

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

If you have sold or otherwise transferred all of your holding of IPSA Shares, please send this document and any accompanying document (but not any personalised Form of Acceptance) as soon as possible to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. **However, this document and any formal documentation relating to the Offer must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent into or from any jurisdiction where the release, publication or distribution in whole or in part, in, into or from or where the extension of the Offer would constitute a violation of the relevant laws of the jurisdiction. In particular, you should not do so to or from the United States of America, Canada, Japan, or Australia.** If you have sold or transferred only part of your holding of IPSA Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and any accompanying documentation relating to the Offer in, and the availability of the Offer to persons who are residents, citizens or nationals of, jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Accordingly, any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom into whose possession this document comes should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any Restricted Jurisdiction.

RECOMMENDED OFFER

for the entire issued and to be issued share capital of

IPSA GROUP PLC

by

ENCOR POWER PLC

You should read carefully the whole of this document and any documents incorporated into it by reference and, if your IPSA Shares are held in Certificated Form, the Form of Acceptance.

To accept the Offer in respect of Certificated IPSA Shares, the Form of Acceptance should be completed, signed and returned, together with your share certificate(s) and/or any other documents of title, as soon as possible, and in any event so as to be received by the Receiving Agent, Neville Registrars Limited, 18 Laurel Lane, Halesowen, West Midlands B63 3DA **no later than 1.00pm (London time) on 15 June 2017.**

To accept the Offer in respect of Uncertificated IPSA Shares, acceptances should be made electronically through CREST so that the TTE Instruction settles as soon as possible and in any event by **no later than 1.00pm (London time) on 15 June 2017.** If you are a CREST Sponsored member, you should contact your CREST Sponsor as only your CREST Sponsor will be able to send the necessary TTE Instruction to Euroclear on your behalf.

The procedure for acceptance of the Offer is set out on pages 19 to 22 of this document and, in respect of IPSA Shares held in Certificated Form, in the Form of Acceptance.

IPSA Shareholders may accept the Offer by following the procedure set out in paragraph 14 of Part 2 of this document, Parts C and D of Appendix I to this document and, in respect of IPSA Shares held in Certificated Form, in the Form of Acceptance.

This document together with those documents listed in paragraph 12 of Appendix IV to this document and the information incorporated into this document in paragraph 13 of Appendix IV to this document will be available on IPSA's website at www.ipsagroup.co.uk.

If you have any questions about this document or are in any doubt as to how to complete the Form of Acceptance (if you hold IPSA Shares in Certificated Form), or if you want to request a hard copy of this document please contact the Receiving Agent, Neville Registrars Limited, on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open between 9.00am and 5.00pm (London time) Monday to Friday (excluding public holidays in England). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. Calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.

IMPORTANT INFORMATION

Optiva Securities Limited (“**Optiva**”), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for IPSA and no-one else in connection with the matters referred to in this document and will not be responsible to anyone other than IPSA for providing the protections afforded to clients of Optiva, nor for providing advice in relation to the Offer or any matter referred to in this document. Neither Optiva or any of its subsidiaries, branches or affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Optiva in connection with the matters referred to in this document.

Sloane Corporate Finance Limited (“**SCF**”) is acting exclusively as for Encor and for no one else in connection with the Estimate of Value Letter set out at Appendix VI and is not, and will not be, responsible to anyone other than Encor for providing the protections afforded to clients of SCF, or for providing advice in connection with the Estimate of Value Letter or any other matters referred to in this document. Neither SCF nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of SCF in connection with this Transaction, the Estimate of Value Letter or any statement contained herein or otherwise.

The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about this Offer, you should consult your own legal, financial or tax adviser for legal, business, financial or tax advice.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. No dealer, salesperson or other person is authorised to give any information or to make any representations with respect to the Offer other than such information or representations contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by Encor or IPSA.

Overseas Shareholders

The release, publication or distribution of this document and any accompanying documentation relating to the Offer in, and the availability of the Offer to persons who are residents, citizens or nationals of, jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Accordingly, any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. In particular, copies of this document and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render any purported acceptance of the Offer invalid. Such persons should read paragraph 5 of Part B, paragraph (c) of Part C and paragraph (b) of Part D of Appendix I to this document before taking any action. Unless otherwise permitted by applicable law and regulation, the Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

This document has been prepared for the purpose of complying with English law and the City Code and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Forward-looking statements

This document, including the information included in this document, contains certain forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Offer on Encor and the IPSA Group, strategic options, the expected timing and scope of the Offer, and all other statements in this document other than historical facts. These statements are based on the current expectations and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “budget”, “schedule”, “forecast”, “project”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, “subject to”, or other words of similar meaning. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results, outcomes and developments to differ materially from those expressed in, or implied by, such forward-looking statements and such statements are therefore qualified in their entirety by the risks and uncertainties surrounding these future expectations. Many of these risks and uncertainties relate to factors that are beyond the entities’ ability to control or estimate precisely, such as, but not limited to, general business and market conditions both globally and locally, political, economic and regulatory forces, industry trends and competition, future exchange and interest rates, changes in government and regulation including in relation to health and safety, the environment, labour relations and tax rates and future business combinations or dispositions. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, neither IPSA nor any member of the Encor Group can give any assurance, representation or guarantee that such expectations will prove to have been correct and such forward-looking statements should be construed in light of such factors and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this document. Neither IPSA nor any member of the Encor Group assume any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation.

No Profit Forecasts

No statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for IPSA for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for IPSA.

Disclosure requirements of the City Code

Under Rule 8.3(a) of the City Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) IPSA and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30pm (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of IPSA or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of IPSA or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of IPSA or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) IPSA and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed

under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (London time) on the Business Day following the date of the relevant dealing.

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

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

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

The Executive has granted IPSA and Encor a dispensation from the requirements under the Code that announcements must be published via a Regulatory Information Service ("RIS"). Encor and IPSA are instead required to publish all announcements on IPSA's website at www.ipsagroup.co.uk. No announcements other than this announcement will be sent in hard copy form to IPSA shareholders. The Executive has also granted a dispensation from the requirements in Note 3 on Rule 8 of the Code that disclosures made under Rule 8 of the Code must be made to a RIS. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Code may be made to Encor by email to pearl@indpow.co.uk and will be published on IPSA's website at www.ipsagroup.co.uk. A copy must also be sent to the Panel's Market Surveillance Unit by email (monitoring@disclosure.org.uk).

Purchases outside the Offer

Encor or its nominees or brokers (acting as agents) may purchase IPSA Shares otherwise than under the Offer, such as through privately negotiated purchases. Such purchases shall comply with the City Code.

Information relating to IPSA Shareholders

Please be aware that addresses, electronic addresses and certain information provided by IPSA Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from IPSA may be provided to Encor during the Offer Period as required under Section 4 of Appendix IV of the City Code to comply with Rule 2.11(c) of the City Code.

Rounding

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

Publication on website

A copy of this document will be available, free of charge (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions), for inspection on IPSA's website www.ipsagroup.co.uk by no later than 12 noon (London time) on the Business Day following the date of this document and will continue to be made available while the Offer remains open for acceptance. For the avoidance of doubt, the contents of this website are not incorporated by reference and do not form part of this document.

Documents in hard copy form

Any person entitled to receive a copy of documents, announcements and information relating to the Offer is entitled to receive such documents and all information incorporated into this document by reference to another source in hard copy form. Unless such a person makes such a request, a hard copy of this document and any such information incorporated by reference in it will not be sent to that person. Such person may request that all future documents, announcements and information in relation to the Offer are sent to them in hard copy form.

Copies of this document (and any information incorporated by reference in this document) and all future documents, announcements and information required to be sent to persons in relation to the Offer may be requested from Receiving Agent, Neville Registrars Limited, on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open between 9.00am and 5.00pm (London time) Monday to Friday (excluding public holidays in England). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. Calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.

ACTION TO BE TAKEN TO ACCEPT THE OFFER

If you hold your IPSA Shares in Certificated Form (that is, not in CREST), to accept the Offer you must follow the procedure set out in paragraph 14.1 of the letter from Encor set out in Part II of this document. In particular, you must complete the enclosed Form of Acceptance in accordance with the instructions printed on it and return the completed Form of Acceptance (along with your original share certificate(s) and/or other documents of title) by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and, in any event, so as to be received by **no later than 1.00pm (London time) on 15 June 2017**. If you are posting in the UK, the enclosed reply-paid envelope has been provided for your convenience.

If you hold your IPSA Shares in Uncertificated Form (that is, in CREST), to accept the Offer you must follow the procedure set out in paragraph 14.2 of the letter from Encor set out in Part II of this document so that the TTE Instruction settles **no later than 1.00pm (London time) on 15 June 2017**. If you hold your IPSA Shares as a CREST Sponsored member, you should refer to your CREST Sponsor as only your CREST Sponsor will be able to send the necessary instruction to Euroclear.

If you require assistance in completing your Form of Acceptance (or wish to obtain an additional Form of Acceptance), or have questions in relation to making an electronic acceptance, please contact the Receiving Agent, Neville Registrars Limited, on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open between 9.00am and 5.00pm (London time) Monday to Friday (excluding public holidays in England). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. Calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.

ALL REFERENCES TO TIME IN THIS DOCUMENT AND IN THE FORM OF ACCEPTANCE ARE TO LONDON TIME UNLESS OTHERWISE STATED

Settlement

Subject to the Offer becoming or being declared unconditional in all respects and the First Closing Date having passed, settlement for those IPSA Shareholders who have validly accepted the Offer will be effected within 14 calendar days of such date or, in relation to valid acceptances received after this date whilst the Offer is still open, within 14 calendar days of receipt of that acceptance.

GENERAL

This document should be read as a whole, together with the information incorporated into it by reference, and, in the case of holders of IPSA Shares in Certificated Form, in conjunction with the Form of Acceptance. IPSA Shareholders are recommended to seek financial advice from their

stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under FSMA if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

THE FIRST CLOSING DATE OF THE OFFER IS 1.00PM (LONDON TIME) ON 15 JUNE 2017

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PART 1

LETTER OF RECOMMENDATION FROM THE INDEPENDENT DIRECTOR OF IPSA GROUP PLC

(IPSA Group plc - incorporated and registered under the Companies Act 1985 in England and Wales with registered number 05496202)

Directors:

Peter Earl (*Chief Executive Officer*)
Susan Laker* (*Non-Executive Director*)

Registered Office:

Millbank Tower
21-24 Millbank
17 Floor
London
SW1 4QP

25 May 2017

To IPSA Shareholders

Dear Shareholder,

Recommended Offer for IPSA Group plc by Encor Power plc

1. Introduction

On 27 April 2017, IPSA and Encor jointly announced that they had reached agreement on the terms of a recommended offer to be made by Encor for the entire issued share capital of IPSA at an implied value of £0.03 per New Encor Share.

The Offer values each IPSA Share at c.£0.019 which represents a premium of approximately 33 per cent. to the closing price of £0.014 per IPSA Share as at the close of business on 15 September 2016, being the last date on which the IPSA Shares were traded on AIM.

Mr Peter Earl is a director of IPSA and also a shareholder. Upon the Offer becoming or being declared unconditional in all respects, Peter Earl will join the board of Encor. In view of his position as a director of IPSA and his prospective position in Encor, Peter Earl has taken no part in the decision to recommend the Offer.

Accordingly, I am writing to you to explain the background to the Offer and the reasons why I, as the Independent Director, having been so advised by Optiva, IPSA's financial adviser, consider the terms of the Offer to be fair and reasonable and recommend that you accept the Offer. In providing financial advice to me as the Independent Director, Optiva has taken into account my commercial assessments.

In my capacity as the Independent Director, I have taken responsibility for considering the Offer on behalf of the IPSA Shareholders and for making an appropriate recommendation to IPSA Shareholders.

Both I and Peter Earl, being the IPSA Directors, have irrevocably undertaken to accept the Offer in respect of our beneficial shareholdings, and in respect of certain immediate family members representing, in aggregate, 2,400,000 IPSA Shares which represent approximately 2.23 per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the date of the Rule 2.7 Announcement).

In addition, Encor has received irrevocable undertakings to accept the Offer from certain IPSA Shareholders, in respect of 50,923,225 IPSA Shares, in aggregate, representing approximately 47.37

per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the date of the Rule 2.7 Announcement).

Accordingly, Encor has received irrevocable undertakings to accept the Offer in respect of, an aggregate of, 53,323,225 IPSA Shares, representing approximately 49.60 per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the date of the Rule 2.7 Announcement).

The Offer is conditional on, amongst other things, Encor receiving valid acceptances (which have not been withdrawn) which, when taken together with any IPSA Shares which Encor and parties acting in concert with Encor hold or have acquired pursuant to the Offer or otherwise, carry in aggregate more than 50 per cent. of the voting rights normally exercisable at a general meeting of IPSA.

2. The Offer

Under the terms of the Offer, which are set out in more detail in the Letter from Encor set out in Part II of this document and which is subject, *inter alia*, to the conditions and further terms set out in Appendix 1 to this document and (in respect of certificated IPSA Shares) the accompanying Form of Acceptance IPSA Shareholders will be entitled to receive:

for each IPSA Share, 0.62 New Encor Shares

and so in proportion for any other number of IPSA Shares held.

With an implied value of £0.03 each, the 0.62 New Encor Shares per IPSA Share offered represent £0.019, a premium of c.33 per cent. to the closing price of £0.014 per Ordinary Share on 15 September 2016, being the last dealing day on which IPSA's Ordinary Shares were quoted on AIM.

The Offer values the whole of IPSA's issued share capital at approximately £2m.

For the purposes of Rule 24.11 of the City Code, SCF has provided to the Encor Directors, on the basis of certain assumptions, qualifications and caveats as set out in the Estimate of Value Letter appearing in Appendix VI of this document, an estimate of value with respect to the New Encor Shares.

SCF has prepared the estimate of value for the sole benefit and use of the Encor Directors for the purposes of Rule 24.11 of the City Code in connection with the Offer and for no other purpose. In providing the estimate of value to the Encor Directors, no recommendation or advice is given by SCF as to whether IPSA Shareholders should accept the offer or otherwise.

On the basis of the estimate of value provided by SCF to the Encor Directors solely for the purposes of Rule 24.11 of the City Code (and subject to the assumptions, qualifications and caveats set out in the Estimate of Value Letter), each New Encor Share had an estimated value approximately 4 pence as at 22 May 2017.

The Offer represents an opportunity for all IPSA Shareholders to benefit from Encor's development pipeline and the significant growth opportunities that exist in the UK for the supply of electrical power and grid management services.

The Offer will extend to all IPSA Shares unconditionally allotted or issued and fully paid on the date of the Offer and any IPSA Shares which are unconditionally allotted or issued and fully paid whilst the Offer remains open for acceptance or by such earlier date as Encor may decide, subject to the City Code, and not being earlier than the date on which the Offer becomes unconditional as to acceptances.

