

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are resident in the United Kingdom, or if you are taking advice in another jurisdiction, from an appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in Northbridge Industrial Services plc prior to the date on which the shares are marked 'ex-entitlement' you should deliver this document together with the enclosed Form of Proxy and, if relevant, the Application Form, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold or otherwise transferred only part of your holding of your Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications which will be set out in the Application Form (if relevant).

This document is not a prospectus for the purposes of the Prospectus Rules and has not been approved by the Financial Conduct Authority (in its capacity as the UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA in respect of the Placing.

The total consideration under the Open Offer is less than €5,000,000 (or an equivalent amount) in aggregate. Therefore in issuing this document the Company is relying on the exemption from issuing a prospectus in section 85(5) and paragraph 9 of Schedule 11A of FSMA and on paragraph 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). Applications in respect of the Open Offer from persons not falling within such exemptions will be rejected and the Open Offer contained in this document is not capable of acceptance by such persons. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Existing Ordinary Shares are admitted to trading on AIM. Application has or will be made for the New Ordinary Shares to be admitted to trading on AIM. First Admission is expected to take place on 20 April 2016, and it is expected that Second Admission will become effective and that dealings will commence in the Second Placing Shares and the Open Offer Shares by 8.00 a.m. on 6 May 2016.

AIM is a market designed primarily for emerging and 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 UK 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 an independent financial adviser. Neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company.

NORTHBRIDGE INDUSTRIAL SERVICES PLC

(Incorporated and registered in England and Wales with registered number 05326580)

Placing of 6,000,000 New Ordinary Shares at 75 pence per share

Open Offer of up to 1,474,044 New Ordinary Shares at 75 pence per share

and

Notice of General Meeting

Nominated Adviser and Broker

Stockdale Securities Limited

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below and to the section headed "Risk Factors" in Part III of this document.

Notice of a General Meeting of the Company to be held at Holiday Inn Express, 2nd Avenue Parkway, Centrum 100, Burton-on-Trent, DE14 2WF, on 5 May 2016 at 11.00 a.m. is set out at the end of this document. A Form of Proxy for use at the meeting is enclosed with this document and should be returned as soon as possible and in any event so as to be received by the Company's registrars, Capita Asset Services, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by not later than 11.00 a.m. on 3 May 2016. Completion and posting of the Form of Proxy will not prevent a shareholder from attending and voting in person at the General Meeting.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 4 May 2016. The procedure for application and payment for Qualifying Shareholders is set out in Part II of this document, and, where relevant, will be set out in the Application Form to be sent to Qualifying Non-CREST Shareholders.

The New Ordinary Shares to be issued will, following their issue, rank *pari passu* with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The New Ordinary Shares have not been, nor will be, registered under the US Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of USA, Canada, Australia, South Africa and Japan. Shareholders outside the UK and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Stockdale Securities Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in relation to the Placing and the Open Offer and Admission and is not acting for any other persons in relation to the Placing and the Open Offer and Admission. Stockdale Securities Limited is acting exclusively for the Company and for no one else in relation to the matters described in this document and is not advising any other person and accordingly will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stockdale Securities Limited, or for providing advice in relation to the contents of this document or any matter referred to in it. The responsibilities of Stockdale Securities Limited as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person, in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this document, or otherwise.

No liability is accepted by Stockdale Securities Limited nor does it make any representation or warranty, express or implied, in relation to the contents of this document, including its accuracy or completeness or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Placing and the Open Offer and Admission and accordingly Stockdale Securities Limited disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document or any such statement, to the maximum extent permitted by law and the regulations to which it is subject.

This document contains (or may contain) certain forward looking statements with respect to the Company, its Group and certain of its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward looking statements. These forward looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals and expectations set forth in the Company's forward looking statements. Any forward looking statements made in this document by or on behalf of the Company speak only as at the date they are made. Except as required by the FCA, the London Stock Exchange or applicable law, the Company, Stockdale Securities Limited and their respective directors, officers, employees, agents, managers, members and partners expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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DIRECTORS AND ADVISERS

Directors	Peter Harris Eric Hook Ian Gardner Ash Mehta Michael Dodson David Marshall	<i>(Non-Executive Chairman)</i> <i>(Chief Executive)</i> <i>(Regional Managing Director)</i> <i>(Non-Executive Director)</i> <i>(Non-Executive Director)</i> <i>(Non-Executive Director)</i>
Company Secretary	Iwan Phillips	<i>(Company Secretary and Chief Financial Officer)</i>
Registered Office	Second Avenue Centrum 100 Burton on Trent DE14 2WF	
Nominated Adviser and Broker	Stockdale Securities Limited Beaufort House 15 St. Botolph Street London EC3A 7BB	
Solicitors to the Company	Freeths LLP 1 Vine Street Mayfair London W1J 0AH	
Solicitors to the Nominated Adviser and Broker	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD	
Registrars and Receiving Agent	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2016

Record Date for entitlement to participate in the Open Offer	5.30 p.m. on 15 April
Announcement of the Placing and the Open Offer	18 April
Despatch of the Circular, the Form of Proxy and, to certain Qualifying Non-CREST Shareholders, the Application Form	19 April
Expected ex-entitlement date for the Open Offer	19 April
Basic Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	20 April
Admission of the First Placing Shares to trading on AIM	20 April
Recommended latest time and date for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 27 April
Latest time for depositing Basic Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 28 April
Latest time and date for splitting Application Forms	3.00 p.m. on 29 April
Latest time and date for receipt of Forms of Proxy for the General Meeting	11.00 a.m. on 3 May
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 4 May
General Meeting	11.00 a.m. on 5 May
Result of Open Offer announced	5 May
Admission of the Second Placing Shares and Open Offer Shares to trading on AIM	8.00 a.m. on 6 May
New Ordinary Shares in uncertificated form expected to be credited to accounts in CREST (uncertificated holders only)	6 May
Expected despatch of definitive share certificates for the New Ordinary Shares (certificated holders only)	By 13 May

Notes:

- (1) The ability to participate in the Open Offer is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or located or resident in countries outside the UK (particularly the Excluded Overseas Shareholders), details of which are set out in paragraph 6 of Part II of this document. Subject to certain exceptions, Application Forms will not be despatched to, and Open Offer Entitlements will not be credited to, the stock accounts in CREST of Shareholders with registered addresses in any of the Restricted Jurisdictions.
- (2) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company (with the agreement of Stockdale Securities Limited), in which event details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement to a Regulatory Information Service.
- (3) References to times in this document are to London times unless otherwise stated.
- (4) Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.
- (5) The timetable above assumes that resolutions 1 and 3 of the Resolutions that are set out in the Notice of General Meeting are passed.
- (6) If you require assistance please contact Capita Asset Services on 0371 664 0321. 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 9.00 a.m. – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PLACING AND OPEN OFFER STATISTICS

Issue Price per New Ordinary Share	75p
Market price per Existing Ordinary Share at the Latest Practicable Date	85p
Discount to the market price of an Existing Ordinary Share	12%
Entitlement of Qualifying Shareholders under the Open Offer	2 New Ordinary Shares for every 25 Existing Ordinary Shares
Number of Ordinary Shares (excluding Ordinary Shares held on treasury) in issue as at the Latest Practicable Date	18,425,558
Number of New Ordinary Shares to be issued by the Company pursuant to the Placing	6,000,000
Gross proceeds of the Placing	£4,500,000
Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Open Offer	1,474,044
Maximum gross proceeds of the Open Offer	£1,105,533
Number of Ordinary Shares (excluding Ordinary Shares held on treasury) in issue immediately following completion of the Placing and the Open Offer (assuming full take up of entitlements under the Open Offer)	25,899,602
New Ordinary Shares as a percentage of the Enlarged Share Capital (assuming full take up of entitlements under the Open Offer)	29%
Gross proceeds of the Placing and Open Offer (assuming full take up of entitlements under the Open Offer)	£5,605,533

