00 and then fill in that amount rounded down to the nearest whole pound (in this example being £1,000) in Box 5 and on your cheque or banker's draft accordingly.

12. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold Existing Ordinary Shares directly and you sold some or all of your Existing Ordinary Shares before close of business on 26 June 2019, you should contact the buyer or the person/company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer.

If you sold any of your Existing Ordinary Shares on or after 7.00 a.m. on 27 June 2019, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

13. I hold my Existing Ordinary Shares in certificated form. How do I pay?

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a bank or building society account in the UK in the reply-paid envelope enclosed (from within the United Kingdom). You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. Cheques should be drawn on a sole or joint personal account of the Qualifying Shareholder who is applying for the Open Offer Shares. The funds should be made payable to 'Share Registrars Ltd Receiving Agent Account'. In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted. Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has confirmed the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the back of the draft or cheque and have added their branch stamp.

14. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your Open Offer Entitlement, your proportionate ownership and voting interest in the Company will be reduced (in addition to the reduction caused by the Placing).

15. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form and monies by post in the enclosed reply paid envelope (from within the United Kingdom) by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. You should allow at least four business days for delivery if using first class post or the reply-paid envelope within the United Kingdom. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

16. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 12 July 2019. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

17. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?

It is expected that the Registrars will post all Open Offer Share certificates by 30 July 2019.

18. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 6 on page 1 of the Application Form) is incorrect?

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares before 7.00 a.m. on 27 June 2019 but were not registered as the holder of those shares on the Record Date for the Open Offer (close of business on 26 June 2019), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or 7.00 a.m. on 27 June 2019.

19. Will the Placing and Open Offer affect dividends (if any) on the Existing Ordinary Shares?

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

20. Will I be taxed if I take up my entitlements?

Shareholders who are in any doubt as to their tax position or who may be subject to tax in any other jurisdiction are strongly recommended to consult their own professional advisers.

21. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are resident or located in the United States or another Open Offer Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 5 of Part 4 of this document.

22. How do I transfer my entitlements into the CREST system?

If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (Box 13 on page 4 of the Application Form), and ensure they are delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this. If you have transferred your rights into the CREST system, you should refer to paragraph 2 of Part 4 of this document for details on how to apply and pay for the Open Offer Shares.

23. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 4 of Part 4 of this document)?

If you are a Qualifying non-CREST Shareholder, you may not need to follow these procedures if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution. Qualifying non-CREST Shareholders and Qualifying CREST Shareholders should refer to paragraph 3 of Part 4 of this document for a fuller description of the requirements of the Money Laundering Regulations.

PART 4

DETAILS OF THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, also in the Application Form), the Company hereby invites Qualifying Shareholders to subscribe for Open Offer Shares *pro rata* to their existing shareholdings at the Issue Price, payable in full on application and free of all expenses, on the basis of:

1 Open Offer Share for every 4 Existing Shares

held by Qualifying Shareholders at the Record Date and so on in proportion for any other number of Existing Shares then held.

Qualifying Shareholders are also being given the opportunity, provided they take up their Basic Entitlements in full, to apply for Excess Entitlements through the Excess Application Facility, further details of which are set out below.

Qualifying Shareholders with holdings of Existing Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Open Offer Entitlements.

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

Excess Application Facility

The Excess Application Facility enables Qualifying Shareholders to apply for Open Offer Shares in excess of their Basic Entitlement as at the Record Date.

However, applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Basic Entitlements and may be scaled back at the Company's absolute discretion. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

In any event, applications will be rejected if acceptance would result in the Qualifying Shareholder, together with those acting in concert with him for the purposes of the City Code on Takeovers and Mergers, holding 30 per cent. or more of the Ordinary Shares in issue immediately following Admission.

Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Basic Entitlements should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess Entitlements credited to their stock account in CREST and should refer to paragraph 2 of this Part 4 for information on how to apply for Excess Entitlements pursuant to the Excess Application Facility.

Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement. The Application Form shows the number of Existing Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 2(e) of this Part 4.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of Qualifying CREST Shareholders. Qualifying CREST Shareholders who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

1. If you have an Application Form in respect of your Open Offer Entitlements

(a) *General*

Qualifying Non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Shares registered in your name at the close of business on the Record Date in Box 6. It also shows the Basic Entitlement allocated to you set out in Box 7. Box 8 shows how much you would need to pay you with to take up your Basic Entitlement in full. You may apply for less than your entitlement should you wish to do so. Open Offer Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

You may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

(b) *Market claims*

Applications may only be made on the Application Form, and may only be made by the Qualifying Shareholder named in it, or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Shares through the market prior to the date upon which the Existing Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 27 June 2019 (an “**Applicant**”).

Application Forms may be split up to 3.00 p.m. on 10 July 2019.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Shares prior to 27 June 2019, being the date upon which the Existing Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty pursuant to the rules of the London Stock Exchange. Qualifying Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into an Open Offer Restricted Jurisdiction or to US persons.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 2 below.

(c) ***Application procedures***

If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer (whether in respect of all or part of your Basic Entitlement or under the Excess Application Facility), you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to arrive no later than 11.00 a.m. on 12 July 2019. A reply-paid envelope is enclosed for use by Qualifying Non-CREST Shareholders in connection with the Open Offer.

Please note that Computershare cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up some or all of your Open Offer Entitlements. If any Application Form is sent by first-class post within the United Kingdom, Qualifying Non-CREST Shareholders are recommended to allow at least three business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances after that date. The Company may also (in its sole discretion) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 12 July from an authorised person (as defined in the FSMA) specifying the number of Open Offer Shares concerned, and undertaking to lodge the relevant Application Form in due course.

(d) ***Payments***

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "CIS PLC RE: STAFFLINE GROUP OPEN OFFER ACCOUNT" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch or a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Eurocheques, unless drawn on a bank in the United Kingdom, the Channel Islands or the Isle of Man, will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 4.30 p.m. on 15 July 2019 or such later time and date as the Company shall agree, (being no later than 4.30 a.m. on 30 July 2019), the Open Offer will lapse and application monies will be returned by post to Applicants, at the Applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(e) ***Incorrect sums***

If an Application Form encloses a payment for an incorrect sum, the Company through the Registrars reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

All monies received by the Registrars in respect of Open Offer Shares will be held in a separate client account.

(f) ***The Excess Application Facility***

Provided that the Applicant chooses to take up their Basic Entitlement in full, the Excess Application Facility enables him to apply for Excess Shares. Applicants who wish to do so should complete Box 3 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications will be met in full or in part or at all. Each Applicant who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Applicant multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the Applicant's sole risk.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements should be addressed to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. The Receiving Agent can be contacted on (0) 370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(g) ***Effect of an application***

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

- (i) represents and warrants to the Company and Liberum that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (ii) agrees with the Company and Liberum that all applications, and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iii) confirms to the Company and Liberum that in making the application he is not relying on any information or representation other than that contained in this document, and he accordingly agrees that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document;
- (iv) represents and warrants to the Company and Liberum that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represents and warrants to the Company and Liberum that, if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form and subject to the Articles;
- (vii) represents and warrants to the Company and Liberum that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any other Open Offer Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any other Open Offer Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (viii) represents and warrants to the Company and Liberum that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application he is not relying and has not relied on the Company or Liberum or any person affiliated with the Company, or Liberum, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt as to whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying Non-CREST Shareholders under the Open Offer should be addressed to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, telephone number (0) 370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in

England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2. If you have Open Offer Entitlements credited to your stock account in CREST

(a) *General*

Each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Basic Entitlement equal to the number of Open Offer Shares for which he is entitled to apply under his basic entitlement under the Open Offer, together with a credit of Excess Entitlements equal to ten times their balance of Existing Shares on the Record Date.

Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than their Excess Entitlements they have been credited with then they should contact the Shareholder helpline on (0) 370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. To request an increased credit, ensuring to leave sufficient time for the additional Excess Entitlement credits to be credited to their account and for an application to be made in respect of those entitlements before the application deadline. Open Offer Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. or such later time as the Company may decide on 9 July 2019, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlements will thereafter be transferred accordingly.

(c) ***USE instructions***

CREST members who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to above.