The IPSA Shares to which the Offer relates will be acquired by Encor fully paid, or credited as fully paid, and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights now and hereafter attaching to them, including, without limitation, the right to receive in full and retain all

dividends and other distributions, (if any) declared, made or paid in respect of the IPSA Shares on or after 27 April 2017.

Fractions of New Encor Shares will not be allotted or issued to accepting IPSA Shareholders and New Encor Shares to be issued to accepting IPSA Shareholder will be rounded down to the nearest whole number for this purpose.

The Offer will be subject to the Conditions and further terms set out in Appendix I to this document and, in the case of IPSA Shares held in Certificated Form, in the Form of Acceptance. In particular, the Offer is conditional on, amongst other things, Encor receiving valid acceptances (which have not been withdrawn) which, when taken together with any IPSA Shares which Encor and any parties acting in concert with Encor hold or have acquired or agreed to acquire, pursuant to the Offer or otherwise, carry in aggregate not less than 50 per cent. of the voting rights normally exercisable at a general meeting of IPSA.

The Offer can only become effective if all conditions to the Offer have been satisfied or waived (to the extent permissible).

3. Background to and reasons for the recommendation

Following IPSA's delisting from AIM on 16 September 2016, there is currently no market in IPSA Shares. In addition, as IPSA sold its last operating power generation business on 29 February 2016 there is no cash flow from operations available to IPSA.

The Independent Director, who has been so advised on the financial terms of the Offer by Optiva, believes that the Offer is fair and reasonable and, therefore, recommends that IPSA Shareholders vote in favour of the Offer. In providing advice to the Independent Director, Optiva has taken into account the commercial assessment of the IPSA Directors. Optiva is providing independent financial advice to the Independent Director for the purpose of Rule 3 of the City Code.

4. Compulsory Acquisition and Re-registration

If Encor receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the IPSA Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by the IPSA Shares to which the Offer relates, Encor will exercise its rights pursuant to the provisions of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining IPSA Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

It is also intended that, following the Offer becoming or being declared unconditional in all respects Encor, assuming acceptances exceed 75 per cent. of the IPSA Shares, will procure that IPSA puts resolutions to its remaining shareholders in order to re-register IPSA as a private limited company under the relevant provisions of the Companies Act 2006.

If the Offer becomes or is declared wholly unconditional but Encor does not receive sufficient acceptances under the Offer to entitle it compulsorily to acquire the remaining IPSA Shares, IPSA Shareholders who have not validly accepted the Offer will be shareholders in an unlisted subsidiary company with no ready or liquid market for their IPSA Shares and no right for their IPSA Shares to be compulsorily acquired by Encor.

5. Effects of implementation of the Offer

Your attention is drawn to the statement of Encor's future intentions and plans for IPSA and its management if the Offer becomes or is declared wholly unconditional, as set out in paragraph 9 of the letter from Encor set out in Part 2 of this document.

The IPSA Directors are pleased to note the statements made by Encor that it attaches great importance to the skills, expertise and knowledge of the existing management of IPSA and expects Peter Earl to continue to play a significant role in developing the business and that the on-going development and expansion of the business will be implemented under the leadership of the Encor

board. Peter Earl will be joining the Encor Board upon the Offer becoming unconditional. IPSA currently has no other employees.

If the Offer is declared unconditional in all respects, I will resign from the IPSA Board and Encor may nominate new directors to the IPSA Board, as appropriate.

The IPSA Directors are also pleased to note Encor confirms that it intends to safeguard the existing pension rights of IPSA Group's existing management in accordance with applicable law and to comply with IPSA Group's pension obligations. The IPSA Directors welcome Encor's confirmation that it does not intend to make any changes to the location of IPSA Group's place of business.

The assets of IPSA comprise mainly equipment for use in connection with power generation turbines. That equipment has been and will continue to be held for IPSA by Fagioli SPA at their premises in Italy until it can either be used or sold. Accordingly, save as set out above, the location of IPSA's assets will not change.

6. Taxation

Your attention is drawn to paragraph 5 of Appendix IV to this document which sets out a general guide on United Kingdom taxation, based on current legislation and practice.

If you are in any doubt as to your tax position or are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate independent professional adviser immediately.

7. Overseas Shareholders

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

8. Offer-Related Arrangements

A summary of offer-related arrangements is set out in paragraph 8 of Appendix IV to this document.

9. Action to be taken

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

Further information on how to accept the Offer is set out in paragraph 16 of the letter from Encor set out in Part 2 of this document.

10. Further Information

The terms and conditions of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the further information in the remaining parts of this document and, if your IPSA Shares are in Certificated Form, to the accompanying Form of Acceptance, which should be read in conjunction with this document.

11. Recommendation

As the Independent Director, who has been so advised by Optiva on the financial terms of the Offer, I consider the terms of the Offer to be fair and reasonable so far as the IPSA Shareholders are concerned and accordingly I recommend unanimously that IPSA Shareholders accept the Offer as soon as possible. In providing advice to me, Optiva has taken into account my commercial assessment. Optiva is providing independent financial advice for the purposes of Rule 3 of the City Code to the Independent Director.

Accordingly, I recommend that IPSA Shareholders accept the Offer and I have irrevocably undertaken to accept the Offer in relation to my own beneficial holding of 650,000 IPSA Shares, representing approximately 0.60 per cent. of IPSA's existing issued share capital.

Peter Earl, who is the other IPSA Director has also given an irrevocable undertaking to accept the Offer in respect of a total of 1,750,000 IPSA Shares in which he and certain immediate family members is interested, representing approximately 1.63 per cent. of the issued share capital of IPSA on 26 April 2017 (being the last Business Day prior to the date of the Rule 2.7 Announcement).

Yours faithfully,

Susan Laker
Director, IPSA Group plc

PART 2
LETTER FROM ENCOR POWER PLC

(Encor Power plc - incorporated in England and Wales with registered number 10050579)

Directors:

Edward Cowdery
Julian Lloyd Vine
Robert Mclearn
Christopher Morgan
William Slegg

Registered Office:

Unit 1a The Granary,
Bulrushes Business Park,
Coombe Hill Road,
East Grinstead,
England, RH19 4LZ

To: IPSA Shareholders

Dear IPSA Shareholder

Recommended Offer for IPSA Group plc by Encor

1. Introduction

On 27 April 2017, IPSA and Encor jointly announced that they had reached agreement on the terms of a recommended offer to be made by Encor for the entire issued share capital of IPSA at an implied value of £0.03 per New Encor Share.

This letter, Appendix I to this document and (in the case of Shareholders holding their IPSA Shares in Certificated Form) the Form of Acceptance contain the formal terms and conditions of the Offer for your IPSA Shares.

Your attention is drawn to the letter of recommendation from the Independent Director of IPSA set out in Part 1 of this document which sets out the reasons why the Independent Director, who has been so advised by Optiva, considers the terms of the Offer to be fair and reasonable and accordingly recommends that IPSA Shareholders accept the Offer as soon as possible.

To accept the Offer in respect of Certificated IPSA Shares, you must complete, sign and return the Form of Acceptance, together with your share certificate(s) and any other documents of title, as soon as possible and, in any event, so as to be received by the Receiving Agent, Neville Registrars Limited by **no later than 1.00 p.m. (London time) on 15 June 2017**.

To accept the Offer in respect of Uncertificated IPSA Shares, acceptances should be made electronically through CREST so that the TTE Instruction settles as soon as possible and in any event by **no later than 1.00 p.m. (London time) on 15 June 2017**. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

The attention of IPSA Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom is drawn to paragraph 15 of this Part 2, paragraph 5 of Part B and paragraph (c) of Part C or paragraph (b) of Part D of Appendix I to this document and, if the IPSA Shares are held in Certificated Form, to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

2. The Offer

Under the terms of the Offer, which is subject to the Conditions and further terms set out in Appendix I to this document and, in respect of IPSA Shares held in Certificated Form in the Form of Acceptance, IPSA Shareholders will be entitled to receive:

for each IPSA Share, 0.62 New Encor Shares

The Offer values the whole of IPSA's issued share capital at approximately £2m. With an implied value of £0.03 each, the 0.62 New Encor Shares per Ordinary Share offered represent £0.019, a premium of c.33 per cent. to the closing price of £0.014 per Ordinary Share on 15 September 2016, being the last dealing day on which IPSA's Ordinary Shares were quoted on AIM.

For the purposes of Rule 24.11 of the City Code, SCF has provided to the Encor Directors, on the basis of certain assumptions, qualifications and caveats as set out in the Estimate of Value Letter appearing in Appendix VI of this document, an estimate of value with respect to the New Encor Shares.

SCF has prepared the estimate of value for the sole benefit and use of the Encor Directors for the purposes of Rule 24.11 of the City Code in connection with the Offer and for no other purpose. In providing the estimate of value to the Encor Directors, no recommendation or advice is given by SCF as to whether IPSA Shareholders should accept the offer or otherwise.

On the basis of the estimate of value provided by SCF to the Encor Directors solely for the purposes of Rule 24.11 of the City Code (and subject to the assumptions, qualifications and caveats set out in the Estimate of Value Letter), each New Encor Share had an estimated value approximately £0.04 as at 22 May 2017.

Encor has received irrevocable undertakings to accept the Offer in respect of, in aggregate, 53,323,225 IPSA Shares, representing approximately 49.60 per cent. of IPSA's issued share capital. Further details of the irrevocable undertakings received by Encor are set out in paragraph 5 below.

Encor reserves the right to make an equivalent reduction in the ratio of New Encor Shares to be issued if IPSA announces, declares or pays any dividend or any other distribution to shareholders on or after the date of this document.

The Offer will extend to all IPSA Shares unconditionally allotted or issued and fully paid on the date of the Offer and any IPSA Shares which are unconditionally allotted or issued and fully paid whilst the Offer remains open for acceptance or by such earlier date as Encor may, subject to the City Code, decide, not being earlier than the date on which the Offer becomes unconditional as to acceptances.

The IPSA Shares to which the Offer relates will be acquired by Encor fully paid, or credited as fully paid, and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights now and hereafter attaching to them, including, without limitation, the right to receive in full and retain all dividends and other distributions, (if any) declared, made or paid in respect of the IPSA Shares on or after 27 April 2017.

The New Encor Shares are ordinary shares of £0.01 and rank equally with all existing Encor Shares as regards rights to dividends (if declared), voting, and other capital distributions. The Encor Shares are not capable of redemption. Fractions of New Encor Shares will not be allotted or issued to accepting IPSA Shareholders and New Encor Shares to be issued to accepting IPSA Shareholders will be rounded down to the nearest whole number for this purpose.

The Offer will be subject to the Conditions and further terms set out in Appendix I to this document and, in the case of IPSA Shares held in Certificated Form, in the Form of Acceptance. In particular, the Offer is conditional on, amongst other things, Encor receiving valid acceptances (which have not been withdrawn) which, when taken together with any IPSA Shares which Encor and parties acting in concert with Encor hold or have acquired or agreed to acquire, pursuant to the Offer or otherwise, carry in aggregate not less than 50 per cent. of the voting rights normally exercisable at a general meeting of IPSA.

Encor does not intend to transfer any of the IPSA Shares acquired in pursuance of the Offer to any other person, but may later elect to transfer them to another Encor group company.

3. Background to and reasons for the Offer

Encor was founded in 2016 to offer distributed power generation and grid management services in the UK. Its strategy may be achieved through the direct acquisition of sites or through the acquisition of companies owning sites and/or complementary assets. Encor Power completed its first acquisition in 2016 by acquiring 100% of the issued share capital of Demand Power Limited, a UK based development company.

Through the acquisition of IPSA, Encor will be acquiring a company with a ten year continuous track record of developing gas fired power plants using both gas turbines and gas engines of the type similar to those which Encor plans to install in the United Kingdom. Encor also is seeking to strengthen its tangible net assets through the inclusion of certain plant and equipment owned by IPSA. In turn, IPSA will benefit from being part of a larger group trading in an OECD country rather than Southern Africa to develop small power plants offering services which are in high demand in the United Kingdom given current generation and transmission network constraints.

Encor believes that by offering a share for share transaction to IPSA shareholders, such shareholders can benefit from Encor's development pipeline and the significant growth opportunities that exist in the UK for the supply of electrical power and grid management services.

Acceptance of the Offer in full by IPSA Shareholders will not affect Encor's earnings. The benefit to Encor of the IPSA acquisition is that it will acquire current assets (subject to a sale option) with an estimated value of £2,000,000 free of encumbrances.

IPSA's liabilities are trade liabilities. As IPSA was loss making prior to its de-listing, the consolidated accounts for the Group will show carried forward losses of c.£35m, all of which relates to IPSA's prior activities. The Encor Directors believe that these losses may be available to set against future profits of the Group but this cannot be guaranteed.

4. Recommendation of the Offer by the Independent Director

Your attention is drawn to the letter of recommendation from the Independent Director of IPSA set out in Part 1 of this document, which sets out the reasons why the Independent Director, who has been so advised as to the financial terms of the Offer by Optiva, considers the terms of the Offer to be fair and reasonable. In providing advice to the Independent Director, Optiva has taken into account the commercial assessments of the Independent Director. Optiva is providing independent financial advice for the purposes of Rule 3 of the City Code to the Independent Director.

Accordingly, the Independent Director recommends that all IPSA Shareholders accept the Offer, as the IPSA Directors have irrevocably undertaken to do in respect of their own, and certain beneficial shareholdings of immediate family members of a total of 2,400,000 IPSA Shares, representing approximately 2.23 per cent. of IPSA's issued share capital.

The Independent Director urges all IPSA Shareholders to accept the Offer as soon as possible.

More information relating to the IPSA Directors' recommendation is set out in Part 1 of this document.

5. Irrevocable Undertakings to accept the Offer

Encor has received an irrevocable undertaking to accept the Offer from Peter Earl, a director of IPSA in respect of 1,750,000 IPSA Shares, representing approximately 1.63 per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the date of the 2.7 Announcement) and from Susan Laker, also a director of IPSA, in respect of 650,000 IPSA Shares representing approximately 0.60 per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the date of the 2.7 Announcement). Both such irrevocable undertakings are binding.

In addition, irrevocable undertakings to accept the Offer have been received by Encor from Sterling Trust Limited, WH Ireland Nominees Limited, Mr S Hargrave, Ms E Shaw and Technology Finance Limited in respect of 50,923,225 IPSA Shares in aggregate, representing approximately 47.37 per

cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the release of the 2.7 Announcement). Each of these irrevocable undertakings is binding.

Accordingly, Encor has received irrevocable undertakings to accept the Offer over, in aggregate, 53,323,225 IPSA Shares, representing approximately 49.60 per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the release of the Rule 2.7 Announcement).

Further details of the irrevocable undertakings received by Encor are set out in paragraph 8 of Appendix IV to this document.