DEFINITIONS

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

Act	the Companies Act 2006;
Admission	admission of the New Ordinary Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules (comprising of the First Admission and Second Admission);
AIM	the AIM market operated by the London Stock Exchange;
AIM Rules for Companies	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time;
AIM Rules for Nominated Advisers	the rules of AIM as set out in the publication entitled 'AIM Rules for Nominated Advisers' published by the London Stock Exchange from time to time;
Application Form	the application form accompanying this document to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer;
Basic Entitlement	the Open Offer Shares which a Qualifying Shareholder is entitled to subscribe for under the Open Offer calculated on the basis of 2 Open Offer Shares for every 25 Existing Ordinary Shares held by that Qualifying Shareholder as at the Record Date;
Business Day	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
certificated or in certificated form	the description of a share or other security which is not in uncertificated form (that is not in CREST);
Circular or this document	this document dated 19 April 2016;
Closing Price	the closing middle market quotation of an Ordinary Share as published by the London Stock Exchange;
Company or Northbridge	Northbridge Industrial Services Plc a company incorporated in England and Wales with registered number 05326580 and having its registered office at Second Avenue, Centrum 100, Burton on Trent, DE14 2WF;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST Manual	the compendium of documents entitled "CREST Manual" issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules (including CREST Rule 8), the CCSS Operations Manual and the CREST Glossary of Terms;
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 Proxy Instruction	the appropriate CREST message made to appoint a proxy, properly authenticated in accordance with Euroclear's specifications;
CREST Regulations	the Uncertificated Securities Regulations 2001;
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;
Enlarged Share Capital	the issued share capital of the Company immediately following the Second Admission, assuming the Placing Shares and the maximum number of Open Offer Shares are allotted;
EU	the European Union;
Euroclear	Euroclear UK & Ireland Limited;
Excess Applications	applications pursuant to the Excess Application Facility;
Excess Application Facility	the mechanism whereby a Qualifying Shareholder, who has taken up his Basic Entitlement in full, can apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, as more fully set out in Part II of this document;
Excess CREST Open Offer Entitlements	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions of this document;
Excess Shares	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlement and which are offered to Qualifying Shareholders under the Excess Application Facility;
Excluded Overseas Shareholders	other than as agreed by the Company and Stockdale or as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction;
Existing Issued Share Capital	the issued share capital of the Company as at the Latest Practicable Date;
Existing Ordinary Shares	the 18,425,558 Ordinary Shares (excluding those Ordinary Shares held in treasury) in issue as at the Record Date;
FCA	the Financial Conduct Authority;
First Admission	admission to trading on AIM of those New Ordinary Shares in connection with the Placing that fall within the Permitted Allotment and such admission becoming effective in accordance with the AIM Rules;
First Placing Shares	means 1,800,000 New Ordinary Shares in the capital of the Company admitted to trading on AIM on First Admission;

Form of Proxy	the form of proxy accompanying this document relating to the General Meeting;
FSMA	the UK Financial Services and Markets Act 2000, as amended;
General Meeting or GM	the general meeting of the Company, notice of which is set out at the end of this document, and including any adjournment(s) thereof;
Group	the Company and its subsidiary undertakings at the date of this document (as defined in sections 1159 and 1160 of the Act);
Issue Price	75 pence per New Ordinary Share;
Latest Practicable Date	means 5.30 p.m. on 15 April 2016, being the latest practicable date prior to publication of this document;
London Stock Exchange	London Stock Exchange plc;
Money Laundering Regulations	Money Laundering Regulations 2007 (as amended and supplemented from time to time);
New Ordinary Shares	up to 7,474,044 new Ordinary Shares to be issued by the Company pursuant to the Placing and the Open Offer;
Notice of General Meeting	the notice of General Meeting, set out at the end of this document;
Open Offer	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and in the case of the Qualifying Non-CREST Shareholders only, the Application Form;
Open Offer Entitlements	an entitlement to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder under the Open Offer (and, for the avoidance of doubt, references to Open Offer Entitlements include Basic Entitlements and Excess CREST Open Offer Entitlements);
Open Offer Shares	the 1,474,044 New Ordinary Shares to be offered to Qualifying Shareholders under the Open Offer;
Overseas Shareholders	Shareholders with registered addresses outside the UK or who are citizens of, incorporated in, registered in or otherwise resident in, countries outside the UK;
Ordinary Shares	ordinary shares of 10 pence each in the capital of the Company;
Participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
Permitted Allotment	the allotment of 1,800,000 shares allotted for cash, on a non-pre-emptive basis, as permitted by section 570 of the Act and a special resolution passed by the members of the Company at the last Annual General Meeting held on 28 May 2015;
Placees	the persons who have agreed to subscribe for the Placing Shares;
Placing Shares	the 6,000,000 New Ordinary Shares to be issued by the Company under the Placing;
Placing	the placing of the Placing Shares with the Placees pursuant to the Placing and Underwritten Open Offer Agreement;

Placing and Underwritten Open Offer Agreement	the agreement dated 18 April 2016 between the Company and Stockdale Securities Limited relating to the Placing and the Open Offer, details of which are set out in paragraph 6 of Part I of this document;
Prospectus Rules	the Prospectus Rules published by the FCA;
Qualifying CREST Shareholders	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form;
Qualifying Non-CREST Shareholders	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form;
Qualifying Shareholders	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date with the exception (subject to certain exceptions) of Excluded Overseas Shareholders;
Record Date	5.30 p.m. on 15 April 2016;
Registrars or Receiving Agent or Capita Asset Services	Capita Asset Services, a trading name of Capita Registrars Limited;
Regulatory Information Service	has the meaning given in the AIM Rules for Companies;
Resolutions	the resolutions to be proposed at the General Meeting which are set out in full in the Notice of General Meeting;
Restricted Jurisdictions	each of Australia, Canada, Japan, the Republic of South Africa and the United States;
Second Admission	admission to trading on AIM of those New Ordinary Shares that are subject to the passing of the Resolutions set out in the Notice of General Meeting at the end of the document, and such admission becoming effective in accordance with the AIM Rules;
Second Placing Shares	4,200,000 Ordinary Shares, being the Placing Shares other than the First Placing Shares;
Shareholders	holders of Existing Ordinary Shares;
Stockdale	Stockdale Securities Limited, a company incorporated in England and Wales with registered number 00762818 and having its registered office at Beaufort House, 15 St. Botolph Street, London, EC3A 7BB;
TOT	Tasman Oil Tools Limited, a subsidiary of Northbridge Industrial Services NZ Holdings Limited;
TOTL	Tasman Oil Tools Leasing Limited, a subsidiary of Northbridge Industrial Services NZ Holdings Limited;
uncertificated	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
UK or United Kingdom	the United Kingdom of England, Scotland, Wales and Northern Ireland;

US or United States	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
US Securities Act	the US Securities Act of 1933, as amended;
USE	unmatched stock event;
Vendor	Mutijuva Limited, a company incorporated in New Zealand, and the vendor of TOT and TOTL;
Western Selection	Western Selection Plc, a company of which David Marshall, non-executive Director of the Company, is non-executive Chairman;
£ or sterling pounds	sterling, the legal currency of the United Kingdom; and
29.9 per cent. Aggregate Limit	the restriction on the number of Open Offer Shares that each Qualifying Shareholder may receive under the Open Offer on the basis that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring its aggregate interest in the Company to more than 29.9 per cent. of the Enlarged Share Capital.

PART I

LETTER FROM THE CHAIRMAN OF

NORTHBRIDGE INDUSTRIAL SERVICES PLC

(Incorporated and registered in England and Wales with registered number 05326580)

Directors:

Peter Harris	<i>(Non-Executive Chairman)</i>
Eric Hook	<i>(Chief Executive)</i>
Ian Gardner	<i>(Regional Managing Director)</i>
Ash Mehta	<i>(Non-Executive Director)</i>
Michael Dodson	<i>(Non-Executive Director)</i>
David Marshall	<i>(Non-Executive Director)</i>

Registered office: Second Avenue
Centrum 100
Burton on Trent
DE14 2WF

To Shareholders

Placing of 6,000,000 New Ordinary Shares and Open Offer of up to 1,474,044 New Ordinary Shares at 75 pence per New Ordinary Share

and

Notice of General Meeting

1. Introduction

The Company announced today that it proposes to undertake a Placing to raise £4.5 million (before expenses) together with a partially underwritten Open Offer to raise up to approximately £1.1 million (before expenses), in each case through the issue of New Ordinary Shares at an issue price of 75 pence per New Ordinary Share.

The Issue Price represents a discount of approximately 12 per cent. to the Closing Price on the Latest Practicable Date. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The Open Offer has been partially conditionally underwritten by Stockdale.

The Placing and the Open Offer are, for the most part, conditional, *inter alia*, on the passing of certain resolutions at the General Meeting. However, the Company has undertaken a proportion of the Placing pursuant to existing Shareholder authorities (being the Permitted Allotment), and accordingly the Company has announced that First Admission will take place on 20 April 2016. It is expected that Second Admission (being the balance of the Placing and the Open Offer) will take place on 6 May 2016.

The purpose of this letter is to set out the background to, and the reasons for, the Placing and the Open Offer. It explains why the Directors consider the Placing and the Open Offer to be in the best interests of the Company and its Shareholders as a whole. It also recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do themselves in respect of their own beneficial shareholdings.

Shareholder approval will be sought in respect of the Placing and the Open Offer at the General Meeting which is convened for 11.00 a.m. on 5 May 2016 at Holiday Inn Express, 2nd Avenue Parkway, Centrum 100, Burton-on-Trent, DE14 2WF.

Your attention is drawn to:

- (a) paragraph 4 of Part II of this document which sets out the actions to be taken by Qualifying Shareholders seeking to participate in the Open Offer; and

- (b) the Notice of General Meeting contained at the end of this document and paragraphs 8 and 9 of this letter which explain the purpose of the General Meeting and action to be taken by you in relation to the Notice of General Meeting.

2. Overview of Northbridge

The Company hires and sells specialist electrical testing and oil & gas equipment to a worldwide customer base. This includes companies in the marine, natural resources, power reliability, data storage and utility sectors.

In particular, revenue is generated from the sale and rental of loadbanks and packaged transformers and drilling tools for the oil, gas and geothermal sectors.

Northbridge operates from hubs in the UK, Belgium, the United Arab Emirates, Singapore, Australia and New Zealand.

3. Background to and reasons for the Placing and the Open Offer and use of proceeds

The oil price collapse has had a significant impact on Northbridge in the last 12 months. In response to this, Northbridge has consolidated its business by taking (amongst others) the following measures:

- Exiting all non-core activities;
- Cutting capital expenditure; and
- Severely reducing headcount.