(d) ***Content of USE instructions in respect of Basic Entitlements***

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Basic Entitlements, which is GB00BJ5FPJ65;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare, in its capacity as a CREST receiving agent. This is 3RA11;
- (vi) the member account ID of Computershare, in its capacity as a CREST receiving agent. This is STAFFGRP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 12 July 2019;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 12 July 2019.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

In the event that the Open Offer does not become unconditional by 4.30 p.m. on 15 July 2019 or such later time and date as the Company shall agree (being no later than 4.30 p.m. on 30 July 2019), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the Company’s benefit.

(e) ***Deposit of Open Offer Entitlements into, and withdrawal from, CREST***

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim) provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 12 July 2019.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 9 July 2019, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 8 July 2019, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 12 July 2019.

Delivery of an Application Form with the CREST Deposit Form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member that it is not in breach of the provisions of the notes under the paragraph headed "Instructions for Depositing Entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member that it is not a citizen or resident of an Open Offer Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member is entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(f) ***Excess Application Facility***

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Basic Entitlement in full, to apply for Excess Shares.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess Entitlements may not be sold or otherwise transferred.

The CREST accounts of Qualifying CREST Shareholders will be credited with Excess Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Basic Entitlement nor the Excess Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlements will thereafter be transferred accordingly.

Excess Open Offer Entitlements will not be subject to Euroclear’s market claims process. Qualifying CREST Shareholders claiming Excess Open Offer Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account. Please note that an additional USE instruction must be sent in respect of any application under the Excess Entitlement. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back at the Company’s absolute discretion. In this event, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess Entitlement, and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant’s sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements should be addressed to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. The Receiving Agent can be contacted on (0)370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(g) ***Content of USE instructions in respect of Excess Entitlements***

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Basic Entitlements, which is GB00BJ5FPJ65;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare, in its capacity as a CREST receiving agent. This is 3RA11;
- (vi) the member account ID of Computershare, in its capacity as a CREST receiving agent. This is STAFFGRP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (d)(i) above;

- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 12 July 2019;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 12 July 2019.

(h) ***Validity of application***

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 12 July 2019 will constitute a valid application under the Open Offer.

(i) ***CREST procedures and timings***

CREST members and (where applicable) their CREST sponsors 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 relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 12 July 2019. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) ***Incorrect or incomplete applications***

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

(k) ***Effect of valid application***

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) represents and warrants to the Company and Liberum that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

- (iii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- (iv) agrees with the Company and Liberum that all applications and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (v) represents and warrants to the Company and Liberum that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Open Offer Restricted Jurisdiction and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Open Offer Restricted Jurisdiction except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (vi) represents and warrants to the Company and Liberum that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (vii) confirms to the Company and Liberum that in making such application he is not relying on any information in relation to the Company other than that contained in this document, and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained herein;
- (viii) represents and warrants to the Company and Liberum that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim; and
- (ix) confirms to the Company and Liberum that in making the application he is not relying and has not relied on the Company or Liberum or any person affiliated with the Company, or Liberum, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

(l) ***Company's discretion as to rejection and validity of applications***

The Company may in its sole discretion:

- (x) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;
- (xi) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (xii) treat a properly authenticated dematerialised instruction (in this paragraph (k)(iii) the "**first instruction**") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first

instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (xiii) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

3. Money Laundering Regulations

(a) Holders of Application Forms

If the value of an application for Open Offer Shares exceeds €15,000 (approximately £13,000 at the prevailing rate of exchange) (or is one of a series of linked applications, the aggregate value of which exceeds that amount), the verification of identity requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the “**Money Laundering Regulations**”) will apply.

The Receiving Agent is entitled to require, at its absolute discretion, verification of identity from any person lodging an Application Form including, without limitation, any person who appears to the Receiving Agent to be acting on behalf of some other person. Submission of an Application Form will constitute a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations.

Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion retain an Application Form lodged by an Applicant for Open Offer Shares and/or the cheque, banker’s draft or other remittance relating to it and/or not enter the Open Offer Shares to which it relates on the register of members or issue any share certificate in respect of them. If satisfactory evidence of identity has not been provided within a reasonable time, then the acceptance will not be valid but will be without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of the failure of the Applicant to provide satisfactory evidence. In that case, the application monies (without interest) will be returned to the bank or building society account from which payment was made.