6. Information on Encor

Encor was incorporated in England and Wales on 8 March 2016. Encor together with its subsidiary Demand Power Limited ("**Encor Group**") is to offer distributed power generation and grid management services including Demand Side Response, Back-up Generation, Frequency Response, Capacity Management, Triad Management and Energy Storage Services to the National Grid. Encor Group will also generate electricity for the purpose of commercial trading to energy suppliers and other commercial clients in the UK. Demand Power, a UK developer of distributed demand side generation projects, was acquired in September 2016 by way of a share-for-share exchange.

The business of Encor Group currently comprises options to acquire leases over 8 sites on which generation facilities can be built and connected to the Grid and a further pipeline of potential sites in earlier stages of development. One such site already has planning permission for the construction of a 20MW generating facility and each site has received a connection offer from its local DNO. The expected aggregate export capacity of these sites is estimated at 325MW.

Encor Group's strategy is to develop its business through the continued development, construction and operation of generation assets, delivering revenues through the sale of grid management services and commercial trading. Encor Group will also seek to acquire sites, with or without planning permission, from time to time.

Encor intends to make an application to list its entire enlarged ordinary share capital (including the New Encor Shares) to the Standard List of the Main Market of the London Stock Exchange and admission to trading is anticipated to take place in Q2/Q3 2017.

The Offer will not result in any change to the continued employment or employment conditions of Encor's employees or managers. The Offer will also not change Encor's strategic plans or the locations of its business. The emoluments of Encor's directors will not be affected by the acquisition of IPSA.

The following Encor shareholders have a pre-existing interest in Encor such that they have a potential indirect interest of 5% or more in IPSA:

Julian Lloyd Vine - Julian is the Chief Operating Officer of Encor and has over thirty years' experience in the Financial Services Industry. He has worked for many of Europe's largest financial companies, and has experience in Insurance, Investment, and Structured Risk Transfer. He was Director of Strategic Partnerships in the UK at AXA Life, and was responsible for devising and implementing joint ventures with major financial institutions. He is also a director of a number of Hedge Funds and is NED of several privately held investment companies. Julian's holding in Encor as at the date of this Document is 24,483,333 Ordinary Shares representing 8.99 per cent. of Encor's issued share capital.

Colin Hammond and Jane Hammond – Colin is one of the original shareholders in Demand Power Limited, now a wholly owned subsidiary of Encor, and worked as a business development consultant to Demand Power sourcing potential development sites. Jane is Colin's wife. Colin's holding in Encor as at the date of this Document is 19,485,000 Ordinary Shares representing 7.15 per cent. of Encor's issued share capital and Jane's is 21,650,000 Ordinary Shares representing 7.95 per cent. of Encor's issued share capital.

Edward Cowdery – Ed is Chief Executive Officer of Encor and has over fifteen years' experience in strategic business development & management of companies within the healthcare, technology and energy sectors. Prior to entering the energy sector Ed spent ten years developing commercial market entry strategies for US based healthcare companies importing new technologies into EMEA. More recently Edward has been focussed on developing energy efficiency and renewable energy projects in the wind turbine and solar sectors, specifically targeting large scale deployment through national partnerships with companies including Knight Frank and EDF. Ed is the founder and Managing Director of Demand Power Limited, now a wholly owned subsidiary of Encor. Ed's holding in Encor as at the date of this Document is 39,147,453 Ordinary Shares representing 14.37 per cent. of Encor's issued share capital.

Andrew Crooks and Yaofeng Yang – Andrew is Head of Finance for Encor with many years accounting and company administration experience. He and his wife Yaofeng Yang are two of the original shareholders of Demand Power Limited, now a wholly owned subsidiary of Encor. Andrew's holding in Encor as at the date of this Document is 18,450,000 Ordinary Shares representing 6.77 per cent. of Encor's issued share capital and Yaofeng's is 18,635,000 Ordinary Shares representing 6.84 per cent. of Encor's issued share capital.

HG Fund 1 – HG Fund I is a Cayman Islands incorporated limited liability company. It was established in 2012 and its sole shareholder and controlling shareholder is Richard Arnold, a private investor with a background in financial services, based in Switzerland. It was incorporated for the purposes of acting as a holding vehicle for various rights, shares, options and fees held by or due to Richard Arnold. The only asset it currently holds is Encor Shares. HG Fund 1's holding in Encor as at the date of this Document is 64,950,000 Ordinary Shares representing 23.84 per cent. of Encor's issued share capital.

7. Information on IPSA

IPSA was established to develop, own and manage power generation plants in southern Africa. It listed on AIM in September 2005 and from October 2006 had a secondary listing on the AltX market of the Johannesburg Stock Exchange.

IPSA sold its only revenue generating asset on 29 February 2016 and so became an AIM Rule 15 cash shell requiring it to make an acquisition or acquisitions constituting a reverse takeover under AIM Rule 14 within six months of that disposal.

IPSA failed to make an acquisition within the six month period and on 16 September 2016, the admission of its Ordinary Shares to trading on AIM was cancelled.

The acquisition of IPSA will bring equipment with an estimated value of £2m into the Encor Group. The equipment comprises certain balance of plant, being equipment ancillary to the operation of gas turbines ("**Balance of Plant**"). The Balance of Plant is partially subject to an option in favour of Rurelec plc ("**Rurelec**") exercisable at any time up to 30 September 2017 for £1m ("**Rurelec Option**"). All the Balance of Plant is stored in Italy by Fagioli S.p.A ("**Fagioli**"). The Balance of Plant, other than the equipment subject to the Rurelec Option, is available for sale.

On 29 February 2016 IPSA sold Blazeway Engineering Limited ("**Blazeway**") to Sloane Corporation Limited and became a cash shell pursuant to Rule 15 of the AIM Rules. As far as the Encor Directors are aware, no warranty or other liabilities from such sale are outstanding.

As at the date of such sale, as far as the Encor Directors are aware, the only liabilities of IPSA were to its directors/professional advisers and Rurelec and Ethos Energy S.p.A ("**Ethos**"). The obligations of IPSA to Rurelec and Ethos arose out of a series of transactions which may be summarised as follows:

On 13 June 2013 Rurelec agreed to buy from IPSA two TurboCare (ex Fiat Avio) TG50 D5 Dual Fuel turbines ("**Turbines**"), together with their ancillary equipment ("**2013 Rurelec Agreement**"). The total purchase price was £16,129,032.26, of which £11,935,483.87 was paid and deferred consideration of £4,193,548.39 was left outstanding ("**Deferred Consideration**"). The Equipment was to be stored with Fagioli at IPSA's cost and insured by IPSA.

During 2014 Ethos and IPSA were in dispute in respect of sums claimed by Ethos from IPSA pursuant to agreements between them related to the sale, purchase and refurbishment of four gas turbine packages with the Balance of Plant and the sale and purchase of 2 transformers acquired by IPSA from Ethos in 2007 and 2008. Arbitration proceedings were commenced by Ethos against IPSA in London in 2014 in relation to these claims ("**Ethos Claims**").

On 27 October 2014, Ethos, IPSA and Rurelec entered into an agreement ("**Settlement Agreement**") to compromise the Ethos Claims, which included a requirement for IPSA to pay Ethos €3,000,000. The Settlement Agreement was amended by a side letter dated 5 December 2016 pursuant to which IPSA agreed to pay £1,250,000 as part payment towards the sum owed under the Settlement Agreement.

On 14 February 2017 Ethos and Rurelec entered into a Deed of Assignment pursuant to which Ethos assigned to Rurelec all of its rights to arising out of the Settlement Agreement and gave notice to IPSA that all future payments that would otherwise be owing to Ethos should be made to Rurelec.

On 23 March 2017 IPSA and Rurelec entered into a Deed of Release and Undertakings ("**Deed of Release**") pursuant to which, *inter alia*:

- IPSA released Rurelec from any remaining claims under the Ethos Claims and the 2013 Rurelec Agreement (principally relating to the Deferred Consideration);
- IPSA confirmed to Rurelec that the sum owing to Ethos under the Settlement Agreement and otherwise was €4.7m;
- Rurelec waived its entitlement to the full amount of the €4.7m owed to Ethos by IPSA under the Settlement Agreement, and reduced it to £1.275m;
- The amounts owing by Rurelec to IPSA were agreed at £260,000, to be paid in equal monthly instalments; and
- IPSA granted Rurelec an option to buy certain items from the Balance of Plant for £1m, exercisable on or before 30 September 2017.

During the preparation of its accounts to September 2016, the IPSA Directors valued the Balance of Plant at £2,000,000, reducing its previous book value of £4.1m.

8. Current trading and prospects

The following has been extracted from IPSA's results for the period ended 30 September 2016:

"The consolidated statement of comprehensive income (2015 figures reclassify discontinued operations) shows a gross loss (Company only) of £2.06m (2015 £1.24m). The operating loss for the period is £2.11m (2015 £2.22m). The bulk of the loss at this level was due to the revaluation of the BOP following an impairment review of the carrying value of the remaining ancillary equipment.

On 30 March 2017, following the announcement by Rurelec on 14 February 2017 of its acquisition of the Ethos Energy creditor position, IPSA and Rurelec agreed a settlement whereby the balance due from Rurelec was fixed at £1.535m (including reimbursement of storage charges and other costs) and £1.275m of the balance due from Rurelec was offset against amounts originally due to Ethos Energy, with outstanding amounts written off, enabling IPSA to recognise a gain of £2.94m and leaving £0.26m to be paid by Rurelec under a new payment timetable. The first payment was received on 31 March 2017 and the final payment is scheduled to be received by 31 October 2017.

After recognising the effects of the settlement with Rurelec and negotiations with trade creditors the loss for the year for continuing operations is £0.13m (2015 £2.37m).

After adjustments in group reserves necessary to recognise the reclassification of exchange differences arising on translation of foreign operations relating to discontinued operations, the

comprehensive gain for the year was £0.86m, increasing total equity to £2.1m (2015: loss £7.05m, total equity £1.24m)”.

As it was incorporated in March 2016, Encor has not been required to publish any accounts and its first accounts for the period from its incorporation to 30 June are due to be published by 31 December 2017.

9. Future intentions for IPSA and its management

Encor attaches great importance to the skills, expertise and knowledge of the existing management of IPSA and, assuming that the Offer becomes unconditional, envisages that operations will continue from IPSA's London head office and that the on-going development and expansion of the business will be implemented under the leadership of the Encor board. Peter Earl will be joining the Encor Board although only limited discussions have taken place in this regard and the terms of his appointment are yet to be agreed. IPSA currently has no employees.

Encor confirms that if the Offer is declared unconditional in all respects, it intends to safeguard fully the existing employment and pension rights of IPSA's management in accordance with applicable law. Encor's plans for IPSA do not involve any material change in the conditions of employment of its employees as there are no IPSA employees. Encor does not intend to make any changes to the locations of IPSA's places of business.

If the Offer is declared unconditional in all respects, Susan Laker will resign from the IPSA Board and Encor may nominate new directors to the IPSA Board, as appropriate.

10. IPSA Shares to which the Offer relates

The Offer shall extend to any IPSA Shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) on or before the date on which the Offer closes as to acceptances (or such earlier date as Encor may, subject to the City Code, decide).

11. Compulsory acquisition and re-registration

If Encor receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the IPSA Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by the IPSA Shares to which the Offer relates, Encor will exercise its rights pursuant to the provisions of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining IPSA Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

It is also intended that, following the Offer becoming or being declared unconditional in all respects Encor, assuming acceptances exceed 75 per cent. of the IPSA Shares, will procure that IPSA puts resolutions to its remaining shareholders in order to re-register IPSA as a private limited company under the relevant provisions of the Companies Act 2006.

If the Offer becomes or is declared wholly unconditional but Encor does not receive sufficient acceptances under the Offer to entitle it compulsorily to acquire the remaining IPSA Shares, IPSA Shareholders who have not validly accepted the Offer will be shareholders in an unlisted subsidiary company with no ready or liquid market for their IPSA Shares and no right for their IPSA Shares to be compulsorily acquired by Encor

12. Taxation

Your attention is drawn to paragraph 5 of Appendix IV to this document which sets out a general guide on United Kingdom taxation, based on current legislation and practice.

If you are in any doubt as to your tax position or are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate independent professional adviser immediately.

13. Overseas Shareholders

The availability of the Offer to IPSA Shareholders who are not resident in the UK may be affected by the laws and/or regulations of their relevant jurisdiction. Accordingly, such persons should inform themselves about and observe any applicable legal or regulatory requirements in their jurisdiction. If you are in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

The attention of IPSA Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding IPSA Shares for such citizens or residents and any person (including, without limitation, any agent, nominee, custodian or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom is drawn to paragraph 5 of Part B, paragraph (c) of Part C and/or paragraph (b) of Part D of Appendix I to this document and, if the IPSA Shares are held in Certificated Form, to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

Unless otherwise determined by Encor or required by the City Code (and permitted by applicable law and regulation), copies of this document and the Form of Acceptance and any other document related to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed, transmitted or sent in or into or from the United States, Canada, Australia, Japan, or any other Restricted Jurisdiction and persons receiving this document, the Form of Acceptance and any other related document (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer.

The Offer is not being made, directly or indirectly in, into or from any Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws of that jurisdiction, and it is not currently intended that the Offer will be capable of acceptance by any such use, means, instrumentality or facility from within any such jurisdiction. Accordingly, persons who are unable to give the warranties set out in paragraphs (c) of Part C and/or paragraph (b) of Part D of Appendix I to this document may be deemed not to have validly accepted the Offer.

If you are in any doubt as to the procedure for acceptance of the Offer, if you have any questions about this document or are in any doubt as to how to complete the Form of Acceptance (if you hold IPSA Shares in Certificated Form), or if you want to request a hard copy of this document please contact the Receiving Agent, Neville Registrars Limited, on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open between 9.00am and 5.00pm (London time) Monday to Friday (excluding public holidays in England and Wales). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. Calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.

14. Procedure for acceptance of the Offer

IPSA Shareholders who hold their shares in Certificated Form (that is, not in CREST) should read this section in conjunction with the Form of Acceptance and Parts B and C of Appendix I to this document. The instructions on the Form of Acceptance are deemed to form part of the terms of the Offer. IPSA Shareholders who hold their shares in Uncertificated Form (that is, in CREST) should refer to paragraph 14.2 below.

14.1 IPSA Shares held in Certificated Form (that is, not in CREST)

(a) Completion of Form of Acceptance

To accept the Offer in respect of IPSA Shares held in Certificated Form (that is, not in CREST), you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. You should complete separate Forms of Acceptance for IPSA Shares held in Certificated Form but under different designations. If you have any queries as to how to complete the Form of Acceptance, please contact the Receiving Agent, Neville Registrars Limited, on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open

between 9.00am and 5.00pm (London time) Monday to Friday (excluding public holidays in England). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. Calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.

The instructions printed on the Form of Acceptance shall be deemed to form part of the terms of the Offer.