These measures mean that Northbridge is now in a much improved position to withstand the current weakness of the oil services industry.

In September 2014, Northbridge announced the acquisition of TOT and TOTL (“Tasman New Zealand”). The share purchase agreement under which these companies were acquired required Northbridge to pay the Vendor an aggregate deferred consideration of NZ\$ 9 million (approximately £4.4 million), the total of which was to be paid by January 2016. The Vendor and the Company entered into a deed of variation to the share purchase agreement amending payment of such deferred consideration, in particular in relation to the amount and the timing of such deferred consideration payments, which were thereby spread over a longer period. This has helped to smooth the Group’s cash flow.

Over the course of last year, the Directors also renegotiated the terms of the Group’s debt finance arrangements in order to ensure compliance with its financial covenants.

The Directors intend to use the proceeds of the Placing and the Open Offer to:

- Strengthen the balance sheet to support growth going forward;
- make the deferred consideration payments for TOT and TOTL when they are due;
- benefit from any new opportunities that arise in relation to supporting hire fleet development and master service agreements; and
- make ongoing covenant compliance more comfortable over future periods.

4. Current trading and outlook

This morning, Northbridge announced its results for the year ended 31 December 2015: revenue for the period was £34.1 million resulting in a loss before tax and exceptional items of £1.4 million. The announcement also included the following outlook statement:

“The price of crude oil continued to fall from the start of 2016 and reached a nine year low in January. This led to further cut backs in investment from oil majors and oil services companies. We in turn have instigated further cost savings in order to reduce the impact on Northbridge.”

Despite a small rebound during March, the oil price is unlikely to recover materially until supply and demand are back in balance. The market's overwhelming assumption now is that a recovery is unlikely to happen before 2017.

In preparation for an expected further year of low rental volumes and the consequential effect on our cash flow and profits, the Board has decided not to propose a final dividend for 2015 and will raise further equity via a Placing and Open Offer also announced this morning. The funds raised will be used to strengthen the business going forward, make the deferred payment for Tasman New Zealand when due, and support hire fleet development as the need arises. It will have the additional benefit of making bank covenant compliance easier over future periods.

Both the core businesses of Crestchic and Tasman have good sustainable growth opportunities in the future when their markets recover to more normal dynamics. Over the last 12 months we have made very substantial cost savings in our operational overheads but these have been done without compromising our ability to benefit from a future up turn.

This has been the most difficult period in our 10 years of trading and we would like to thank all our staff, both past and present, for their contribution and support."

5. Details of the Placing and the Open Offer

Structure

The Directors have given careful consideration as to the structure of the proposed fundraising and have concluded that the Placing and the Open Offer is the most suitable option available to the Company and its Shareholders at this time.

6.0 million Placing Shares will be issued through the Placing at 75 pence per New Ordinary Share to raise gross proceeds of approximately £4.5 million. Up to 1,474,044 New Ordinary Shares will be issued through the Open Offer at 75 pence per New Ordinary Share to raise gross proceeds of up to approximately £1.1 million (assuming full take-up under the Open Offer).

Principal Terms of the Placing

The Company is proposing to issue 6.0 million Placing Shares pursuant to the Placing. In accordance with the terms of the Placing and Underwritten Open Offer Agreement, Stockdale has, as agent for the Company, conditionally placed, with institutional and other investors, the Placing Shares at the Issue Price to raise approximately £4.5 million (before expenses).

The Directors and certain major shareholders have subscribed for certain Placing Shares as part of the Permitted Allotment, in respect of which First Admission is expected to take place on 20 April 2016.

The Placing Shares are not subject to clawback and are not part of the Open Offer.

Under the Placing and Underwritten Open Offer Agreement the Company has agreed to pay to Stockdale a fixed sum together with a commission based on the aggregate value of certain of the Placing Shares placed at the Issue Price and the costs and expenses of the Placing together with any applicable VAT. Details of the Placing and Underwritten Open Offer Agreement are set out at paragraph 7 of this Part I.

Principal terms of the Open Offer

The Board considers it important that Qualifying Shareholders have the opportunity to participate in the fundraising, and the Directors have concluded that the Open Offer is the most suitable option available to the Company and its Shareholders.

The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by both subscribing for their respective Basic Entitlements and by subscribing for Excess Shares under the Excess Application Facility, subject to availability.

Pursuant to the Open Offer, Qualifying Shareholders will be given the opportunity to subscribe for 2 Open Offer Shares for every 25 Existing Ordinary Shares held on the Record Date.

The Open Offer will raise gross proceeds of up to approximately £1.1 million, assuming full take-up.

The Issue Price represents approximately a 12 per cent. discount to the Closing Price of 85 pence per Ordinary Share on the Latest Practicable Date.

Subject to fulfilment of certain conditions, the Open Offer has been conditionally underwritten by Stockdale up to approximately £840,000. As part of the conditions of such underwriting, the Directors and related or connected major Shareholders have irrevocably undertaken to take up their Basic Entitlements under the Open Offer to raise approximately £264,500. Further details of the terms of the Placing and Underwritten Open Offer Agreement are set out in paragraph 7 of this Part I.

Basic Entitlement

Qualifying Shareholders are invited, on and subject to the terms and conditions of the Open Offer, to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price. Qualifying Shareholders have a Basic Entitlement of:

2 Open Offer Shares for every 25 Existing Ordinary Shares

registered in the name of the relevant Qualifying Shareholder on the Record Date.

Basic Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer will not exceed 1,474,044 New Ordinary Shares.

Allocations under the Open Offer

In the event that valid acceptances are not received in respect of all of the Open Offer Shares under the Open Offer, unallocated Open Offer Shares will be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility provided always that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring their aggregate interest in the Company to more than the 29.9 per cent. Aggregate Limit.

Excess Application Facility

Subject to availability and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, the Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to that Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Application Form and should refer to paragraph 4.1(c) of Part II of this document for further information. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2(c) of Part II of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Excess Applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Application procedure under the Open Offer

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Basic Entitlements as shown in Box 3 on

their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Basic Entitlements. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlement and also in respect of their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 20 April 2016.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The Basic Entitlements and Excess CREST Open Offer Entitlements will also be enabled for settlement in CREST as soon as practicable after 8.00 a.m. on 20 April 2016. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to 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.

Qualifying Non-CREST Shareholders should note that their Application Form is not a negotiable document and cannot be traded.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part II of this document and, where relevant, on the Application Form.

Conditionality

The Placing (save for the Permitted Allotment) and the Open Offer are conditional, *inter alia*, upon the following:

- the passing, without amendment, of resolutions 1 and 3 of the Resolutions at the General Meeting;
- Second Admission occurring by no later than 8.00 a.m. on 6 May 2016 (or such later times and/or dates as may be agreed between the Company and Stockdale, being no later than 31 May 2016); and
- the Placing and Underwritten Open Offer Agreement becoming unconditional in all respects (save for the condition relating to Second Admission having occurred) and not having been terminated in accordance with its terms.

If the conditions set out above are not satisfied or waived (where capable of waiver), the Placing (save for the Permitted Allotment) and the Open Offer will lapse; and

- (a) the Placing Shares (save for the Permitted Allotment) will not be issued and all monies received from investors in respect of the Placing Shares (save for the Permitted Allotment) will be returned to them (at the investors' risk and without interest) as soon as possible thereafter; and
- (b) any Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will, after that time and date, be disabled and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest, as soon as practicable thereafter.

Application for Admission

The Company has announced that First Admission in respect of 1,800,000 New Ordinary Shares (being the Permitted Allotment) is expected to take place on 20 April 2016.

Application will be made to the London Stock Exchange for the New Ordinary Shares (other than the Permitted Allotment) to be admitted to trading on AIM. Second Admission of the Placing Shares (save for the Permitted Allotment) and the Open Offer Shares is expected to take place, and dealings on AIM are

expected to commence, at 8.00 a.m. on 6 May 2016 (or such later times and/or dates as may be agreed between the Company and Stockdale). No temporary documents of title will be issued.

The New Ordinary Shares will, following Second Admission, rank *pari passu* in all respects with the Existing Ordinary Shares in issue at the date of this document and the New Ordinary Shares issued in respect of the Permitted Allotment and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Second Admission.

Important notice

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market on behalf of, or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and that the net proceeds will be retained for the benefit of the Company.

The Placing and the Open Offer are separate and distinct transactions involving the issue of new Ordinary Shares.

Qualifying Shareholders are being invited to participate in the Open Offer and (subject to certain exceptions) will have received an Application Form with this document. However, Qualifying Shareholders are not entitled to participate in the Placing unless expressly invited by the Company and Stockdale to do so.

In issuing this document and structuring the Placing and the Open Offer in this manner, the Company is relying on the exemption from issuing a prospectus in section 85(5) and paragraph 9 of Schedule 11A of FSMA and on paragraph 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended).

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to the date on which the shares are marked 'ex-entitlement' is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchasers under the rules of the London Stock Exchange.

6. Effect of the Placing and the Open Offer

Upon completion of the Placing and the Open Offer, the New Ordinary Shares will represent approximately 29 per cent. of the Enlarged Share Capital (assuming the Open Offer is subscribed in full).