The Receiving Agent shall be entitled, at its sole discretion, to determine whether the verification of identity requirements apply to any Applicant and whether such requirements have been satisfied and neither of the Receiving Agent or the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of such discretion.

The following guidance is provided in order to reduce the likelihood of difficulties, delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above).

- (i) The Applicant should:
 - (a) where payment is made otherwise than by the Applicant’s own cheque, write the Applicant’s name and address on the back of the building society cheque, banker’s draft or other third party cheque and, in the case of an individual, record his/her date of birth against his/her name;

- (b) if a building society cheque or banker's draft is used, ask the building society or bank to print on the cheque or banker's draft the full name and account number of the person whose building society or bank account is being debited or to write those details on the back of the cheque and add its stamp; and
 - (c) enclose with his Application Form evidence of his name and address from an appropriate third party; for example, a recent bill from a gas, electricity or telephone company or a bank statement, in each case bearing the Applicant's name and address (originals of such documents (not copies) are required and will be returned in due course).
- (ii) If an application is delivered by hand, the Applicant should ensure that he has with him evidence of identity bearing his photograph (for example, a valid full passport) and separate evidence of his address.
 - (iii) If you are making an application as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf the application is being made. If the application is lodged with payment by an agent which is an organisation required to comply with the EU Money Laundering Directive ((EU)/2015/859), or which is subject to anti- money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Austria, Brazil, Canada, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide with the application written confirmation and evidence that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent.

In order to confirm the acceptability of any written assurances referred to above, or in any other case, the Applicant should contact the Receiving Agent on 0370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) ***Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

4. Taxation

Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their independent professional adviser immediately.

5. Overseas Shareholders

SUBJECT TO CERTAIN LIMITED EXCEPTIONS, THERE IS NO OFFER OF OPEN OFFER SHARES TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, COUNTRIES OTHER THAN THE UNITED KINGDOM. IT IS THE RESPONSIBILITY OF ALL PERSONS (INCLUDING, WITHOUT LIMITATION, NOMINEES AND TRUSTEES) OUTSIDE THE UNITED KINGDOM TO OBSERVE THIS RESTRICTION.

Subject to certain limited exceptions, Application Forms will not be sent to Overseas Shareholders nor will Open Offer Entitlements be credited to a stock account of Overseas Shareholders who are in an Open Offer Restricted Jurisdiction or to US persons.

Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this document and/or an Application Form either will not be sent or will be deemed to have been sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer which could lawfully be made to him or an Application Form which could lawfully be used without contravention of any registration or other legal requirements.

Accordingly, persons receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements to any person in or into any Open Offer Restricted Jurisdiction. If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his agent or nominee, he must not seek to apply for his entitlement to Open Offer Shares under the Open Offer except under an express written agreement between him and the Company. Any person who does forward this document and/or an Application Form or transfer the Open Offer Entitlements into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph.

(a) *Representations and warranties relating to Overseas Shareholders*

Qualifying Non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Liberum and the Registrars that: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any other Open Offer Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Open Offer Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Registrars may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or another Open Offer Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or any other Open Offer Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 5(a).

Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company, Liberum and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any other Open Offer Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) such person is not accepting on a non-discretionary basis for a person located within any Open Offer Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

(b) *Waiver*

The provisions of this paragraph 5 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Liberum in their absolute discretion. Subject to this, the provisions of this paragraph 5 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 5 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 5 shall apply to them jointly and to each of them.

The comments set out in this paragraph are intended as a general guide only and any Qualifying Shareholder who is in doubt as to his eligibility to accept the offer of Open Offer Shares should consult his professional adviser immediately.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the offer of Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the legislation of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or if a Qualifying Shareholder, in the case of an application or an Application Form, provides an address for delivery of share certificates for Open Offer Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for his entitlement to Open Offer Shares under the Open Offer if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question or would not result in the contravention of any applicable legal or regulatory requirements.

Those Shareholders who wish, and are permitted, to subscribe for Open Offer Shares should note that payments must be made as described above in this Part 2.

6. Admission, Settlement and Dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 16 July 2019 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 16 July 2019.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 12 July 2019 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 15 July 2019). On this day, the Receiving Agent will instruct Euroclear to credit the

appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 16 July 2019). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post by 30 July 2019. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register. All documents or remittances sent by or to Applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to the Application Form.