- (i) To accept the Offer in respect of all your IPSA Shares in Certificated Form, you must complete Box 1 and sign Box 2 on page 3 of the enclosed Form of Acceptance. In all cases, if you are an individual, you must sign Box 2 on page 4 of the Form of Acceptance in the presence of a witness who should also sign in accordance with the instructions printed on it. Any IPSA Shareholder which is a company should also execute Box 2 on page 4 of the Form of Acceptance in accordance with the instructions printed on it. If you do not insert a number in Box 1 on page 4 of the Form of Acceptance, or if you insert in Box 1 a number which is greater than the number of certificated IPSA Shares that you hold and you have signed Box 2, your acceptance will be deemed to be in respect of all the IPSA Shares held by you in Certificated Form.
 - (ii) To accept the Offer in respect of less than all your IPSA Shares in Certificated Form, you must insert in Box 1 on page 3 of the Form of Acceptance such lesser number of IPSA Shares in respect of which you wish to accept the Offer in accordance with the instructions printed on it. You should then follow the procedure set out in paragraph 14.1(a)(i) above in respect of such lesser number of IPSA Shares.
- (b) Return of Form of Acceptance

To accept the Offer in respect of IPSA Shares held in Certificated Form, the completed, signed and witnessed Form of Acceptance should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, **together (subject to paragraph (c) below) with your original share certificate(s)**, together (subject to paragraph (c) below) with your original share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received **not later than 1.00pm (London time) on 15 June 2017**. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance received in an envelope post-marked in a Restricted Jurisdiction, or otherwise appearing to Encor or its agents to have been sent from any of these jurisdictions, may be rejected as an invalid acceptance of the Offer. Further information for IPSA Shareholders resident overseas is set out in paragraph 13 of this letter.

- (c) Share certificates not readily available or lost

If your IPSA Shares are in Certificated Form, a completed, signed and (where applicable) witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title.

If for any reason the relevant share certificate(s) and/or other document(s) of title is/are not readily available you should nevertheless complete, sign and return the Form of Acceptance by post using the enclosed reply paid envelope or by hand (during normal business hours only) to Neville Registrars Limited as soon as possible and, in any event, so as to be received **not later than 1.00pm (London time) on 15 June 2017**. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter requesting a letter of indemnity for the lost share certificate(s) (see next paragraph). You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible.

If you have lost your share certificate(s) and/or other document(s) of title you should write as soon as possible to IPSA's registrars, Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, requesting a letter of indemnity for the lost share certificate(s) and/or other

document(s) of title which, when completed in accordance with the instructions given, should be returned by post to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. Notwithstanding the foregoing, you should complete, sign and return the Form of Acceptance by post using the enclosed reply paid envelope or by hand (during normal business hours only) to Neville Registrars Limited as soon as possible and, in any event, so as to be received **not later than 1.00pm (London time) on 15 June 2017** accompanied by a letter stating that you have lost your share certificate(s) and that a completed letter of indemnity will follow as soon as possible.

(d) Validity of acceptances

Without prejudice to Parts B and C of Appendix I to this document, subject to the provisions of the City Code, Encor reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, issue of New Encor Shares under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Encor have been received.

(e) Overseas Shareholders

The attention of IPSA Shareholders holding shares in Certificated Form and who are citizens or residents of jurisdictions outside the United Kingdom is drawn to paragraph 13 of this letter.

14.2 IPSA Shares held in Uncertificated Form (that is, in CREST)

(a) General

If your IPSA Shares are in Uncertificated Form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the IPSA Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying the Receiving Agent (in its capacity as a CREST Participant under the Escrow Agent's Participant ID referred to below) as the Escrow Agent, as soon as possible and in any event so that the TTE Instruction settles **not later than 1.00pm (London time) on 15 June 2017**. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) – you should therefore ensure you time the input of any TTE Instructions accordingly.

The input and settlement of a TTE Instruction in accordance with this paragraph 14.2 will (subject to satisfying the requirements set out in Parts B and D of Appendix I to this document) constitute an acceptance of the Offer in respect of the number of IPSA Shares so transferred to escrow.

If you are a CREST Sponsored member, you should refer to your CREST Sponsor before taking any action. Only your CREST Sponsor will be able to send the TTE Instruction(s) to Euroclear in relation to your IPSA Shares.

After settlement of a TTE Instruction, you will not be able to access the IPSA Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional in all respects, the Escrow Agent will withdraw the IPSA Shares which will be transferred to Encor in accordance with Part D of Appendix I to this document.

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

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST Sponsor) to enable a TTE Instruction relating to your IPSA Shares to settle prior to **1.00pm (London time) on 15 June 2017**. In this connection, you are referred in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

(b) To accept the Offer

To accept the Offer in respect of your IPSA Shares, you should send (or, if you are a CREST Sponsored member, procure that your CREST Sponsor sends) to Euroclear a TTE Instruction in relation to such IPSA Shares. A TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN for the IPSA Shares. This is GB00B0CJ3F01;
- the number of IPSA Shares in respect of which you wish to accept the Offer (i.e. the number of IPSA Shares to be transferred to escrow);
- your member account ID;
- your Participant ID;
- the Participant ID of the Escrow Agent. This is 7RA11;
- the member account ID of the Escrow Agent for the Offer. This is IPSA;
- the intended settlement date. This should be as soon as possible and, in any event, **not later than 1.00pm (London time) on 15 June 2017**;
- the corporate action number of the Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- input with a standard delivery instruction priority of 80; and
- a contact name and telephone number in the shared note field.

If you hold IPSA Shares in Uncertificated Form through one or more intermediaries, such as a stockbroker, custodian bank or clearing system, you should confirm the instruction deadline which such intermediaries have established to accept the Offer on your behalf. The custodian bank or stockbroker may set an earlier deadline for receiving instructions from you in order to permit the custodian bank or stockbroker to communicate acceptances to the Receiving Agent in a timely manner. In order for acceptances to be counted towards the Acceptance Condition, you may need to take action well in advance of the announced deadline for acceptance.

(c) Validity of Acceptances

Holders of IPSA Shares in Uncertificated Form who wish to accept the Offer should note that a TTE Instruction will only be a valid acceptance of that Offer as at the relevant closing date if it has settled on or before 1.00pm (London time) on that date. A Form of Acceptance which is received in respect of IPSA Shares held in Uncertificated Form will be treated as an invalid acceptance and will be disregarded.

Encor will make an appropriate announcement if any of the details contained in this paragraph 14.2 alter for any reason.

(d) Overseas Shareholders

The attention of IPSA Shareholders holding IPSA Shares in Uncertificated Form and who are citizens or residents of jurisdictions outside the United Kingdom is drawn to paragraph 5 of Part B and paragraph (b) of Part D of Appendix I to this document.

(e) Further information

Normal CREST procedures (including timings) apply in relation to any IPSA Shares that are, or are to be, converted from Uncertificated Form to Certificated Form, or from Certificated Form, during the course of the Offer (whether any such conversion arises as a result of a transfer of IPSA Shares or otherwise). Holders of IPSA Shares who are proposing to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of a Form of Acceptance or transfers to an escrow balance as described above) **before 1.00pm (London time) on 15 June 2017**.

If you are in any doubt as to the procedure for acceptance of the Offer, If you have any questions about this document or are in any doubt as to how to complete the Form of Acceptance (if you hold IPSA Shares in Certificated Form), or if you want to request a hard copy of this document please contact the Receiving Agent, Neville Registrars Limited, on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open between 9.00am and 5.00pm (London time) Monday to Friday (excluding public holidays in England). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. Calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.

15. Settlement

Subject to the Offer becoming or being declared unconditional in all respects and the First Closing Date having passed (and except as provided in paragraph 5 of Part B of Appendix I to this document in the case of certain Overseas Shareholders), settlement of the consideration to which any IPSA Shareholder is entitled under the Offer will be effected:

(i) in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared unconditional in all respects and the First Closing Date having passed, within 14 calendar days of such date; and (ii) in the case of acceptances received, complete in all respects, after such date but while the Offer remains open for acceptance, within 14 calendar days of such receipt, in the manner set out below.

15.1 *IPSA Shares in Certificated Form (that is, not in CREST)*

Where an acceptance relates to IPSA Shares held in in Certificated Form, the New Encor Shares to which the accepting IPSA Shareholder is entitled will be issued in certificated form.

Definitive certificates for the New Encor Shares will be despatched by first class post (or by such other method as may be approved by the Panel) at the risk of the person(s) entitled thereto to validly accepting Encor Shareholders or their appointed agents (but not in or into a Restricted Jurisdiction).

15.2 *IPSA Shares in Uncertificated Form (that is, in CREST)*

Where an acceptance relates to IPSA Shares held in uncertificated form, the New Encor Shares to which the accepting IPSA Shareholder is entitled will be issued to such IPSA Shareholder in uncertificated form. Encor will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the accepting IPSA Shareholder concerned with such IPSA Shareholder's entitlement to New Encor Shares pursuant to the Offer. The stock account concerned will be an account under the same participant ID and member account ID as appeared in the TTE Instruction(s) concerned.

Encor reserves the right to settle all or any part of the consideration referred to above, for all or any accepting IPSA Shareholder(s), in the manner referred to in paragraph 15.1 above, if, for any reason, it wishes to do so.

15.3 *Lapsing or withdrawal of the Offer*

If the Offer does not become or is not declared unconditional in all respects by 15 June 2017:

- (a) in the case of IPSA Shares held in Certificated Form, the relevant Form of Acceptance and any accompanying share certificate(s) will be returned by post (or by such other method as may be approved by the Panel) within 14 calendar days of the Offer lapsing to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in the Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction); and
- (b) in the case of IPSA Shares held in Uncertificated Form, the Escrow Agent will, as soon as reasonably practicable after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the lapsing of the Offer), give TFE Instructions to Euroclear to transfer all IPSA Shares which are held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the IPSA Shareholders concerned.

15.4 General

All remittances, communications, notices, certificates and documents of title sent by, to or from IPSA Shareholders or their appointed agents will be sent at their own risk.

16. Further Information

The terms and conditions of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the further information in the Appendices, which form part of this document and, if your IPSA Shares are in Certificated Form, to the accompanying Form of Acceptance which should be read in conjunction with this document.

You should read this document in full before deciding whether to accept the Offer. In particular, your attention is drawn to the information referred to at paragraph 13 of Appendix IV to this document and incorporated by reference into this document.

17. Action to be taken to accept the Offer

- If you are a holder of IPSA Shares in Certificated Form (that is, not in CREST), the Form of Acceptance must be completed, signed and returned as soon as possible with your original share certificate(s) and/or other document of title, and in any event so as to be received by the Receiving Agent **no later than 1.00pm (London time) on 15 June 2017**. A reply-paid envelope is enclosed for your convenience for use in the UK only.
- If you are a holder of IPSA Shares held in Uncertificated Form (that is, in CREST), you should NOT return the Form of Acceptance but instead ensure that an Electronic Acceptance is made by you or on your behalf and that settlement is **no later than 1.00pm (London time) on 15 June 2017**.

If you have any questions relating to acceptance of the Offer, please contact the Receiving Agent, Neville Registrars Limited, on 0121 585 1131 from within the UK or on +44 121 585 1131 if calling from outside the UK. Lines are open between 9.00am and 5.00pm (London time) Monday to Friday (excluding public holidays in England). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. Calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.

Yours faithfully
Edward Cowdery
Director for Encor Power plc

APPENDIX I: CONDITIONS AND FURTHER TERMS OF THE OFFER

PART A: CONDITIONS OF THE OFFER

The Offer is subject to the following Conditions:

Acceptance Condition

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00pm on the First Closing Date of the Offer (or such later time(s) and/or date(s) as Encor may, subject to the rules of the City Code or with the consent of the Panel, decide) in respect of not less than 50 per cent. of the IPSA Shares to which the Offer relates and not less than 50 per cent. of the voting rights carried by those IPSA Shares and any such voting rights attached to any IPSA Shares unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of conversion or subscription rights or otherwise) and for the purposes of this condition:
- (i) the expression “IPSA Shares to which the Offer relates” shall be construed in accordance with Chapter 3 of Part 28 of the Companies Act 2006;
 - (ii) IPSA Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry upon being entered into the register of members of IPSA; and
 - (iii) valid acceptances shall be deemed to have been received in respect of IPSA Shares which are treated for the purposes of section 979(8) Companies Act 2006 as having been acquired or contracted to be acquired by Encor by virtue of acceptances of the Offer.

Third party clearances and Authorisations

- (b) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, professional association, institution, employee representative body, or any other such body or person whatsoever in any jurisdiction (each a “**Third Party**” and all collectively “**Third Parties**”) having decided or given notice of a decision to take, institute or threaten any material action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
- (i) make the Offer or its implementation or the acquisition or proposed acquisition by Encor of all or any IPSA Shares, or the acquisition or proposed acquisition of control of IPSA, by Encor, void, illegal or unenforceable under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, challenge, delay, hinder or otherwise interfere with the same, or impose additional adverse Conditions or obligations with respect thereto, or otherwise challenge or require amendment to the terms of the Offer or any such acquisition to an extent in any such case which is material in the context of the Offer;
 - (ii) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture, by any member of the IPSA Group of all or any portion of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their respective businesses (or any part of them) or to own or manage their respective assets or properties or any part of them to an extent in any such case which is material in the context of the Offer;
 - (iii) impose any limitation on, or result in a delay in, the ability of Encor, directly or indirectly, to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares, loans or other securities (or the equivalent) in any member of the

IPSA Group or to exercise management control over any such member to an extent which is material in the context of the Wider IPSA Group taken as a whole;

- (iv) otherwise adversely affect in any material respect any or all of the businesses, assets, liabilities, profits or prospects of Encor or any member of the IPSA Group;
- (v) save pursuant to the Offer or sections 974 to 991 of the Companies Act 2006 require Encor or the IPSA Group to acquire, or offer to acquire, any shares or other securities (or the equivalent) in, or any asset owned by, any member of the IPSA Group to an extent which is material in the context of the IPSA Group taken as a whole;
- (vi) result in a material delay in the ability of Encor, or render it unable, to acquire some or all of the IPSA Shares to which the Offer relates;
- (vii) require a divestiture by Encor of any shares or other securities (or the equivalent) in IPSA to an extent in any such case which is material to Encor in the context of the Offer; or
- (viii) result in any member of the IPSA Group or Encor ceasing to be able to carry on business under any name which it presently does so to an extent which is material in the context of the IPSA Group taken as a whole,

and all applicable waiting and other time periods during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference under the laws of any relevant jurisdiction having expired, lapsed or been terminated;