7. The Placing and Underwritten Open Offer Agreement

The Company entered into the Placing and Underwritten Open Offer Agreement with Stockdale on 18 April 2016 pursuant to which Stockdale agreed to use its reasonable endeavours as agent of the Company to procure places in respect of the Placing Shares pursuant to the Placing.

The Placing and Underwritten Open Offer Agreement is conditional upon, among other things, the conditions set out above (please see 'conditionality' in paragraph 5 of this Part I) and none of the warranties or undertakings given to Stockdale prior to Admission of the Placing Shares being or becoming untrue, inaccurate or misleading in any material respect.

Stockdale has partially underwritten the Open Offer up to a maximum amount of approximately £840,000, subject to certain conditions.

The Placing and Underwritten Open Offer Agreement contains customary warranties given by the Company in favour of Stockdale in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Stockdale

(and its affiliates) in relation to certain liabilities which they may incur in respect of the Placing and the Open Offer.

Stockdale has the right to terminate the Placing and Underwritten Open Offer Agreement in certain circumstances prior to Admission. In particular, in the event of a material breach of the warranties or a material adverse change or if the Placing and Underwritten Open Offer Agreement does not become unconditional.

Under the Placing and Underwritten Open Offer Agreement, the Company has agreed to pay Stockdale a fixed sum together with a commission based on the aggregate value of certain of the Placing Shares placed at the Issue Price and the costs and expenses of the Placing together with any applicable VAT.

8. General Meeting

The General Meeting of the Company, notice of which is set out at the end of this document, is to be held at 11.00 a.m. on 5 May 2016 at Holiday Inn Express, 2nd Avenue Parkway, Centrum 100, Burton-on-Trent, DE14 2WF. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolutions to approve the Placing and the Open Offer.

A summary and explanation of the Resolutions is set out below. Please note that this is not the full text of the Resolutions and you should read this section in conjunction with the Resolutions contained in the Notice of General Meeting at the end of this document.

Resolution 1: Authority to allot shares

This ordinary resolution will grant the Directors authority to allot the New Ordinary Shares (other than in respect of the Permitted Allotment) for the purposes of the Placing and the Open Offer. This authority will be in addition to that given to the Directors pursuant to Resolution 2.

Resolution 2: Authority to allot shares

Conditional on the passing of Resolution 1, Resolution 2 renews the authority of the Directors to allot Ordinary Shares (or to grant rights to subscribe for or convert any securities into Ordinary Shares) for:

- (a) up to a maximum nominal amount of £863,320.10 which represents approximately 33 per cent. of the Enlarged Share Capital; or
- (b) in the case of a rights issue up to a maximum aggregate nominal value of £863,320.10 which represents approximately 33 per cent. of the Enlarged Share Capital.

The authority given by this Resolution will expire at the conclusion of the next annual general meeting of the Company. This authority will be in addition to that given to the Directors pursuant to Resolution 1.

Resolution 3: Disapplication of pre-emption rights

Conditional on the passing of Resolution 1, Resolution 3 disapplies the statutory pre-emption rights in respect of the allotment of the New Ordinary Shares (other than in respect of the Permitted Allotment) to be allotted pursuant to Resolution 1 in connection with the Placing and the Open Offer. This authority will be in addition to that given to the Directors pursuant to Resolution 4.

Resolution 4: Disapplication of pre-emption rights

Conditional on the passing of Resolutions 2, Resolution 4 renews the authority of the Directors to allot equity securities pursuant to Resolution 2 otherwise than in accordance with statutory pre-emption rights up to an aggregate nominal value of £258,996 which represents approximately 10 per cent. of the Enlarged Share Capital. The authority given by this Resolution will expire at the conclusion of the next annual general meeting of the Company. This authority will be in addition to that given to the Directors pursuant to Resolution 3.

9. Action to be taken in relation to the General Meeting

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the

instructions printed on it and to return it as soon as possible and in any case so as to be received by the Company's registrars at Corporate Actions, the Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 11.00 on 3 May 2016. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Asset Services (Crest Participant: RA10) so that it is received by no later than 11.00 a.m. on 3 May 2016. The return of the Form of Proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting in person if you wish.

10. Action to be taken in respect of the Open Offer

Qualifying Non-CREST Shareholders (i.e. holders of Existing Ordinary Shares who hold their Existing Ordinary Shares in certificated form)

If you are a Qualifying Non-CREST Shareholder you will receive an Application Form which gives details of your Basic Entitlement under the Open Offer (as shown by the number of Basic Entitlements set out in Box 3 of the Application Form). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the Application Form in accordance with the procedure for application set out in paragraph 4.1 of Part II of this document and on the Application Form itself.

Qualifying Non-CREST Shareholders who wish to subscribe for more than their Basic Entitlement should complete Boxes 5, 6, 7 and 8 on the Application Form. Completed Application Forms, accompanied by full payment in accordance with the instructions in paragraph 4.1 of Part II of this document, should be posted using the accompanying reply-paid envelope (if posted from the UK only) or returned by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in either case, as soon as possible and in any event so as to be received by no later than 11.00 a.m. on 4 May 2016. 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.

Qualifying CREST Shareholders (i.e. holders of Existing Ordinary Shares who hold their Existing Ordinary Shares in uncertificated form)

If you are a Qualifying CREST Shareholder you will not be sent an Application Form. You will receive a credit to your appropriate stock account in CREST in respect of your Basic Entitlement under the Open Offer and also an Excess CREST Open Offer Entitlement for use in connection with the Excess Application Facility.

You should refer to the procedure for application set out in paragraph 4.2 of Part II of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 4.2 of Part II of this document by no later than 11.00 a.m. on 4 May 2016.

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.

If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from an appropriately qualified independent professional adviser.

11. Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the United Kingdom, or who are citizens or residents of countries other than the United Kingdom, or who are holding Ordinary Shares for the benefit of such persons (including, without limitation, subject to certain exceptions, custodians, nominees, trustees and agents), or who have a contractual or other legal obligation to forward this document, the Form of Proxy or (if applicable) an Application Form to such persons, is drawn to the information which appears in paragraph 6 of Part II (Terms and Conditions of the Open Offer) of this document.

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements to the Open Offer.

No offer of Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

12. Taxation

Your attention is drawn to the taxation section contained in Part IV of this document.

This information is intended only as a general guide to the current UK tax position. Shareholders who are in any doubt as to their tax position, or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser immediately.

13. Intentions of the Directors and certain major Shareholders in relation to the Open Offer

The following Shareholders have irrevocably undertaken to take up their Basic Entitlement under the Open Offer as set out below:

<i>Participant</i>	<i>Number of Open Offer Shares</i>	
	<i>Basic Entitlement</i>	<i>Excess Shares</i>
Peter Harris	97,600	0
Eric Hook	39,999	0
Ian Gardner	1,325	0
Michael Dodson	6,060	0
Ash Mehta	7,757	0
Western Selection*	200,000	0

* A company of which David Marshall, non-executive Director of the Company, is non-executive Chairman.

14. Directors' interests

The Directors and certain major shareholders have subscribed for certain Placing Shares as part of the Permitted Allotment, in respect of which First Admission is expected to take place on 20 April 2016. Following First Admission, the respective interests of such directors and major shareholders will be as follows:

<i>Name</i>	<i>At the Latest Practicable Date</i>		<i>After First Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of share capital in issue after First Admission</i>
Peter Harris	1,220,000	6.6	1,297,963	6.4
Eric Hook	500,000	2.7	532,000	2.6
Ian Gardner	16,581	0.1	20,183	0.1
Michael Dodson	75,750	0.4	111,432	0.6
Ash Mehta	96,969	0.5	120,642	0.6
Western Selection**	2,500,000	13.6	2,657,090	13.1

** A company of which David Marshall, non-executive Director of the Company, is non-executive Chairman.

The interests (all of which are beneficial unless stated otherwise) of the Directors and their immediate families and of persons connected with them (within the meaning of Section 252 of the Act) in the Existing Issued Share Capital and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the Latest Practicable Date and as they are expected to be following Second Admission (assuming full take-up under the Open Offer) are as follows:

<i>Name</i>	<i>At the Latest Practicable Date</i>		<i>After Second Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of Existing Issued Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Peter Harris	1,220,000	6.6	1,577,475	6.1
Eric Hook	500,000	2.7	646,667	2.5
Ian Gardner	16,581	0.1	29,914	0.1
Michael Dodson	75,750	0.4	200,750	0.8
Ash Mehta	96,969	0.5	183,636	0.7
Western Selection***	2,500,000	13.6	3,223,632	12.4

*** A company of which David Marshall, non-executive Director of the Company, is non-executive Chairman.

15. Irrevocable voting commitments from certain Directors and certain major Shareholders

The Directors and certain major Shareholders, who in aggregate hold 4,409,300 Existing Ordinary Shares, representing approximately 24 per cent. of the Existing Issued Share Capital, have irrevocably undertaken to vote (and where such Existing Ordinary Shares are registered in the name of any other persons have irrevocably undertaken to use reasonable endeavours to procure that those persons will vote) in favour of the Resolutions at the General Meeting.