7. Times and dates

The Company shall, in agreement with Liberum and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service, but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

NOTICE OF GENERAL MEETING

STAFFLINE GROUP PLC

(Registered in England and Wales with no. 05268636)

NOTICE is hereby given that a General Meeting of Staffline Group plc (the “**Company**”) will be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 9.00 a.m. on 15 July 2019 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution (defined terms having the meanings given to them in the circular to the shareholders of the Company dated 27 June 2019):

ORDINARY RESOLUTION

1. **THAT** for the purposes of section 551 of the Act the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company, as is contemplated in sub-sections 551(1)(a) and 551(1)(b) respectively of the Act up to an aggregate nominal amount of £4,098,609.70 pursuant to or in connection with the allotment of up to 40,986,097 new ordinary shares of 10 pence each in the capital of the Company to such persons as may be entitled in connection with the Placing and Open Offer. Such authority, unless revoked, varied or renewed by the Company in a general meeting, shall expire at the conclusion of the next annual general meeting of the Company save that the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares to be allotted or such rights to be granted after the expiry of the said period and the Directors may allot any such shares and grant any such subscription and conversion rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution. This authority is in addition to all existing authorities under section 551 of the Act.

SPECIAL RESOLUTION

2. **THAT**, subject to the passing of Resolution 1, the Directors be and are hereby empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them to allot such shares or grant such rights by that resolution, up to an aggregate nominal value of £4,098,609.70 as if sub-section (1) of section 561 of the Act did not apply to any such allotment. Such authority, unless revoked, varied or renewed by the Company in a general meeting, shall expire at the conclusion of the next annual general meeting of the Company save that the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares to be allotted or such rights to be granted after the expiry of the said period and the Directors may allot any such shares and grant any such subscription and conversion rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution. This power is in addition to all existing authorities under section 570 of the Act.

27 June 2019

BY ORDER OF THE BOARD

Paul Collins

Company Secretary

Staffline Group plc
19-20 The Triangle, NG2 Business Park, Nottingham, NG2 1AE

Notes of the Notice of General Meeting

Proxies

1. A member entitled to attend, speak and vote at the above meeting may appoint another person as his or her proxy to exercise all or any of his or her rights to attend, speak and vote on his or her behalf. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. To appoint more than one proxy, you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate in the box provided 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.
3. To be valid any Form of Proxy together with any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) or any other instrument appointing a proxy must be included with the Form of Proxy and received by post or (during normal business hours only) by hand at the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time appointed for holding the meeting. If you prefer, you may return the Form of Proxy to the Registrars in the enclosed business reply envelope addressed to Computershare. 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.
4. Completion and return of a Form of Proxy, any other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not preclude a member from attending and voting in person, should he or she subsequently decide to do so.

Nominated Persons

5. A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Companies Act 2006 (the "Act") (a "Nominated Person") does not have the right to appoint a proxy, although he/she may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy. Alternatively, if a Nominated Person does not have such a right, or does not wish to exercise it, he/she may, under an agreement with the relevant shareholder, have a right to give instructions to the shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the shareholder who appointed them for further information on this and the procedure for appointing any such proxy.

Record Date

6. Only the holders of ordinary shares entered on the register of members of the Company as at close of business on 13 July 2019 (or, in the event of any adjournment, close of business on the date which is two Business Days before the date of the adjourned meeting) shall be entitled to attend either in person or by proxy, and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Total Voting Rights

7. As at 26 June 2019 (being the latest practicable date prior to the publication of this document) the Company's issued share capital consisted of 27,944,389 ordinary shares of 10 pence each, carrying one vote each, of which the Company holds 1,140,400 shares in treasury. Therefore the total voting rights in the Company as at 26 June 2019 are 27,944,389.

CREST Proxy Instructions

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("Euroclear") specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent Computershare Investor Services PLC (ID 3RA50) by 9.00 a.m. on 11 July 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 Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001 (as amended).

Questions

12. Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Information available on the Website

13. A copy of this notice and the information required to be published by section 311(A) of the Act can be found at www.stafflinegroupplc.co.uk/investor-relations/. Shareholders may not use any electronic address provided in either this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