- (c) all material authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, certificates, exemptions, permissions and approvals (“**Authorisations**”) necessary or reasonably considered appropriate for or in respect of the Offer or the proposed acquisition of all or any IPSA Shares or other securities in, or control of, IPSA by Encor having been obtained on terms and in a form reasonably satisfactory to Encor from all appropriate Third Parties, or from any persons or bodies with whom any member of the IPSA Group has entered into material contractual arrangements or material business relationships, and such Authorisations, remaining in full force and effect at the time at which the Offer becomes otherwise unconditional and there being no indication of any firm intention to revoke, withdraw, suspend, restrict, withhold or modify or not to grant or renew any of the same;
- (d) all necessary material filings or applications having been made in connection with the Offer, and all applicable waiting periods and other time periods (including extensions thereof) in respect of the Offer or its implementation under any applicable legislation or regulations in any jurisdiction having expired, lapsed or been terminated (as appropriate) and all material statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the acquisition by Encor of any shares or other securities in, or control or management of, IPSA or any member of the IPSA Group;

No material transactions, claims or changes in the conduct of the business of IPSA

- (e) save as Disclosed, there being no provision of any agreement, authorisation, arrangement, lease, licence, permit or other instrument to which any member of the Wider IPSA Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed acquisition by Encor of any shares or other securities in IPSA or because of a change in the control or management of IPSA or any member of the Wider IPSA Group, would or might reasonably be expected to result in (in each case to an extent which is material in the context of the Wider IPSA Group taken as a whole):
 - (i) any monies borrowed by or any other indebtedness (actual or contingent) of, or grant available to, any member of the Wider IPSA Group, being or becoming repayable or being capable of being declared repayable immediately or prior to their or its stated

maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn, prohibited or inhibited or becoming capable of being withdrawn, prohibited or inhibited;

- (ii) any such agreement, authorisation, arrangement, licence, permit or other instrument or the rights, liabilities, obligations or interests of any member of the Wider IPSA Group thereunder being terminated or adversely modified or affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (iii) any assets or interests of any member of the Wider IPSA Group being or falling to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than, in any such case, in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider IPSA Group, or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable or being enforced;
- (v) the rights, liabilities, obligations or interests of any member of the Wider IPSA Group in, or the business of any such member with, any person, company, firm or body (or any agreements relating to any such interest or business) being terminated, or adversely modified or adversely affected;
- (vi) the value of any member of the Wider IPSA Group or its financial or trading position or profits or prospects being prejudiced or adversely affected; or
- (vii) the creation or assumption of any liability, actual or contingent, by any member of the Wider IPSA Group,

and no event having occurred which, under any provision of any agreement, authorisation, arrangement, lease, licence, permit or other instrument to which any member of the Wider IPSA Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would be reasonably likely to result in any of the events referred to in subparagraphs (i) to (vii) of this paragraph (e), in each case, to an extent which is material in the context of the Wider IPSA Group taken as a whole;

- (f) save as Disclosed, no member of the IPSA Group having, since 30 September 2016:
 - (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class or securities convertible into or exchangeable for shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (ii) sold or transferred or agreed to sell or transfer any IPSA Shares held in treasury;
 - (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of IPSA to IPSA or any of its wholly-owned subsidiaries;
 - (iv) other than pursuant to the Offer or as agreed by Encor (and save for transactions between IPSA and its wholly owned subsidiaries or in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, partnership, joint venture, asset or profits sharing arrangement, partnership demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such

case (in each case to an extent which is material in the context of the IPSA Group or in the context of the offer);

- (v) (save for transactions between IPSA and its wholly-owned subsidiaries or in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any asset or any right, title or interest in any asset or authorised, proposed or announced any intention to do so;
- (vi) (save as between IPSA and its wholly-owned subsidiaries) made or authorised or proposed or announced an intention to propose any change in its loan capital;
- (vii) (save as between IPSA and its wholly-owned subsidiaries) issued, authorised, or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debenture or become subject to any contingent liability or incurred or increased any indebtedness other than in the ordinary course of business (in each case to an extent which is material in the context of the IPSA Group taken as a whole or in the context of the Offer);
- (viii) (save as between IPSA and its wholly-owned subsidiaries) purchased, redeemed or repaid, or announced any proposal to purchase, redeem or repay, any of its own shares or other securities or reduced or made any other change to or proposed the reduction or other change to any part of its share capital;
- (ix) entered into or varied or terminated or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is not in the ordinary course of business or is of a long term, onerous or unusual nature or magnitude or which involves or which might be reasonably expected to involve an obligation of such a nature or magnitude or which is restrictive on the business of any member of the IPSA Group;
- (x) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, service agreement or arrangement with any director or senior executive of any member of the IPSA Group;
- (xi) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed in the IPSA Group;
- (xii) save in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to the terms of the trust deeds and rules constituting the pension scheme(s) established for its directors, employees or their dependants or to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to, any change to the trustees, including the appointment of a trust corporation;
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease to carry on all or a substantial part of its business;
- (xiv) (other than in respect of a member of the IPSA Group which is dormant and was solvent at the relevant time) taken or proposed any corporate action, or had any legal proceedings threatened or instituted against it for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, administrator, trustee or similar officer of all or any part of its assets or revenues or any analogous or

equivalent steps or proceedings in any relevant jurisdiction having been taken or had any such person appointed;

- (xv) waived, compromised, settled, abandoned or admitted any dispute, claim or counter-claim whether made or potential and whether by or against any member of the IPSA Group (in each case otherwise than in the ordinary course of business and to an extent which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer);
 - (xvi) made any material alteration to its memorandum or articles of association or other constitutional documents;
 - (xvii) entered into any contract, agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (f), in each case, to the extent material in the context of the Offer and/or the IPSA Group taken as a whole;
- (g) save as Disclosed, since 30 September 2016:
- (i) no adverse change having occurred, and no circumstances having arisen which would or might reasonably be expected to result in any adverse change in the business, assets, financial or trading position or profits or prospects of any member of the Wider IPSA Group including the termination of any material customer contract or notice of termination from any material customer (in each case to an extent which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer);
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings or investigations having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any member of the IPSA Group or to which any member of the Wider IPSA Group is or may become a party (whether as a claimant, defendant or otherwise) and no enquiry or investigation by any Third Party against or in respect of any member of the Wider IPSA Group having been commenced, announced or threatened in writing by or against or remaining outstanding in respect of any member of the Wider IPSA Group (in each case, to an extent which is material in the context of Wider IPSA Group taken as a whole or in the context of the Offer);
 - (iii) no contingent or other liability having arisen or become apparent to Encor which would or might reasonably be expected to adversely affect any member of the Wider IPSA Group and which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer; or
 - (iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider IPSA Group, which is necessary or reasonably appropriate for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is likely to adversely affect and which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer;
- (h) save as Disclosed, Encor not having discovered:
- (i) that any financial, business or other information concerning the Wider IPSA Group publicly announced or disclosed at any time by or on behalf of any member of the Wider IPSA Group to Encor, is misleading, contains a misrepresentation of any fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this Announcement by disclosure by, or on behalf of, the Wider IPSA Group through the publication of an

announcement via a Regulatory Information Service (in each case to an extent which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer);

- (ii) that any member of the IPSA Group or any partnership, company or other entity in which any member of the IPSA Group has a significant economic interest and which is not a subsidiary undertaking of IPSA, is subject to any liability, contingent or otherwise (in each case to the extent material in the context of the IPSA Group taken as a whole or in the context of the Offer);
- (iii) that there is or is likely to be any liability (whether actual or contingent) on the part of any member of the Wider IPSA Group to make good, repair, reinstate or clean up any property of any description or other asset now or previously owned, occupied or made use of by any past or present member of the Wider IPSA Group, under any environmental legislation, regulation, notice, circular or order of any Third Party (in each case to an extent which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer).

Anti-corruption and sanctions

- (i) save as Disclosed, Encor not having discovered:
 - (i) any past or present member of the IPSA Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation; and
 - (ii) any past or present member of the IPSA Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; and
 - (iii) except as Disclosed, Encor not having discovered that any asset of any member of the IPSA Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

PART B: FURTHER TERMS OF THE OFFER

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

- (a) to the Offer will include any revision, variation or extension of the Offer;
- (b) to the Offer becoming unconditional will include the Offer becoming or being declared unconditional;
- (c) to the Offer being or becoming or being declared unconditional will be construed as the Offer becoming or being declared unconditional as to acceptances whether or not any other Condition of the Offer remains to be fulfilled;
- (d) to the Acceptance Condition means the Condition as to acceptances of the Offer set out in paragraph (a) of Part A of this Appendix I and references to the Offer becoming unconditional as to acceptances will be construed accordingly;
- (e) to acceptances of the Offer includes deemed acceptances of the Offer;
- (f) to an extension of the Offer includes a reference to an extension of the date by which the Acceptance Condition has to be fulfilled; and
- (g) to the Offer Document will mean this document and any other document containing the Offer.

In Parts B, C and D of this Appendix I and in the Form of Acceptance:

- (i) Day 39 means 3 July 2017 or such later date as the Panel may agree;
- (ii) Day 42 means 6 July 2017 or such later date as the Panel may agree;
- (iii) Day 46 means 10 July 2017 or such later date as the Panel may agree; and
- (iv) Day 60 means 24 July 2017 or such later date as may be determined by Encor with the agreement of the Panel to be the last date for fulfilment of the Acceptance Condition in accordance with the City Code.

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

1. Acceptance Period

- (a) The Offer is initially open for acceptance until 1.00pm (London time) on the First Closing Date.
- (b) Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 calendar days (or such other period as may be permitted by the Panel) following the date written notice of the revision is sent to IPSA Shareholders. Except with the consent of the Panel, no revision of the Offer may be made after Day 46 or, if later, the date 14 calendar days before the last date on which the Offer can become unconditional.
- (c) The Offer, whether revised or not, will not (except with the consent of the Panel) be capable of becoming unconditional after midnight (London time) on Day 60 (or any other time and/or date beyond which Encor has stated that the Offer will not be extended and has not, where permitted, withdrawn that statement), nor of being kept open for acceptances after that time and/or date unless the Offer has previously become unconditional, provided that Encor reserves the right, with the permission of the Panel, to extend the Offer to later time(s) and/or date(s). Except with the consent of the Panel, Encor may not, for the purposes of determining whether the Acceptance Condition has been satisfied, take into account acceptances received or purchases of IPSA Shares made after 1.00pm (London time) on Day 60 (or any

other time(s) and/or date(s) beyond which Encor has stated that the Offer will not be extended (and has not, where permitted, withdrawn that statement) or, if the Offer is so extended, such later time(s) and/ or date(s) as Encor, with the permission of the Panel, may determine.

- (d) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 calendar days from the date on which it would otherwise have expired. If the Offer has become unconditional and it is stated that the Offer will remain open until further notice, then not less than 14 calendar days' notice in writing will be given before the closing of the Offer by or on behalf of Encor to those IPSA Shareholders who have not accepted the Offer before closing the Offer.
- (e) If a competitive situation arises (as determined by the Panel) and is continuing on Day 60, Encor will enable holders of IPSA Shares held in Uncertificated Form who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by special form of acceptance to take effect on the day that:
 - (i) it is received by the Receiving Agent on or before Day 60;
 - (ii) the relevant IPSA Shareholder shall have applied to withdraw his acceptance of the competing offer but that the IPSA Shares held in Uncertificated Form to which such withdrawal relates shall not have been released from escrow before Day 60 by the Escrow Agent to the competing offer; and
 - (iii) the IPSA Shares held in Uncertificated Form to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in the letter from Encor in Part 1 of this document on or before Day 60, but an undertaking is given that they will be so transferred as soon as possible thereafter. IPSA Shareholders wishing to use such forms of acceptance should apply to Neville Registrars on 0121 585 1131 between 9.00am and 5.00pm (London time) Monday to Friday from within the UK (excluding public holidays in England and Wales) (or on +44 121 585 1131 if calling from outside the UK) no later than the Business Day preceding Day 60 in order that such forms can be despatched. Notwithstanding the right to use such special form of acceptance, holders of IPSA Shares held in Uncertificated Form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.
- (f) If a competitive situation arises (as determined by the Panel) after Encor has made a "no increase" statement and/or a "no extension" statement (as referred to in the City Code) in connection with the Offer, Encor may, if it specifically reserves the right to do so at the time such statement is made (or otherwise with the consent of the Panel), choose not to be bound by or withdraw such statement and be free to revise and/or extend the Offer provided it complies with the requirements of the City Code and in particular that:
 - (i) it announces the withdrawal as soon as possible and in any event within four Business Days of the firm announcement of the competing offer or other competitive situation;
 - (ii) it notifies IPSA Shareholders (and persons with information rights) to that effect in writing at the earliest opportunity or, in the case of IPSA Shareholders with registered addresses outside the United Kingdom or whom Encor knows to be agents, nominees, custodians or trustees holding IPSA Shares for such persons, by announcement in the United Kingdom at the earliest opportunity; and
 - (iii) any IPSA Shareholders who accepted the Offer after the date of the "no increase" or "no extension" statement is given a right of withdrawal in accordance with paragraph 3(d) of this Part B.

Encor may choose not to be bound by a "no increase" or "no extension" statement if having reserved the right to do so, it publishes an increased or improved offer (either as to the value

or form of the consideration or otherwise) which is recommended for acceptance by the IPSA Directors, or in other circumstances permitted by the Panel.

- (g) Encor may, if it has reserved the right to do so if IPSA makes an announcement of the kind referred to in Rule 31.9 of the City Code after Day 39, choose not to be bound by a “no increase” and/or “no extension” statement and revise and/or extend the Offer with the consent of the Panel, provided Encor complies with the requirements of the City Code and in particular, that notice to this effect is published as soon as possible and in any event within four Business Days after the date of the IPSA announcement and IPSA Shareholders are notified in writing (or in the case of IPSA Shareholders with registered addresses outside the United Kingdom or who Encor knows to be agents, nominees, custodians or trustees holding IPSA Shares for such persons, by announcement in the United Kingdom) at the earliest opportunity.

2. Announcements

- (a) Without prejudice to paragraph 3(a) of this Part B, by 8.00am (London time) on the Business Day (the “**Relevant Day**”) following the day on which the Offer is due to expire or becomes unconditional or is revised or is extended, as the case may be (or such later time or date as the Panel may agree), Encor will make an appropriate announcement and simultaneously send the announcement to a Regulatory Information Service. In the announcement, Encor shall state (unless otherwise permitted by the Panel):

- (i) the total number of IPSA Shares for which acceptances of the Offer have been received, specifying the extent to which acceptances have been received from persons acting or deemed to be acting in concert with Encor for the purposes of the Offer or in respect of IPSA Shares which were subject to an irrevocable commitment or a letter of intent procured by Encor or any persons acting in concert with it;
- (ii) details of any relevant securities of IPSA in which Encor or any person acting in concert with Encor has:
 - A. an interest or in respect of which it has a right to subscribe in each case specifying the nature of the interests or rights concerned; and
 - B. any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- (i) details of any relevant securities of IPSA in respect of which Encor or any person acting in concert with Encor has an outstanding irrevocable commitment or letter of intent; and
- (ii) details of any relevant securities of IPSA which Encor or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and will, in each case, specify the percentages of each class of relevant securities of IPSA represented by each of these figures. Any such announcement will specify the total number of IPSA Shares which Encor may count towards satisfaction of the Acceptance Condition and the percentage of IPSA Shares represented by this figure.