16. Related Party Transaction

The Directors of the Company, being Peter Harris (Non-executive Chairman), Eric Hook (Chief Executive), Ian Gardner (Regional Managing Director), Ash Mehta (Non-executive Director) and Michael Dodson (Non-executive Director), along with Western Selection, of which David Marshall (Non-executive Director of the Company) is Non-executive Chairman, have proposed to participate in the Placing for an aggregate amount of 1,100,033 Placing Shares (approximately £825,000 at the Issue Price) and to take up their Basic Entitlement in the Open Offer for an aggregate amount of 352,741 Open Offer Shares (approximately £264,500 at the Issue Price). The Directors' participation in the Placing and Open Offer constitutes a related party transaction under the AIM Rules for Companies. In the absence of independent directors, Stockdale Securities, the Company's nominated adviser, considers the terms of the Directors' participation in the Placing and Open Offer to be fair and reasonable insofar as Shareholders are concerned.

17. Recommendation and voting intentions

The Directors believe that the Placing and the Open Offer are in the best interests of the Company and its Shareholders as a whole. In addition the conditional partial underwriting of the Open Offer by Stockdale means that the Board believes that the Company is provided with certainty of funds.

Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions as they and Shareholders connected with them intend to do so in respect of their aggregate beneficial holdings of Ordinary Shares.

The Company is in receipt of undertakings from Directors and certain major Shareholders to vote in favour of the Resolutions representing not less than 24 per cent. of the Existing Issued Share Capital.

Yours faithfully,

Peter Harris

Non-Executive Chairman

Northbridge Industrial Services Plc

PART II

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

As explained in Part I of this document, the Company proposes to issue up to 1,474,044 Open Offer Shares at the Issue Price in order to raise approximately £1.1 million (before expenses) by way of the Open Offer (assuming that the Open Offer is subscribed in full).

The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer. Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Basic Entitlements to the extent that other Qualifying Shareholders do not take up their Basic Entitlement in full.

The Open Offer has been conditionally partially underwritten. To the extent that Open Offer Shares are not applied for under the Open Offer, either by way of Basic Entitlements or Excess Entitlements such Open Offer Shares shall be placed or subscribed for as New Ordinary Shares by Stockdale pursuant to the terms of the Placing and Underwritten Open Offer Agreement. There may be no more than 1,474,044 Open Offer Shares issued under the Open Offer.

The Open Offer Shares to be issued pursuant to the Open Offer will, following Second Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 19 April 2016, when the Existing Ordinary Shares are marked "ex" the entitlement to the Open Offer, is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Act, the Open Offer is being made on the basis that the Open Offer Shares subscribed for will be allotted in any event.

Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares will be issued to Qualifying Shareholders who have applied (subject to the terms and conditions set out in this document and the Application Form).

A summary of the arrangements relating to the Open Offer is set out below. This document and, for Qualifying Non-CREST Shareholders, the Application Form, contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part II which gives details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part II.

2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price (payable in full on application and free of all expenses) and will have a Basic Entitlement of:

2 Open Offer Shares for every 25 Existing Ordinary Shares

registered in the name of each Qualifying Shareholder on the Record Date. Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements. Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under

the Excess Application Facility. Qualifying Shareholders with fewer than 25 Existing Ordinary Shares will not be able to apply for Open Offer Shares. Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Basic Entitlement in full, to apply for further Open Offer Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to that Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

Please refer to paragraphs 4.1(c) and 4.2(c) of this Part II for further details of the Excess Application Facility.

Please note that holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.

Qualifying CREST Shareholders will have their Basic Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraphs 4.2(a) to 4.2(l) of this Part II and also to the CREST Manual for further information on the relevant CREST procedures.

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 7 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders who have taken up their Basic Entitlement in full to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to that Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 2, 3, 4 and 5 on the Application Form. Excess Applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 1,474,044 Open Offer Shares.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST 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 raised by Euroclear's Claims Processing Unit. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and that the net proceeds will be retained for the benefit of the Company. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 19 April 2016 is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess CREST Open Offer Entitlements are expected to be admitted to CREST with effect from 20 April 2016.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares and the Placing Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3. Conditions and further terms of the Open Offer

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

- (a) the passing, without amendment, of resolutions 1 and 3 of the Resolutions at the General Meeting;
- (b) Second Admission becoming effective by not later than 8.00 a.m. on 6 May 2016 (or such later times and/or dates as the Company and Stockdale may agree, being no later than 31 May 2016); and
- (c) the Placing and Underwritten Open Offer Agreement becoming unconditional in all respects (save for the condition relating to Second Admission) and not having been terminated in accordance with its terms.

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by 31 May 2016, the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter but within 14 days. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form on or before 13 May 2016. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on or before 6 May 2016.

Any Open Offer Shares not taken up under the Open Offer (including under the Excess Application Facility) will be placed by or subscribed for by Stockdale as New Ordinary Shares to the extent that they are not placed by Stockdale to Qualifying Shareholders in the Open Offer.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Second Admission is expected to occur on 6 May 2016, when dealings in the Open Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate noninterest bearing bank account opened solely for the Open Offer.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

4. Procedure for application and payment

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his Basic Entitlement or a Qualifying Shareholder has Basic Entitlements and Excess CREST Open Offer Entitlements credited to his CREST stock account in respect of such entitlement. Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form (that is, not in CREST) will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form

(that is, in CREST) 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 Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Basic Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of this Part II.

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 Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this document.

4.1 ***If you have an Application Form in respect of your entitlement under the Open Offer***

(a) *General*

Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows the number of Open Offer Shares which represents their Basic Entitlement under the Open Offer, as shown by the total number of Basic Entitlements allocated to them set out in Box 7. Box 8 shows how much they would need to pay if they wish to take up their Basic Entitlement in full. Qualifying Non-CREST Shareholders wishing to take up their Basic Entitlement in full should complete Boxes 2, 3, 4, 5 and 6.

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Non-CREST Shareholders' Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying Non-CREST Shareholders with fewer than 25 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholder with fewer than 25 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.1(c) of this Part II). Qualifying Non-CREST Shareholders may apply for less than their Basic Entitlement should they wish to do so. Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares representing less than their Basic Entitlement may do so by completing Boxes 2, 4 and 5 of the Application Form. Subject to availability, and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, Qualifying Non-CREST Shareholders may also apply for any whole number of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to that Qualifying Non-CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, by completing Boxes 2, 3, 4 and 5 of the Application Form (see paragraph 4.1(c) of this Part II). Qualifying Non-CREST Shareholders may hold such an Application Form by virtue of a *bona fide* market claim (see paragraph 4.1(b) of this Part II). The instructions and other terms set out in the Application Form form part of the terms of the Open Offer to Qualifying Non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 29 April 2016. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the

entitlement to participate in the Open Offer, 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 purchaser. Qualifying Non-CREST 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 either the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the Receiving Agent in accordance with the instructions set out in the accompanying Application Form. Subject to certain exceptions, the Application Form should not, however, be forwarded to or transmitted in or into a Restricted Jurisdiction. 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 4.2(b) of this Part II.

(c) *Excess Application Facility*

Subject to availability, and assuming that Qualifying Non-CREST Shareholders have accepted their Basic Entitlement in full, Qualifying Non-CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares, up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to that Qualifying Non-CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, may do so by completing Boxes 2, 3, 4 and 5 of the Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility and where such Excess Application is not in excess of the relevant Qualifying Non-CREST Shareholder's 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that such applications by Qualifying Non-CREST Shareholders will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter but within 14 days by way of cheque or CREST payment, as appropriate.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

(d) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply-paid envelope or returned by post or by hand (during normal office hours only) to Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as Receiving Agent in relation to the Open Offer), so as to be received by the Receiving Agent by no later than 11.00 a.m. on 4 May 2016, after which time Application Forms will not be valid (subject to certain exceptions described below). Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

Application Forms delivered by hand will not be checked upon delivery and no receipt will be provided.

Completed Application Forms should be returned with a cheque or banker's draft drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to “Capita Registrars Limited Re: Northbridge Industrial Services Plc Open Offer” in respect of an application by a Qualifying Shareholder and crossed “A/C Payee only”. Third party cheques (other than building society cheques or banker’s drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds by completing the account name on the back of the cheque or draft and adding the branch stamp) may not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques and banker’s drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker’s drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Non-CREST Shareholders in respect of which cheques are not so honoured. If cheques or banker’s drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant’s sole risk), without payment of interest, to applicants as soon as practicable but within 14 days following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) with the prior consent of Stockdale to accept either:

- (i) Application Forms received after 11.00 a.m. on 4 May 2016; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 4 May 2016 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. 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.