- (b) Any decision to extend the time and/or date by which the Acceptance Condition has to be satisfied may be made at any time up to, and will be announced no later than 8.00am (London time) on the Relevant Day (or such later time and/or date as the Panel may agree). The announcement will also state the next expiry date unless the Offer is unconditional, in which case it may instead state that the Offer will remain open until further notice, and will state the information specified in paragraphs (i) – (iv) inclusive of paragraph 2(a) of this Part B.

- (c) In calculating the number of IPSA Shares represented by acceptances and purchases, Encor may only include acceptances and purchases if they could count towards fulfilling the Acceptance Condition under Notes 4, 5 and 6 on Rule 10 of the City Code, unless the Panel agrees otherwise. Subject to this, Encor may include or exclude for announcement purposes acceptances and/or purchases which are not complete in all respects or which are subject to verification.
- (d) In this Appendix I, references to the making of an announcement or the giving of notice by Encor include the release of an announcement to the press and/or IPSA's website www.ipsagroup.co.uk and the delivery by hand or telephone, telex or facsimile transmission or other electronic transmission of an announcement to a Regulatory Information Service in each case by or on behalf of Encor. An announcement made otherwise than to a Regulatory Information Service will be notified simultaneously to a Regulatory Information Service if the Panel so requires.

3. Rights of withdrawal

- (a) If Encor, having announced the Offer to be unconditional, fails by 1.00pm (London time) on the Relevant Day (or such later time and/or date as the Panel may agree) to comply with any of the other relevant requirements specified in paragraph 2(a) of this Part B, an accepting certificated IPSA Shareholder may (unless the Panel otherwise agrees) immediately after that time withdraw his acceptance of the Offer by Written Notice signed by the accepting IPSA Shareholder (or his agent duly appointed in writing and evidence of whose appointment, in a form reasonably satisfactory to Encor, is produced with the notice) given by post to Neville Registrars Limited, 18 Laurel Lane, Halesowen, West Midlands B63 3DA . Alternatively, in the case of IPSA Shares held in Uncertificated Form, withdrawals should be effected in the manner set out in paragraph 3(g) of this Part B. Subject to paragraph 1(c) of this Part B, this right of withdrawal may be terminated not less than eight calendar days after the Relevant Day by Encor confirming, if that be the case, that the Offer is still unconditional and complying with the other relevant requirements specified in paragraph 2(a) of this Part B. If any such confirmation is given, the first period of 14 calendar days referred to in paragraph 1(d) of this Part B will run from the date of that confirmation and compliance.
- (b) If by 1.00pm on Day 42 (or such later time and/or date as the Panel may agree) the Offer has not become unconditional, an accepting IPSA Shareholder may withdraw his acceptance at any time thereafter in the manner referred to in paragraph 3(a) of this Part B (or, in the case of IPSA Shares held in Uncertificated Form, in the manner set out in paragraph 3(g) of this Part B), before the earlier of:
 - (i) the time that the Offer becomes unconditional; and
 - (ii) the final time for lodgement of acceptances which can be taken into account in accordance with paragraph 1(c) of this Part B.
- (c) If an accepting Certificated IPSA Shareholder withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the withdrawal (and in any event within 14 days) and the Receiving Agent will immediately give instructions for the release of securities held in escrow.
- (d) If a "no extension" and/or "no increase" statement is withdrawn in accordance with paragraph 1(f) of this Part B any acceptance made by an IPSA Shareholder after the date of that statement may be withdrawn thereafter in the manner referred to in paragraph 3(a) of this Part B (or, in the case of IPSA Shares held in Uncertificated Form, in the manner set out in paragraph 3(g) of this Part B) for a period of eight calendar days following the date on which the notice of the withdrawal of such statement is published.
- (e) Except as provided by this paragraph 3, acceptances of, and elections under, the Offer will be irrevocable.

- (f) In this paragraph 3, "Written Notice" (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of (as applicable) the relevant accepting IPSA Shareholder or his/ their agent(s) duly appointed in writing (evidence of whose appointment reasonably satisfactory to Encor is produced with the notice) given by post to Neville Registrars Limited, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. Telex, email, facsimile or other electronic transmissions or copies will not be sufficient. No notice which is post-marked in, or otherwise appears to Encor or its agents to have been sent from, any Restricted Jurisdiction or from a resident of any Restricted Jurisdiction will be treated as valid. The notice must include all relevant information to enable the Receiving Agent to identify the IPSA Shares to be withdrawn and a contact telephone number for the IPSA Shareholder.
- (g) In the case of IPSA Shares held in Uncertificated Form (i.e. CREST), if withdrawals are permitted pursuant to paragraph 3(a), 3(b) or 3(d) of this Part B, an accepting IPSA Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST Sponsored member, procuring that his CREST Sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA Instruction must, in order for it to be valid and settle, include the following details:
- the number of IPSA Shares to be withdrawn, together with their ISIN which is GB00B0CJ3F01;
 - the member account ID of the accepting shareholder, together with their Participant ID;
 - the member account ID of the Escrow Agent (this is 7RA11) included in the relevant Electronic Acceptance, together with the Escrow Agent's Participant ID (IPSA);
 - the CREST transaction ID of the Electronic Acceptance to be withdrawn;
 - the intended settlement date for the withdrawal;
 - the corporate action number for the Offer;
 - input with standard delivery instruction of priority 80; and
 - the name and contact telephone number of the accepting IPSA Shareholder inserted into the shared note field.

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

- (h) Any question as to the validity (including time receipt) of any notice of withdrawal will be determined by Encor, whose determination, except as otherwise may be determined by the Panel, will be final and binding. Neither Encor nor the Receiving Agent nor any other person, will be under any duty to give notification of any defect in any notice of withdrawal or will incur any liability for failure to do so.

4. Revised Offer

- (a) Although no such revision is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms or conditions or in the value or form of the consideration offered or otherwise), and any such Offer represents, on the date on which the revision is announced, an improvement (or no diminution) in the value of the consideration of the Offer as so revised compared with the value of the consideration or terms previously offered, or in the overall value received by an IPSA Shareholder (under or in consequence of the Offer or otherwise), the benefit of the Offer will, subject to paragraphs 4(f), 4(g) and 5 of this Part B be made available to any IPSA Shareholder who has validly accepted the Offer in its original or

any previously revised form(s) and who has not validly withdrawn such acceptance (a "**Previous Acceptor**"). The acceptance by or on behalf of a Previous Acceptor of the Offer in its original or any previously revised form(s) shall, subject to paragraphs 4(f), 4(g) and 5 of this Part B, be deemed to be an acceptance of the Offer as so revised and will also constitute an authority to Encor or any of its directors, authorised representatives and agents as his attorney and/or agent ("**attorney**"):

- (i) to accept any such Offer on behalf of such Previous Acceptor;
- (ii) if such Offer includes alternative forms of consideration, to make on his behalf elections for and/or accept such alternative forms of consideration on his behalf in such proportions as such attorney in his absolute discretion thinks fit; and
- (iii) to execute on behalf of and in the name of such Previous Acceptor all such further documents and take such further actions (if any) as may be required to give effect to such acceptances and/or elections.

In making any such acceptance or making any such election, the attorney will take into account the nature of any previous acceptances and/or elections made by the Previous Acceptor and such other facts or matters as he may reasonably consider relevant. The attorney shall not be liable to any IPSA Shareholder or any other person in making such acceptance or in making any determination in respect of it.

- (b) The powers of attorney and authorities conferred by this paragraph 4, and any acceptance of an Offer, shall be irrevocable unless and until the Previous Acceptor withdraws his acceptances having become entitled to do so under paragraph 3 of this Part B.
- (c) Encor, the Receiving Agent and the Escrow Agent reserve the right (subject to paragraph 4(a) of this Part B) to treat an executed Form of Acceptance or TTE Instruction relating to the Offer in its original or any previously revised form(s) which is received (or dated) on or after the announcement or issue of the Offer in any revised form as a valid acceptance of the Offer (and, where applicable, a valid election for the alternative form(s) of consideration). Such acceptance will constitute an authority in the terms of paragraph 4(a) of this Part B, mutatis mutandis, on behalf of the relevant IPSA Shareholder.
- (d) Although no revision is contemplated, if the Offer is revised, an Offer document will be published. On the day of publication, Encor will publish the document on its website and will announce that the document has been so published. Where necessary, a circular containing the opinion of the IPSA Directors on the Offer will be published. On the day of publication, IPSA will publish the document on its website and will announce that it has been so published.
- (e) Although no revision is contemplated, if the Offer document is published, both Encor and IPSA will make the Offer document readily and promptly available to the representatives of the employees of Encor and IPSA respectively or, where there are no such representatives, to the employees themselves. IPSA will make any circular published by the IPSA Directors readily and promptly available to its employee representatives or, where there are no such representatives, to the employees themselves.
- (f) The deemed acceptances referred to in this paragraph 4 shall not apply and the authorities conferred by this paragraph 4 shall not be exercised by Encor or any of their respective directors, authorised representatives and agents if, as a result thereof, the Previous Acceptor would thereby receive under or in consequence of the Offer and/or any alternative pursuant thereto as revised or otherwise less in aggregate consideration under the Offer than he would have received in aggregate consideration as a result of acceptance of the Offer in the form in which it was originally accepted by him or on his behalf, having regard to any previous acceptance or election originally made by him, unless the Previous Acceptor has previously otherwise agreed in writing.

- (g) The deemed acceptances referred to in this paragraph 4 will not apply, and the authorities conferred by this paragraph will be ineffective, to the extent that a Previous Acceptor:
- (i) in respect of IPSA Shares in Certificated Form, lodged with the Receiving Agent in the manner specified in paragraph 3(a) of this Part B, within 14 calendar days of the publication of the document pursuant to which the revision of the Offer is made available to IPSA Shareholders, a Form of Acceptance or some other form issued by or on behalf of Encor in which the IPSA Shareholder validly elects to receive the consideration receivable by him under such Offer in some other manner than that set out in his original acceptance; or
 - (ii) in respect of IPSA Shares held in Uncertificated Form, sends (or, if a CREST Sponsored member, procures that his CREST Sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA Instruction must, in order for it to be valid and settle, include the following details:
 - the number of IPSA Shares in respect of which the changed election is made, together with their ISIN number which is GB00B0CJ3F01;
 - the member account ID of the Previous Acceptor, together with his Participant ID;
 - the member account ID of the Escrow Agent (this is 7RA11) included in the relevant Electronic Acceptance, together with the Escrow Agent's Participant ID (this is IPSA);
 - the CREST transaction ID of the Electronic Acceptance in respect of which the election is to be changed;
 - the intended settlement date for the changed election;
 - the corporate action number for the Offer,
 - and, in order that the desired change of election can be effected, must include:
 - the member account ID of the Escrow Agent relevant to the new election; and
 - input with standard delivery instruction of priority 80.

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

5. Overseas Shareholders

- (a) The making of the Offer in, or to certain persons who are resident in, or citizens or nationals of, jurisdictions outside the United Kingdom ("**Overseas Shareholders**") or to agents, nominees, custodians or trustees for such persons, may be prohibited or affected by the laws of the relevant jurisdictions. Such shareholders should inform themselves about, and observe, any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Offer, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction. Any such Overseas Shareholder will be responsible for the payment of any issue, transfer or other taxes due in

that jurisdiction of whomsoever payable and Encor, (and any person acting on its behalf) shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes as such person may be required to pay. If you are an Overseas Shareholder and you are in doubt about your position, you should consult your professional adviser in the relevant jurisdiction.

- (b) In particular, the Offer is not being made, directly or indirectly, in or into or by use of the mails of, or by any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange, any Restricted Jurisdiction and the Offer cannot be accepted by any such use, means or instrumentality or otherwise from any Restricted Jurisdiction. Such means or instrumentalities include, but are not limited to, facsimile transmission, email, telex, telephone and internet.
- (c) Copies of this document, the Form of Acceptance and any related offer document(s) are not, and must not be, mailed or otherwise distributed or sent in or into any Restricted Jurisdiction including to IPSA Shareholders or persons with information rights or participants in IPSA Share Plans with registered addresses in any Restricted Jurisdiction or to persons whom Encor knows to be agents, nominees, custodians or trustees holding IPSA Shares for such persons. Persons receiving such documents (including, without limitation, agents, nominees, custodians and trustees) must not distribute, send or mail them in, into or from any Restricted Jurisdiction or use any such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, in connection with the Offer, and doing so may render invalid any related purported acceptance of the Offer. Persons wishing to accept the Offer must not use the mails of any Restricted Jurisdiction or any such means, instrumentality or facility for any purpose directly or indirectly related to acceptance of the Offer. All IPSA Shareholders (including nominees, trustees and custodians) who have a contractual or legal obligation, or may otherwise intend, to forward this document, the Form of Acceptance or any related document, should read further the details in this regard which are contained in this paragraph 5 of Part B and in Part C and Part D of this Appendix I before taking any action. Envelopes containing the Form of Acceptance or other documents relating to the Offer must not be postmarked in or otherwise despatched from any Restricted Jurisdiction and all acceptors must provide addresses outside Restricted Jurisdictions for the receipt of the consideration to which they are entitled under the Offer and which is despatched by post or for the return of the Form of Acceptance and (in relation to IPSA Shares in Certificated Form) any IPSA share certificate(s) and/or other document(s) of title.
- (d) Subject as provided below, an IPSA Shareholder will be deemed not to have accepted the Offer if:
 - (i) he puts "NO" in Box 5 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph (c) of Part C of this Appendix I;
 - (ii) he completes Box 3 of the Form of Acceptance with an address in any Restricted Jurisdiction or has a registered address in any Restricted Jurisdiction and in either case he does not insert in Box 4 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer be sent, subject to the provisions of this paragraph and applicable laws;
 - (iii) he inserts in Box 1 of the Form of Acceptance a telephone number in a Restricted Jurisdiction for use in the event of queries;
 - (iv) a Form of Acceptance received from him is received in an envelope postmarked in, or otherwise appears to Encor or its agents to have been sent from, any Restricted Jurisdiction; or
 - (v) he makes a Restricted Escrow Transfer pursuant to paragraph 5(h) of this Part B unless he also makes a related Restricted ESA Instruction which is accepted by the Receiving Agent.

Encor reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (c) of Part C (or, as the case may be, paragraph (b) of Part D) of this Appendix I could have been truthfully given by the relevant IPSA Shareholder and, if such investigation is made and as a result Encor determines that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.