If Open Offer Shares have already been allotted and issued to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder’s cheque or banker’s draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder’s application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder’s Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agent, Stockdale or the Company, nor any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

(e) *Effect of application*

By completing and delivering an Application Form, the applicant:

- (i) represents and warrants to the Company and Stockdale 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 nondiscretionary basis;
- (ii) agrees with the Company and Stockdale that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the laws of England;

- (iii) confirms to the Company and Stockdale that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly 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 information or representation not so contained herein and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Group contained in this document;
- (iv) confirms to the Company and Stockdale that in making the application he is not relying and has not relied on Stockdale or any other person affiliated with Stockdale in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (v) confirms to the Company and Stockdale that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Stockdale;
- (vi) represents and warrants to the Company and Stockdale that he is the Qualifying Shareholder originally entitled to the Basic Entitlements or that he received such Basic Entitlements by virtue of a *bona fide* market claim;
- (vii) represents and warrants to the Company and Stockdale that if he has received some or all of his Basic Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlements by virtue of a *bona fide* market claim;
- (viii) 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, subject to the Articles of Association of the Company;
- (ix) represents and warrants to the Company and Stockdale that he is not, nor is he applying on behalf of any person 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 Restricted Jurisdiction or any 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 to, or for the benefit of, a person 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 Restricted Jurisdiction or any 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(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (x) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Stockdale or any of their affiliates, by means of any: (a) "directed selling efforts" as defined in Regulation S under the US Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the US Securities Act; and
- (xi) represents and warrants to the Company and Stockdale 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 section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

For all enquiries in connection with the procedure for application and completion of the Application Form, please contact Capita Asset Services on 0371 664 0321. 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 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services

cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Non-CREST Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this document.

4.2 If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) *General*

Subject as provided in paragraph 6 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST in respect of his Basic Entitlement and also in respect of his Excess CREST Open Offer Entitlement (an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to that Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit) (see paragraph 4.2(c) of this Part II for further details). Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlement and will be aggregated and made available under the Excess Application Facility. Any Qualifying CREST Shareholders with fewer than 25 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholder with fewer than 25 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.2(c) of this Part II).

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

If for any reason the Basic Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by close of business on 20 April 2016, or such later time and/or date as the Company and Stockdale may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been 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 such Application Forms.

CREST members who wish to apply to acquire 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. Should you need advice with regard to these procedures, please contact Capita Asset Services on Capita Asset Services on 0371 664 0321. 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 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) *Bona fide market claims*

Each of the Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and the Excess CREST 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 Basic Entitlement and the Excess CREST Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Basic

Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Subject to availability, and assuming that Qualifying CREST Shareholders have accepted their Basic Entitlement in full, Qualifying CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to that Qualifying CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer 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 in paragraph 4.2(f) below 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 and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE instruction must be sent to Euroclear in respect of any application under the Excess CREST Open Offer Entitlement.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility, subject always to the 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's sole risk) without interest as soon as practicable thereafter, but within 14 days, by way of cheque or CREST payment, as appropriate.

(d) *USE instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlement and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a 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 Basic Entitlements and/or Excess CREST 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 in paragraph 4.2(d)(i) above.
- (e) *Content of USE instruction 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 Basic Entitlement(s) being delivered to the Receiving Agent);
 - (ii) the ISIN of the Basic Entitlement. This is GB00BYV07165;
 - (iii) the CREST participant ID of the accepting CREST member;
 - (iv) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
 - (v) the participant ID of Capita Asset Services in its capacity as Receiving Agent. This is 7RA33;
 - (vi) the member account ID of Capita Asset Services in its capacity as Receiving Agent. This is 28837NIS;
 - (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 4.2(e)(i) above;
 - (viii) the intended settlement date. This must be on or before 11.00 a.m. on 4 May 2016; and
 - (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 4 May 2016.

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.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 4 May 2016 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 6 May 2016 or such later time and date as the Company and Stockdale may agree (being no later than 31 May 2016), the Open Offer will lapse, the Basic Entitlements and Excess CREST 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, as soon as practicable thereafter.

- (f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*
- The USE instruction must be properly authenticated in accordance with Euroclear 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 the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BYV07272;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Capita Asset Services in its capacity as Receiving Agent. This is 7RA33;
- (vi) the member account ID of Capita Asset Services in its capacity as Receiving Agent. This is 28837NIS;
- (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 4.2(f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 4 May 2016; and
- (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 the application in respect of an Excess CREST Open Offer Entitlement 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 4 May 2016. 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.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 4 May 2016 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 6 May 2016 or such later time and date as the Company and Stockdale agree (being no later than 31 May 2016), the Open Offer will lapse, the Basic Entitlements and Excess CREST 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, as soon as practicable thereafter.

(g) *Deposit of Basic Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic 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). Similarly, Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer can be applied for through 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 into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 6 May 2016. After depositing their Basic Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement.

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 Basic Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 28 April 2016 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements or Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 27 April 2016, in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and the Excess CREST 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 Basic Entitlements or in respect of the Excess CREST Open Offer Entitlements, as the case may be, prior to 11.00 a.m. on 4 May 2016. CREST holders inputting the withdrawal of their Basic Entitlement from their CREST account must ensure that they withdraw both their Basic Entitlement and the Excess CREST Open Offer Entitlement.

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(s) that it is/they are 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(s) that it is/they are not citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(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 4 May 2016 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 6 May 2016. 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, without payment of interest;
- (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, without payment of interest; and
- (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, without payment of interest.

(k) *Effect of valid application*

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

- (i) represents and warrants to the Company and Stockdale 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 nondiscretionary basis;
- (ii) agrees with the Company 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) agrees with the Company and Stockdale that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company and Stockdale that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly 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 information or representation not so contained herein 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 Group contained in this document;
- (v) confirms to the Company and Stockdale that in making the application he is not relying and has not relied on Stockdale or any other person affiliated with Stockdale in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (vi) confirms to the Company and Stockdale that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Stockdale;
- (vii) represents and warrants to the Company and Stockdale that he is the Qualifying Shareholder originally entitled to the Basic Entitlements and Excess CREST Open Offer Entitlements or that he has received such Basic Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (viii) represents and warrants to the Company and Stockdale that if he has received some or all of his Basic Entitlements and Excess CREST Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Basic Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (ix) 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 subject to the Articles of Association of the Company;
- (x) represents and warrants to the Company and Stockdale that he is not, nor is he applying on behalf of any person 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 Restricted Jurisdiction or any 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 to, or for the benefit of, a person 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 Restricted Jurisdiction or any 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(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (xi) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Stockdale or any of their affiliates, by means of any:
 - (a) “directed selling efforts” as defined in Regulations under the US Securities Act; or
 - (b) “general solicitation” or “general advertising” as defined in Regulation D under the US Securities Act; and
 - (xii) represents and warrants to the Company and Stockdale 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 section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.
- (l) *Company’s discretion as to the rejection and validity of applications*
- The Company may in its sole discretion but with the prior consent of Stockdale:
- (i) 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 II;
 - (ii) 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;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph 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) of the CREST Regulations 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
 - (iv) 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 Registrar in connection with CREST.

5. Money Laundering Regulations

5.1 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Receiving Agent to be

acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5, the “relevant Open Offer Shares”) and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity and address within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Receiving Agent, the Company and Stockdale from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or
- (ii) if the applicant is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant’s name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £11,905 as at the Latest Practicable Date).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker’s draft in sterling drawn on a branch in the UK of a bank or building society which bears a UK bank sort code number in the top right hand corner, the following applies. Cheques, should be made payable to “Capita Registrars Limited Re: Northbridge Industrial Services Plc Open Offer” in respect of an application by a Qualifying Shareholder and crossed “A/C Payee Only” in each case. Third party cheques may not be accepted with the exception of building society cheques or bankers’ drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers’ draft to such effect. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5.1(i) above 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, Brazil, Canada, China, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and

the United Arab Emirates), the agent should provide with the Application Form, written confirmation that it has that status and a written assurance 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. If the agent is not such an organisation, it should contact Capita Asset Services on 0371 664 0321. 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 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

To confirm the acceptability of any written assurance referred to in paragraph 5.1(b) above, or in any other case, the acceptor please contact Capita Asset Services on 0371 664 0321. 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 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £11,905 as at the Latest Practicable Date) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and separate evidence of his address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 4 May 2016, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the applicant (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 Basic Entitlements and Excess CREST Open Offer Entitlements in CREST

If you hold your Basic Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlements and Excess CREST 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 instruction 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 as to the identity of the person or persons on whose behalf the application is made.

6. Overseas Shareholders

The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant

jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 **General**

The distribution of this document and the Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company or Stockdale or any other person to permit a public offering or distribution of this document (or any other offering or publicity materials or application forms relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the UK.

Receipt of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Due to restrictions under the securities laws of the Restricted Jurisdictions and certain commercial considerations, Application Forms will not be sent to, and neither Basic Entitlements nor Excess CREST Open Offer Entitlements will be credited to stock accounts in CREST of, Excluded Overseas Shareholders or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form and/or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements.

In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares under the Open Offer to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company or Stockdale (nor any of their respective representatives) is making any representation to any offeree or purchaser of Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess

CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Basic Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Open Offer Shares unless the Company and Stockdale determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Basic Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part II and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 and 6.3 below, any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched by an Excluded Overseas Shareholder or on behalf of such a person by their agent or intermediary 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 if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 and 6.3 below.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder who is an Excluded Overseas 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. Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such an Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exceptions, Excluded Overseas Shareholders will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of a Basic Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

No offer of Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares.

6.2 **Representations and warranties relating to Overseas Shareholders**

(a) *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, Stockdale and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:

- (i) such person is not requesting registration of the relevant Open Offer Shares from within any 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 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 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 the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the Restricted Jurisdictions.

The Company and/or the Receiving Agent 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 a 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 a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or
- (iii) purports to exclude the representation and warranty required by this sub-paragraph 6.7(a).