- (e) If, notwithstanding the restrictions described above, any person (including, without limitation, agents, nominees, custodians and trustees) whether pursuant to a contractual or legal obligation or otherwise forwards this document, the Form of Acceptance or any related offer document in, into or from any Restricted Jurisdiction or uses the mails or any means or instrumentality (including, without limitation, facsimile transmission, email, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction in connection with such forwarding, such person should:
 - (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 5.
- (f) Notwithstanding anything to the contrary contained in this document or the Form of Acceptance, Encor may in its sole and absolute discretion make the Offer (with or without giving effect to the foregoing paragraphs of this paragraph 5) in any Restricted Jurisdiction pursuant to an exemption under applicable law in a Restricted Jurisdiction or if Encor is satisfied in that particular case that to do so would not constitute a breach of any securities or other relevant legislation of any Restricted Jurisdiction, and in this connection the provisions of paragraph (c) of Part C and paragraph (b) Part D of this Appendix I will be varied accordingly.
- (g) The provisions of this paragraph 5 supersede any terms of the Offer inconsistent with them. The provisions of this paragraph 5 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific IPSA Shareholder(s) or on a general basis by Encor in its absolute discretion.

If a holder of IPSA Shares held in Uncertificated Form is unable to give the warranty set out in paragraph (b) of Part D of this Appendix I, but nevertheless can provide evidence satisfactory to Encor that he is able to accept the Offer in compliance with all relevant legal and regulatory requirements, he may only purport to accept the Offer by sending (or if a CREST Sponsored member, procuring that his CREST Sponsor sends) both (i) a TTE Instruction to a designated escrow balance detailed below (a "**Restricted Escrow Transfer**"); and (ii) one or more valid ESA Instructions (a "**Restricted ESA Instruction**") which specify the form of consideration which he wishes to receive (consistent with the alternatives offered under the Offer). Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and Encor decides, in its absolute discretion, to exercise its right described in paragraph 5(g) of this Part B to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1 of this Part B. If Encor accordingly decides to permit such acceptance to be made, the Receiving Agent will on behalf of Encor accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will on behalf of Encor reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

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

- the ISIN number for the IPSA Shares (this is GB00B0CJ3F01);
- the number of IPSA Shares in respect of which the Offer is to be accepted;
- the member account ID and Participant ID of the IPSA Shareholder;
- the Participant ID of the Escrow Agent (this is 7RA11) and its member account ID specific to a Restricted Escrow Transfer (this is RESTRICT);
- the intended settlement date;
- the corporate action reference number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input standard delivery instruction of priority 80; and
- contact name and telephone number to be inserted in the shared note field.

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

- the ISIN number for the IPSA Shares (this is GB00B0CJ3F01);
- the number of IPSA Shares relevant to that Restricted ESA Instruction;
- the member account ID and Participant ID of the accepting IPSA Shareholder;
- the Participant ID of the Escrow Agent. This is 7RA11;
- the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer (this is RESTRICT);
- the Participant ID and the member account ID of the Escrow Agent relevant to the form of consideration required (details of which are set out in the letter from Encor contained in this document);
- the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates;
- the intended settlement date;
- the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- input standard delivery instruction priority of 80.

- (h) Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.

6. General

- (a) The conditions are inserted for the benefit of Encor and no IPSA Shareholder shall be entitled to waive any of the conditions without the prior written consent of Encor. Encor reserves the right in its sole discretion (subject to the requirements of the City Code and the Panel) to waive (if capable of waiver) in whole or in part all or any of the Conditions in Part A of this Appendix I.

- (b) In relation to the Offer, the conditions set out in paragraphs (b) to (k) inclusive of Part A of this Appendix I must be satisfied as at, or (if capable of waiver) waived on or before, midnight on the 21st calendar day after the later of the First Closing Date of the Offer and the date on which the Acceptance Condition is fulfilled (or, in each case, such later date as the Panel may agree), failing which the Offer will lapse. Encor shall be under no obligation to waive (if capable of waiver) or determine to be, or treat as, satisfied, any of the conditions set out in paragraph (b) to (k) inclusive of Part A of this Appendix I by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or satisfied and that there are, at such earlier date, no circumstances indicating that any of such conditions may not be capable of satisfaction. In any event, all of the Conditions must be satisfied as at, or (if capable of waiver) waived on or before, midnight on 14 August 2017, being the 81st day following the date on which this document was published, or such other date as may be agreed with the Panel.
- (c) At such time as the Conditions have been satisfied, Encor will declare the Offer unconditional in all respects unless it has at that time notified the Panel and IPSA of some fact or circumstance which entitles (or might reasonably be expected with further investigation to entitle) it to declare the Offer to have lapsed in reliance on some other condition.
- (d) Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
- (e) Except with the consent of the Panel, the Offer will lapse unless all Conditions have been fulfilled or (if capable of waiver) waived, or, where appropriate, have been determined by Encor to be, and continue to be, satisfied by midnight (London time) on the First Closing Date or by midnight (London time) on the date which is 21 days after the date on which the Offer becomes unconditional, whichever is the later, or such later date as Encor, with the consent of the Panel, may decide.
- (f) If the Offer lapses, it will cease to be capable of further acceptance and accepting IPSA Shareholders, and Encor will cease to be bound by: (i) in the case of IPSA Shares held in Certificated Form, Forms of Acceptance; and (ii) in the case of holders of IPSA Shares held in Uncertificated Form, Electronic Acceptances inputted and settled, in each case submitted before the time the Offer lapses.
- (g) If all Conditions are satisfied, fulfilled or, to the extent permitted, waived and sufficient acceptances are received and/or sufficient IPSA Shares are otherwise acquired, Encor intends to exercise its rights to acquire compulsorily any outstanding IPSA Shares.
- (h) The expression Offer Period when used in this document means, in relation to the Offer, the period commencing on (and including) 27 April 2017 until whichever of the following will be the latest:
 - (i) the date on which the Offer is withdrawn or lapses; and
 - (ii) the date on which the Offer becomes unconditional.
- (i) Except with the consent of the Panel, settlement of the consideration to which any IPSA Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Encor may otherwise be, or claim to be, entitled as against such IPSA Shareholder and will be effected:
 - (i) in the case of acceptances of the Offer received, complete in all respects (including the relevant transfer to escrow or (as applicable) receipt of relevant share certificate(s) and/ or other documents of title or indemnities satisfactory to Encor) by the date on which the Offer becomes or is declared unconditional in all respects, within 14 calendar days of such date; or

- (ii) in the case of acceptances of the Offer received, complete in all respects, after the date on which the Offer becomes or is declared unconditional in all respects, but while it remains open for acceptance, within 14 calendar days of such receipt.
- (j) No New Encor Shares will be sent to an address in a Restricted Jurisdiction.
- (k) Notwithstanding the right reserved by Encor to treat an acceptance of the Offer as valid (even though, in the case of IPSA Shares held in Certificated Form, the relevant Form of Acceptance is not entirely in order or not accompanied by the relevant share certificate(s) and/or other documents of title), except as otherwise agreed with the Panel:
 - (i) an acceptance of the Offer will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the City Code are satisfied in respect of it;
 - (ii) a purchase of IPSA Shares by Encor or its nominee (or, if relevant, any person acting in concert with Encor, or its nominee) will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the City Code are satisfied in respect of it; and
 - (iii) the Offer will not become unconditional unless the Receiving Agent has issued a certificate to Encor or its agents stating the number of IPSA Shares in respect of which acceptances have been received which comply with subparagraph (i) above and the number of IPSA Shares otherwise acquired, whether before or during the Offer Period, which comply with subparagraph (ii) above. Encor will procure that a copy of such certificate is sent to the Panel and to IPSA's financial advisers as soon as possible after it is issued.
- (l) For the purposes of determining whether the Acceptance Condition has been satisfied, Encor will not be bound (unless otherwise required by the Panel) to take into account any IPSA Shares which have been issued or unconditionally allotted or which arise as the result of the exercise of subscription or conversion rights before that determination takes place unless written notice containing relevant details of the allotment, issue, subscription or conversion has been received from IPSA or its agents before that time by Encor or the Receiving Agent on behalf of Encor at the address specified in paragraph 3(a) of this Part B. Notification by telex or facsimile or other electronic transmissions will not be sufficient.
- (m) Except with the consent of the Panel, IPSA Shares which have been borrowed by Encor may not be counted towards fulfilling the Acceptance Condition.
- (n) The terms, provisions, instructions and authorities contained or deemed to be incorporated in the Form of Acceptance, and such further terms as may be required to comply with the applicable rules and regulations of the London Stock Exchange and the City Code, constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires. The provisions of this Appendix I shall be deemed to be incorporated into and form part of the Form of Acceptance.
- (o) All references in this document and in the Form of Acceptance to the First Closing Date will (except in paragraph 1(a) of this Part B and where the context otherwise requires) be deemed, if the expiry date of the Offer is extended, to refer to the expiry date of the Offer as so extended.
- (p) References in paragraph 5 of this Part B and in Part C and Part D of this Appendix I to an IPSA Shareholder will include references to the person or persons executing a Form of Acceptance or Electronic Acceptance and in the event of more than one person executing a Form of Acceptance or Electronic Acceptance, such paragraphs will apply to them jointly and severally.

- (q) The Offer is made in respect of all IPSA Shares issued and unconditionally allotted or issued before the date on which the Offer closes (or such earlier date as Encor, subject to the rules of the City Code or with the consent of the Panel, may determine). Any omission to despatch this document, the Form of Acceptance or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, will not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to the provisions of paragraph 5 of this Part B, the Offer is made to any IPSA Shareholder to whom this document and the Form of Acceptance or any related document may not be sent or by whom such documents may not be received, and these persons may collect these documents from the Receiving Agent at the address set out in paragraph 3(a) of this Part B. The Offer is not being made, and will not be made, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or other forms of electronic transmission) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of any Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction.
- (r) Subject to the City Code, and notwithstanding any other provision of this Part B, Encor reserves the right to treat as valid in whole or in part any acceptance of the Offer received by the Receiving Agent or otherwise on behalf of Encor which is not entirely in order or in correct form or which is not accompanied by (as applicable) the relevant document(s) or the relevant TTE Instruction or is received by it at any place or places or in any form or manner determined by either the Receiving Agent or Encor otherwise than as set out in this document or in the Form of Acceptance. In that event, no issue of New Encor Shares will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow has settled or the relevant document(s) of title or satisfactory indemnities have been received by the Receiving Agent.
- (s) No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) or other document(s) of title will be given by, or on behalf of, Encor. All communications, notices, certificates, documents of title and remittances to be delivered by, or sent to or from, IPSA Shareholders (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- (t) The Offer extends to persons to whom the Offer is made or should be made to whom this document, the Form of Acceptance or any related documents may not be despatched and such persons may collect copies of these documents from the Receiving Agent at the address set out in paragraph 3(a) of this Part B.
- (u) The Offer is made at 1.00pm on 25 May 2017 and is capable of acceptance from and after that date.
- (v) If the Offer does not become unconditional in all respects:
- (i) in respect of IPSA Shares held in Certificated Form, the Form of Acceptance, share certificates and/or other documents of title will be returned by post (or such other method as may be approved by the Panel) within 14 calendar days of the Offer lapsing to the person or agent whose name and address outside a Restricted Jurisdiction is set out in the relevant box in the Form of Acceptance or, if none is set out, to the first-named holder at his registered address outside a Restricted Jurisdiction (no such documents will be sent to an address in a Restricted Jurisdiction); and
 - (ii) in respect of IPSA Shares held in Uncertificated Form, the Receiving Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the lapsing of the Offer), give TFE Instructions to Euroclear to transfer all IPSA Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the IPSA Shareholders concerned.

- (w) All powers of attorney, appointments of agents and authorities conferred by this Appendix I or in the Form of Acceptance are given by way of security for the performance of the obligations of the IPSA Shareholder concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 except in the circumstances where the donor of such power of attorney or authority or appointor is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part B and duly does so.
- (x) In relation to any acceptance of the Offer in respect of a holding of IPSA Shares held in Uncertificated Form, Encor reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided any such alterations, additions or modifications are consistent with the requirements of the City Code or are otherwise made with the consent of the Panel.
- (y) For the purposes of this document, the time of receipt of a TTE Instruction, an ESA Instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- (z) No member of the Encor Group nor any person acting on behalf of any of them, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer or otherwise in connection therewith.
- (aa) The Offer, all Forms of Acceptance, all Electronic Acceptances, and all acceptances and elections in respect thereof, and all contractual and non-contractual obligations pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing, will be governed by and construed in accordance with the laws of England and Wales and be subject to the jurisdiction of the Courts of England and Wales and to the Conditions and further terms set out in this document. The Offer will be subject to the applicable requirements of the FCA, FSMA, and the City Code.
- (bb) Where the Offer is validly accepted in respect of IPSA Shares held in Uncertificated Form in accordance with Part D of this Appendix I, unless the relevant IPSA Shareholder has become the registered shareholder of the related IPSA Shares, no separate acceptance of the Offer may be made by the relevant holder of the IPSA Shares, the custodian in respect of the IPSA Shares and no person other than Encor shall have any rights whatsoever under the Offer in respect of the IPSA Shares (save for the rights of such IPSA Shareholder under paragraph 3 of this Part B).
- (cc) The IPSA Shares will be acquired by Encor fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and any other third party interests and rights of whatsoever nature and together with all rights attaching to them as at 25 May 2017 or subsequently attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after 27 April 2017. Accordingly, insofar as a dividend and/or distribution and/or a return of capital is proposed, declared, made, paid or payable by IPSA in respect of an IPSA Share on or after 27 April 2017 Encor reserves the right to reduce by the amount of the dividend and/or distribution and/or return of capital, the price payable under the Offer in respect of an IPSA Share, except insofar as the IPSA Share is or will be transferred pursuant to the Offer on a basis which entitles Encor alone to receive the dividend and/or distribution and/or return of capital but if that reduction in price has not been effected, the person to whom the Offer Price is paid in respect of that IPSA Share, will be obliged to account to Encor for the amount of such dividend and/or distribution and/or return of capital.
- (dd) If Encor is required by the Panel to make an offer for IPSA Shares under the provisions of Rule 9 of the City Code, Encor may make such alterations to the terms and conditions of the Offer as are necessary to comply with the provisions of that Rule.

- (ee) Save in respect of the Acceptance Condition set out in Part A of this Appendix I, in accordance with Rule 13 of the City Code, Encor shall not invoke any Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Encor in the context of the Offer.

PART C: FORM OF ACCEPTANCE FOR IPSA SHARES IN CERTIFICATED FORM

Each IPSA Shareholder by whom, or on whose behalf, any Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with Encor and the Receiving Agent (so as to bind him and his personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of IPSA Shares in Certificated Form inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing,

in each case on and subject to the terms and conditions set out in this document and the Form of Acceptance and that, subject only to the rights of withdrawal set out in paragraph 3 of Part B of this Appendix I, each such acceptance, election and undertaking shall be irrevocable.