(b) *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 II represents and warrants to the Company and Stockdale 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) neither it nor its client is within any Restricted Jurisdiction;
- (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares;

- (iii) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and
- (iv) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction.

6.3 **Waiver**

The provisions of this paragraph 6 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, in its absolute discretion with the prior consent of Stockdale. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 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 6 shall apply to them jointly and to each of them.

7. **No withdrawal rights**

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

8. **Admission, settlement and dealings**

The result of the Open Offer is expected to be announced on 5 May 2016. Application will be made to AIM for admission to trading of the New Ordinary Shares. It is expected that, subject to the Placing and the Open Offer becoming unconditional in all respects (save for Second Admission), Second Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 6 May 2016.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 4 May 2016 (being the latest practicable date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 6 May 2016, 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 Second Admission (expected to be on 6 May 2016). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST 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 Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Basic Entitlements and Excess CREST 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 Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have 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 13 May 2016. No temporary documents of title will be issued and, pending the issue of definitive certificates transfers will be certified against the register of members of the Company. 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 paragraph 4.1 of this Part II, and the Application Form.

The result of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as reasonably practicable after the results are known.

9. Times and dates

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which 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 make an announcement on a Regulatory Information Service.

10. Taxation

Certain statements regarding United Kingdom taxation in respect of the Open Offer Shares and the Open Offer are set out in Part IV of this document. Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

11. 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, the laws of England. The courts of England 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 including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares under the Open Offer 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 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.

12. Further Information

Your attention is drawn to the further information set out in this document and also to the terms, conditions and other information printed on any Application Form.

PART III

RISK FACTORS

Potential investors and Shareholders should carefully consider the risks described below before making a decision to invest in the Company. This Part III contains what the Directors believe to be the principal risk factors associated with an investment in the Company. It should be noted that this list is not exhaustive and that other risk factors will apply to an investment in the Company. If any of the following risks actually occur, the Company's business, financial condition and/or results or future operations could be materially adversely affected. In such circumstances, the trading price of the New Ordinary Shares could decline and an investor may lose all or part of their investment. There can be no certainty that the Company will be able to implement successfully the strategy set out in this document or documents referred to in this document. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial, may also have an adverse effect on the Company.

This document contains forward looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward looking statements as a result of many factors, including the risks faced by the Company which are described below and elsewhere in this document. Prospective investors should carefully consider the other information in this document. The risks listed below do not necessarily comprise all the risks associated with an investment in the Company.

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

The Company hires and sells specialist electrical testing and oil & gas equipment to a worldwide customer base. This includes companies in the marine, natural resources, power reliability, data storage and utility sectors.

In particular, revenue is generated from the sale and rental of loadbanks and packaged transformers and drilling tools for the oil, gas and geothermal sectors.

Northbridge operates from hubs in the UK, Belgium, the United Arab Emirates, Singapore, Australia and New Zealand.

As with any business in this sector, there are risks and uncertainties relevant to the Group's business. Certain of these risk factors affect the majority of businesses, some are common to businesses in the oil and gas industry, and others are more specific to the Group.

1. Principal risks and uncertainties relating to the Group

1.1 *Limited operating profitability and banking covenants*

For the year ended 31 December 2015, the Company reported an adjusted loss before tax of £1.4 million and an unadjusted loss before tax of £8.6 million. Whilst the Company has historically generated profits and has been able to pay dividends to shareholders, there is no guarantee that it will be able to return to those historical levels of profitability or to be profitable in the future. The Company's banking facilities are subject to a number of covenants including covenants based on certain ratios of profitability vs. the level of debt outstanding. Whilst these covenants were reset in December 2015, there is no guarantee that the Company will be able to meet these covenants going forward, particularly if it continues to be loss making or if its current level of cash generation were to deteriorate. Should the Company be unable to meet its banking covenants in the future, this might constitute an event of default under the banking facilities which might result in a request by the Company's lenders to return all the outstanding debt and therefore have a detrimental effect on the Company's ability to continue as a going concern.

1.2 *Drilling activity levels and energy market volatility*

A large portion of the Company's activities are directly, e.g. in the oil tools segment, or indirectly, e.g. in the supply of loadbanks to the shipbuilding sector, connected to the oil and gas industry. The current depressed oil prices have led to the postponement of a number of exploration and development

projects in the oil and gas industry resulting in a significantly reduced drilling activity which has negatively impacted the Company's recent financial performance. There is no guarantee that the oil price will recover to the levels seen in 2014 or that it will not fall further from its current depressed levels and this might continue to have a negative effect on the Company's financial performance.

1.3 ***Dependence on key executives and personnel***

The Group's development and prospects are dependent upon the continued services and performance of its executive Directors, senior management and other key personnel. The loss of the services of any of the executive Directors, senior management or key personnel or a substantial number of talented employees, could cause disruption or the loss of experience, skills or customer relationships of such personnel, which could have a material adverse effect on the Group's business, financial condition and results of operations until a suitable replacement is found.

1.4 ***Litigation Risk***

Legal proceedings, with or without merit, may arise from time to time in the course of the Group's business.

The Directors cannot preclude litigation being brought against any member of the Group (whether with or without merit) and any litigation brought against any member of the Group could be expensive, time consuming and have an adverse effect on the financial condition, results or operations of the Group. The Group's business may be adversely affected if the Group and/or its employees or agents are found not to have met the appropriate standard of care or exercised their discretion or authority in a prudent or appropriate manner in accordance with accepted standards.

1.5 ***Currency exchange rate fluctuations and overseas activities***

The Group conducts certain parts of its business overseas in currencies other than sterling and as such its financial performance is subject to the effects of fluctuations in foreign exchange rates.

Foreign revenues are also subject to special risks that may disrupt markets, including the risk of war, terrorism, civil disturbances, embargo and government activities. Revenue generating activities in certain foreign countries may require prior governmental approval in the form of an export licence and otherwise be subject to tariffs and import/export restrictions. There can be no assurance that the Group will not experience difficulties in connection with future foreign revenues and, in particular, adverse effects from foreign currency fluctuations.

Conducting business in most countries will require the Group to become familiar with and to comply with foreign laws, rules, regulations and customs. Further, risks are inherent in international operations, including the following:

- (a) customer agreements may be difficult to enforce and receivables difficult to collect through a foreign country's legal system;
- (b) foreign customers may have longer payment cycles;
- (c) foreign countries may tax foreign income and tax rates in certain foreign countries may exceed those of the United Kingdom and foreign earnings may be subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions; and
- (d) general economic conditions in the countries in which the Group seeks to trade could have an adverse effect on the Group earnings from operations in those countries.

1.6 ***Subsidiary jurisdictions***

The Group has subsidiary companies in the United Arab Emirates, Singapore, Belgium, Australia and New Zealand. As such, the Group is subject to the laws and jurisdiction of those countries for the transactions undertaken by the subsidiary companies.

2. Risks relating to the Ordinary Shares

2.1 *The market of the Ordinary Shares may fluctuate significantly*

The market price of the Ordinary Shares may, in addition to being affected by the Company's actual or forecast operating results, fluctuate significantly as a result of factors beyond the Company's control, including among others:

- (a) changes in securities analysts' recommendations or the failure to meet the expectations of securities analysts;
- (b) changes in the performance of the oil and gas industry as a whole and of the Company's competitors; and
- (c) fluctuations in stock market prices and volumes, and general market volatility.

2.2 *Future need for access to capital*

Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions in financing and operating activities. In addition, there can be no assurance that the Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to it. If the Group is unable to obtain additional financing as needed it may be required to reduce the scope of its operations or anticipated expansion or to cease trading.

2.3 *Investment in publicly quoted securities*

Investment in securities traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the "Official List" in the UK and traded on the London Stock Exchange's main market for listed securities. An investment in Ordinary Shares traded on AIM may be difficult to realise. Admission to AIM does not guarantee that there will be a liquid market for New Ordinary Shares. An active public market for New Ordinary Shares may not develop or be sustained after Admission and the market price of the Ordinary Shares may fall below the Issue Price. 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. Investors may therefore realise less than, or lose all of, their investment.

2.4 *Potentially volatile share price and liquidity*

The share price of companies quoted on AIM can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise their investment in the Company may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

PART IV

TAXATION

The following information is given in summary form and as a general guide only and is based on tax legislation and, where relevant, current HM Revenue & Customs practice, in force at the date of this document. Such legislation and practice is liable to change (in some cases with retrospective effect). The information relates to the tax position of holders of New Ordinary Shares in the capital of the Company who are resident and domiciled in the United Kingdom for tax purposes.

The statements below do not constitute advice to any Shareholder or potential investor on his or her personal tax position, and may not apply to certain classes of investor (such as persons carrying on a trade in the United Kingdom or holding the shares as trustees, or United Kingdom insurance companies). This summary is not a complete and exhaustive analysis of all the potential UK tax consequences for holders of New Ordinary Shares. Any Shareholder or potential investor should obtain advice from his or her own investment or taxation adviser before subscribing for New Ordinary Shares.

Inheritance tax relief

The Company's shares are treated as unquoted shares for UK inheritance tax (IHT) purposes. Individuals and trustees subject to IHT may be entitled to business property relief of up to 100 per cent. after a holding period of two years, providing all the relevant conditions for the relief are satisfied at the appropriate time.

Taxation of dividends

Income tax – UK Resident Individuals

Under current United Kingdom taxation legislation, no withholding tax will be deducted from dividends paid by the Company.

For tax years ending prior to 6 April 2016, dividends paid by the Company carried an associated tax credit of one-ninth of the cash dividend or ten per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK receiving such dividends were liable to income tax on the aggregate of the dividend and associated tax credit at the dividend ordinary rate (10 per cent.), the dividend upper rate (32.5 per cent.) or the dividend additional rate (37.5 per cent.).

The dividend tax credit has been abolished and a new system for taxing dividends introduced with effect from 6 April 2016. Under the new system, there is no income tax payable in respect of the first £5,000 of dividend income received in the tax year (although such income still counts towards the basic, higher and additional rate thresholds) regardless of the level of non-dividend income received. Dividend income received above £5,000 in a tax year is taxable at 7.5 per cent., 32.5 per cent. and 38.1 per cent. for basic rate, higher rate and additional rate taxpayers, respectively. Shareholders should therefore seek appropriate tax advice on how the new changes may impact their tax affairs.

Corporation tax

With certain exceptions (e.g. for traders in securities), a holder of New Ordinary Shares that is a company resident (for taxation purposes) in the United Kingdom and receives a dividend paid by the Company, should generally not be subject to tax in respect of the dividend.

Taxation of chargeable gains

- (a) Under current HM Revenue & Customs practice, the subscription by a Shareholder for shares under the Open Offer up to his minimum entitlement is expected to be treated as a reorganisation of share capital for the purposes of the UK taxation of chargeable gains. To the extent that it is so treated, the shares issued should be treated as acquired at the same time as the Existing Ordinary Shares held by that Shareholder in respect of which the new shares were offered, and the cost of acquisition of the new shares should be pooled with the expenditure allowable on the relevant Existing Ordinary Shares for the purposes of determining the amount of any chargeable gain arising on a subsequent disposal. Any subscription by a shareholder for shares under the Open Offer in excess of his minimum entitlement

should be treated as a new acquisition outside the scope of the rules on reorganisations of share capital. As a matter of UK tax law, the acquisition of Open Offer Shares may not, strictly speaking, constitute a reorganisation of share capital, and there is no guarantee that the HM Revenue & Customs practice mentioned above will be followed, particularly where an open offer is not made to all shareholders.

- (b) A UK resident individual shareholder who disposes of, or who is deemed to dispose of, their shares in the Company may be liable to capital gains tax in relation thereto at a flat rate of 10 per cent., of any chargeable gain thereby realised (after taking into account any applicable reliefs and exemptions) to the extent that such gain does not exceed the amount of the individual's unused basic rate income tax band for the relevant tax year. To the extent that any chargeable gains or part thereof exceed the individual's unused basic rate income tax band, capital gains tax will be charged at 20 per cent. In computing the gain, the Shareholder should be entitled to deduct from proceeds the cost to him of the shares (together with incidental costs of acquisition and disposal).
- (c) A UK resident corporate shareholder disposing of its shares in the Company may (after taking into account any applicable reliefs and exemptions) be liable to corporation tax on chargeable gains in relation thereto at the usual rates of corporation tax applicable to it (currently 20 per cent.). In computing the chargeable gain liable to corporation tax, the Shareholder should be entitled to deduct from the disposal proceeds, the cost to it of the shares, together with incidental costs of acquisition, as increased by indexation allowance, and disposal costs.

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty should be payable on the issue by the Company of New Ordinary Shares.

No stamp duty or stamp duty reserve tax should be payable on transactions in eligible shares traded on AIM where the shares are not also listed on a recognised stock exchange.

Shareholders and/or potential investors who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the UK, should immediately consult a suitable professional adviser.

Any person who is in any doubt as to his or her tax position or who may be subject to tax in any jurisdiction other than the United Kingdom should consult his or her own professional adviser.

NOTICE OF GENERAL MEETING

NORTHBRIDGE INDUSTRIAL SERVICES PLC

(Incorporated and registered in England and Wales with registered number 05326580)

NOTICE IS HEREBY GIVEN that a General Meeting of Northbridge Industrial Services Plc (the “Company”) will be held at Holiday Inn Express, 2nd Avenue Parkway, Centrum 100, Burton-on-Trent, DE14 2WF at 11.00 a.m. on 5 May 2016 for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolutions 1 and 2 will be proposed as Ordinary Resolutions and Resolutions 3 and 4 will be proposed as Special Resolutions:

ORDINARY RESOLUTIONS

1. That the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “2006 Act”) to exercise all the powers of the Company to allot ordinary shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal amount of £567,404.40 in connection with the Placing and the Open Offer (as such terms are defined in the circular to the Company’s shareholders dated 19 April 2016 of which this notice forms part).
2. That, subject to the passing of, and in addition to the authority granted under resolution 1 above, the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the 2006 Act to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:
 - (a) up to an aggregate nominal amount of £863,320.10 (such amount being equal to 33 per cent. of the Company’s share capital and such amount to be reduced by the nominal amount allotted or granted from time to time under (b) below in excess of such sum); and
 - (b) comprising equity securities (as defined in section 560 of the 2006 Act) up to an aggregate nominal amount of £863,320.10 (such amount to be reduced by the nominal amount allotted or granted from time to time under (a) above) in connection with or pursuant to an offer or invitation by way of rights issue in favour of:
 - (i) holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment; and
 - (ii) holders of any other class of equity securities entitled to participate therein or, if the directors consider it necessary, as permitted by the rights of those securities, but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or any other matter whatsoever.

The authorities in resolutions 1 and 2 above shall be in substitution for and shall replace any existing authorities to the extent not utilised at the date these resolutions are passed and shall expire at the conclusion of the next annual general meeting of the Company save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and the directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of any such offer or agreement as if the authorities conferred hereby had not expired.

SPECIAL RESOLUTIONS

3. That, subject to the passing of resolution 1 above, the directors of the Company be and they are hereby empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) of the Company for cash pursuant to the authority conferred by resolution 1 above in connection with the Placing and the Open Offer (as such terms are defined in the circular to the Company’s shareholders dated 19 April 2016 of which this notice forms part) as if section 561 of

the 2006 Act did not apply to any such allotment provided that this power shall be limited to an aggregate nominal amount of £567,404.40.

4. That, subject to the passing of resolution 2 above, the directors of the Company be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 (the "2006 Act") to allot equity securities (as defined in section 560 of the 2006 Act) of the Company for cash pursuant to the authorities conferred by resolution 2 as if section 561 of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities for cash in connection with or pursuant to an offer or invitation (but in the case of the authority granted under resolution 2(b), by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or, if the directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the directors may deem necessary or appropriate to deal with fractional entitlements, treasury shares, record dates, or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or any other matter whatsoever; and
 - (b) the allotment of equity securities for cash in the case of the authority granted under resolution 2(a) above, and otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £258,996 (such amount being equal to 10 per cent. of the Company's share capital). This power shall expire at the conclusion of the next annual general meeting of the Company save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Dated: 19 April 2016

By order of the Board

Iwan Phillips
Company Secretary

Notes:

1. Resolutions 1 and 2 are proposed as Ordinary Resolutions. This means that for the Resolutions to be passed, more than half of the votes cast on such Resolutions must be in favour of such Resolutions. Resolutions 3 and 4 are proposed as Special Resolutions. This means that for these Resolutions to be passed, at least three-quarters of the votes cast on such Resolutions must be in favour of such Resolutions.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. If a member appoints more than one proxy in relation to the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which the member is the registered holder will be apportioned to the blank proxy form.
3. To appoint as a proxy a person other than the chairman of the meeting, a member must insert the proxy's full name in the box on the proxy form. If a member signs and returns a proxy form with no name inserted in the box, the chairman of the meeting will be deemed to be the member's proxy. Where a member appoints as a proxy someone other than the chairman, the member is responsible for ensuring that the proxy attends the meeting and is aware of the member's voting intentions. If a member wishes a proxy to make any comments on the member's behalf, the member will need to appoint someone other than the chairman and give them the relevant instructions directly.
4. A member which is a corporation is entitled to appoint one or more corporate representatives to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member. If a member which is a corporation appoints more than one corporate representative in relation to the meeting, each representative must exercise the rights attached to a different share or shares held by that member. In the case of a member which is a corporation, the proxy form must be executed under the corporation's common seal or signed on its behalf by a duly authorised officer of the corporation or an attorney for the corporation.
5. A Form of Proxy is enclosed. To be valid, the Form of Proxy (and any power of attorney or other authority (if any) under which it is signed) must be duly completed and signed and deposited at the office of the Company's registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours (excluding non-working days) before the time

for holding the meeting (or any adjourned meeting). Completion of a Form of Proxy does not preclude a member from attending and voting in person at the meeting if (s)he so wishes.

6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered in the Company's register of members at close of play on 3 May 2016 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes in the Company's register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting. If the meeting is adjourned, as at 6 p.m. on the day two days (excluding non-working days) before the date of the adjourned meeting shall apply for the purpose of determining the entitlement of members to attend and vote at the adjourned meeting.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 5 May 2016 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Asset Services (CREST Participant ID: RA10), no later than 48 hours (excluding non-working days) before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp 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.
9. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) 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 sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