If Box 1 is left blank or a number greater than such IPSA Shareholder's registered Certificated holding appears in Box 1 or the Form of Acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance by such IPSA Shareholder of the basic terms of the Offer in respect of the total number of IPSA Shares in Certificated Form registered in his name;

- (b) that he is irrevocably and unconditionally entitled to transfer the IPSA Shares in respect of which the Form of Acceptance is completed and that the IPSA Shares in Certificated Form in respect of which the Offer is accepted, or is deemed to be accepted, are sold fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights attaching to them as at the date of this document or subsequently attaching to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions, if any, declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made, on or after the date of this document;
- (c) that unless "NO" is inserted or deemed to be inserted in Box 5 of the Form of Acceptance, such IPSA Shareholder:
 - (i) has not received or sent copies of this document, the Form of Acceptance or any related offer documents in, into or from any Restricted Jurisdiction or any other jurisdiction where such actions may constitute a breach of any legal or regulatory requirements of such jurisdiction;
 - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the use of the mails of or any means or instrumentality (including, without limitation, facsimile transmission, email, telex and telephone) of interstate or foreign commerce, or any facilities of a national securities exchange, of any Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside any Restricted Jurisdiction and was outside such jurisdictions when the Form of Acceptance was delivered and at the time of accepting the Offer, and in respect of the IPSA Shares to which the Form of Acceptance relates, is not an agent or fiduciary acting on a non- discretionary basis for a principal who has given any instructions with respect to the Offer from within any Restricted Jurisdiction;
 - (iv) warrants that the Form of Acceptance and any related offer documents have not been mailed or otherwise sent in, into or from any Restricted Jurisdiction; and

- (v) if such IP SA Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in Encor or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of the Offer;
- (d) that, in relation to IP SA Shares in Certificated Form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting IP SA Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of each of Encor as such IP SA Shareholder's attorney and/or agent ("attorney"), with an irrevocable instruction to the attorney to:
 - (i) complete and execute all or any form(s) of transfer and/or renunciation and/or other document(s) in the attorney's discretion in relation to the IP SA Shares referred to in paragraph (a)(i) of this Part C in favour of Encor or as Encor or its agents may direct;
 - (ii) deliver such form(s) of transfer and/or renunciation and/or other document(s) at the attorney's discretion together with any certificate(s) and/or other document(s) of title relating to such IP SA Shares for registration within six months of the Offer becoming unconditional in all respects; and
 - (iii) do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance or deemed acceptance of the Offer pursuant to the Form of Acceptance and to vest in Encor or its nominee the IP SA Shares as aforesaid;
- (e) that, in relation to IP SA Shares in Certificated Form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting IP SA Shareholder not having validly withdrawn his acceptance, a separate and irrevocable authority and request:
 - (i) to IP SA or its agents to procure the registration of the transfer of those IP SA Shares pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to Encor or as it may direct; and
 - (ii) to Encor or its agents to procure the despatch by post (or such other method as may be approved by the Panel) of share certificates in relation to New Encor Shares to which he is entitled under the Offer, at the risk of such IP SA Shareholder, to the person or agent whose name and address (outside any Restricted Jurisdiction) is set out in Box 4 of the Form of Acceptance or, if none is set out, to the first-named holder at his registered address (outside any Restricted Jurisdiction);
- (f) that the execution of the Form of Acceptance and its delivery constitutes a separate authority to each of Encor and/or its agents within the terms of Parts B and C of this Appendix I;
- (g) subject to the Offer becoming unconditional in all respects or if the Panel otherwise gives its consent, and pending registration, that:
 - (i) Encor or its agents be entitled to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general meeting of IP SA or of any class of its shareholders) attaching to any IP SA Shares in Certificated Form in respect of which the Offer has been accepted, or is deemed to have been accepted, and such acceptance is not validly withdrawn;

- (ii) the execution of a Form of Acceptance by an IP SA Shareholder constitutes, in respect of the IP SA Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - A. an authority to IP SA and/or its agents from such IP SA Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him as a member of IP SA at its registered office or care of the Receiving Agent;
 - B. an authority to Encor and/or its agents to sign any consent to short notice on his behalf and/ or attend and/or execute a form of proxy in respect of such IP SA Shares appointing any person nominated by Encor to attend general meetings and separate class meetings of IP SA or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding Condition of the Offer; and
 - C. the agreement of such IP SA Shareholder not to exercise any of such rights without the consent of Encor and the irrevocable undertaking of such IP SA Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
- (h) that he will deliver (or procure the delivery) to the Receiving Agent at the address referred to in paragraph 3(a) of Part B of this Appendix I his share certificate(s) or other document(s) of title in respect of all IP SA Shares held by him in Certificated Form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to Encor in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;
- (i) that, if he accepts the Offer, he will do all such acts and things as shall, in the opinion of Encor or the Receiving Agent, be necessary or expedient to vest in Encor or its nominee(s) or such other person as Encor may decide the number of IP SA Shares inserted or deemed to be inserted in Box 1 of the Form of Acceptance and all such acts and things as may be necessary or expedient to enable the Receiving Agent to perform its functions for the purposes of the Offer;
- (j) that the terms and conditions of the Offer contained in this document will be incorporated and deemed to be incorporated in, and form part of, the Form of Acceptance which will be read and construed accordingly;
- (k) that he will ratify each and every act or thing which may be done or effected by Encor, the Receiving Agent or any director of Encor or the Receiving Agent or their respective agents or IP SA or its agents, as the case may be, in the exercise of any of his or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom);
- (l) that, if any provision of Part B of this Appendix I or this Part C will be unenforceable or invalid or will not operate so as to afford Encor, the Receiving Agent or any director or duly authorised representative of any of them or their respective agents the benefit of the authority expressed to be given therein, he agrees with all practicable speed to do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Part B of this Appendix I and this Part C;
- (m) the ejusdem generis principle of construction shall not apply to the terms and conditions of the Offer and/or the Form of Acceptance. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;
- (n) that the execution of the Form of Acceptance constitutes his submission, in relation to any dispute arising out of or in connection with the Offer and/or the Form of Acceptance and all

acceptances and elections in respect thereof (including a dispute relating to any non-contractual obligations arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof), to the exclusive jurisdiction of the courts of England and that nothing shall limit the right of Encor to bring any action, suit or proceedings arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof (including in relation to any non-contractual obligations arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof) in any other court of competent jurisdiction or concurrently in more than one court of competent jurisdiction; and

- (o) the Form of Acceptance will be deemed to be delivered on the date of its execution and will take effect as a deed.

References in this Part C to an IPSA Shareholder shall include references to the person or persons executing a Form of Acceptance, and in the event of more than one person executing a Form of Acceptance, the provisions of this Part C shall apply to them jointly and to each of them.

PART D: ELECTRONIC ACCEPTANCE

For the purposes of this Part D of this Appendix I, the phrase "IPSA Shares in Uncertificated Form comprised in the acceptance" shall mean the number of IPSA Shares which are transferred by the relevant IPSA Shareholder by Electronic Acceptance to an escrow account by means of a TTE Instruction.

Each IPSA Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and Encor and the Receiving Agent (so as to bind him and his personal representatives, heirs, successors and assigns) to the following effect:

1. (a) that the Electronic Acceptance shall constitute: an acceptance of the Offer in respect of the number of IPSA Shares in Uncertificated Form to which the TTE Instruction relates; and
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing,

in each case on and subject to the terms and conditions set out or referred to in this document and that, subject to the rights of withdrawal set out in paragraph 3 of Part B of this Appendix I, each such acceptance, election and undertaking shall be irrevocable;

- (b) that such IPSA Shareholder:
 - (i) has not received or sent copies of this document, the Form of Acceptance or any related offer documents, in, into or from any Restricted Jurisdiction or any other jurisdiction where such actions may constitute a breach of any legal or regulatory requirements of such jurisdiction;
 - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the use of the mails of or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside any Restricted Jurisdiction and was outside those jurisdictions at the time of the input and settlement of the relevant TTE Instruction(s) and in respect of the IPSA Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within any Restricted Jurisdiction;
 - (iv) no TTE Instruction has been sent from any Restricted Jurisdiction; and
 - (v) if such IPSA Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in Encor or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of the Offer;
- (c) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting IPSA Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of Encor, or any of the directors of Encor, or any person authorised by Encor, as such IPSA Shareholder's attorney and/or agent (attorney), with an irrevocable instruction to the attorney to purpose of, or in connection with, the acceptance or deemed acceptance of the Offer;

- (d) that the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as such IPSA Shareholder's attorney and an irrevocable instruction and authority to the attorney:
- (i) subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting IPSA Shareholder not having validly withdrawn his acceptance, to transfer (if Encor so requests) to Encor (or to such other person or persons as Encor or its agents may direct) by means of CREST all or any of the IPSA Shares in Uncertificated Form which are the subject of a TTE Instruction in respect of that Electronic Acceptance; and
 - (ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days from the lapsing of the Offer), to transfer all such IPSA Shares to the original available balance of the accepting IPSA Shareholder;
- (e) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting IPSA Shareholder not having validly withdrawn his acceptance, a separate and irrevocable authority and request to Encor or its agents to procure the making of a credit to the CREST account in accordance with the CREST settlement arrangements in respect of any consideration to which such accepting IPSA Shareholder is entitled;
- (f) that the Electronic Acceptance constitutes a separate authority to Encor or the Receiving Agent and/or their respective agents within the terms of Parts B and D of this Appendix I;
- (g) subject to the Offer becoming unconditional in all respects or if the Panel otherwise gives its consent, and pending registration, that:
- (i) Encor or its agents be entitled to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general meeting of IPSA or of any class of its shareholders) attaching to any IPSA Shares represented by the IPSA Shares comprised or deemed to be comprised in the Electronic Acceptance, and in respect of which such acceptance has not been validly withdrawn; and
 - (ii) an Electronic Acceptance by an IPSA Shareholder constitutes, in respect of the IPSA Shares in Uncertificated Form comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - A. an authority to IPSA and/or its agents from such IPSA Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him as a member of IPSA (including any share certificate(s) or other document(s) of title issued as a registered office or care of the Receiving Agent;
 - B. an irrevocable authority to any directors or managers of, or persons authorised by Encor and/or their respective agents to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the IPSA Shares represented by the IPSA Shares held by him (including, without limitation, signing any consent to short notice on his behalf and/ or attending and/or executing a form of proxy in respect of such IPSA Shares represented by the IPSA Shares held in Uncertificated Form appointing any person nominated by Encor to attend general meetings and separate class meetings of IPSA or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding Condition of the Offer); and

- C. the agreement of such IPSA Shareholder not to exercise any of such rights without the consent of Encor and the irrevocable undertaking of such IPSA Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
- (h) that if, for any reason, any IPSA Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 14.2 of the letter from Encor in this document converted to Certificated Form, he will (without prejudice to paragraph (g)(ii)(A) of this Part D) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of the IPSA Shares that are so converted to the Receiving Agent at the address referred to in paragraph 3(a) of Part B of this Appendix I or to Encor at its registered office or as Encor or its agents may direct, and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix I in relation to such IPSA Shares without prejudice to the application of this Part D so far as Encor deems appropriate;
- (i) that the creation of a credit to the CREST account in accordance with the arrangements referred to in paragraph (e) of this Part D shall, to the extent of the obligation so created, discharge in full any obligation of Encor to issue the New Encor Shares to which he is entitled pursuant to the Offer;
- (j) he will do all such acts and things as shall, in the reasonable opinion of Encor be necessary or desirable to enable the Receiving Agent to perform its function as Escrow Agent for the purposes of the Offer or to vest in Encor or its nominee(s), upon the Offer becoming unconditional in all respects and subject to the Electronic Acceptance not having been validly withdrawn, the IPSA Shares in Uncertificated Form comprised or deemed to be comprised in the acceptance;
- (k) he will ratify each and every act or thing which may be done or effected by Encor, the Escrow Agent or the Receiving Agent or any of their respective directors or agents or IPSA or its agents, as the case may be, in the exercise of any of his or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom);
- (l) that, if any provision of Part B of this Appendix I or this Part D will be unenforceable or invalid or will not operate so as to afford Encor, the Escrow Agent or the Receiving Agent or any director or duly authorised representative of any of them or their respective agents the benefit of the authority expressed to be given therein, he agrees with all practicable speed to do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Part B of this Appendix I and this Part D;
- (m) the ejusdem generis principle of construction shall not apply to the terms and conditions of the Offer and/or the Form of Acceptance. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words; and
- (n) the making of an Electronic Acceptance constitutes his submission, in relation to any dispute arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof (including a dispute relating to any non-contractual obligations arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof), to the exclusive jurisdiction of the courts of England and that nothing shall limit the right of Encor to bring any action, suit or proceedings arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof (including in relation to any non-contractual obligations arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof) in any other court of competent jurisdiction or concurrently in more than one court of competent jurisdiction.

References in this Part D to an IPSA Shareholder shall include references to the person or persons making an Electronic Acceptance.

APPENDIX II: SOURCES OF INFORMATION AND BASES OF CALCULATION

In this document, unless otherwise stated, or the context otherwise requires, the following bases and sources have been used:

- (a) the financial information relating to IPSA has been extracted or derived, without material adjustment, from IPSA's audited consolidated financial statements for the year ended 30 September 2016.
- (b) the value attributed to the existing issued share capital of IPSA is based upon the 107,504,081 IPSA Shares in issue on 26 April 2017 (being the last Business Day prior to the date of the Rule 2.7 Announcement).
- (c) IPSA Share prices represent the Closing Price on the relevant date.
- (d) the International Securities Identification Number for the IPSA Shares is GB00B0CJ3F01.
- (e) The number of Encor Shares in issue as at 24 May 2017 (being the last Business Day prior to the date of this Document) is 272,416,665.

The estimate of value of the New Encor Shares as set out in the Estimate of Value Letter set out in Appendix VI is calculated on the basis of the assumptions, qualifications and caveats set out therein.

APPENDIX III: FINANCIAL INFORMATION

PART A: IPSA

1. The following sets out the financial information in respect of IPSA as required by Rule 24.3 of the City Code. The documents referred to below, (or parts thereof) are incorporated by reference into this document pursuant to Rule 24.15 of the City Code:
 - (a) Audited consolidated accounts of IPSA for the financial year ended 30 September 2016 are set out on pages 10 to 32 (inclusive) of the Annual Report and Accounts of IPSA for the extended financial year ended 30 September 2016 and are available free of charge on IPSA's website at www.ipsagroup.co.uk.
 - (b) Audited consolidated accounts of IPSA for the financial year ended 31 March 2015 are set out on pages 14 to 37 (inclusive) of the Annual Report and Accounts of IPSA for the financial year ended 31 March 2015 and are available free of charge on IPSA's website at www.ipsagroup.co.uk.
2. Hard copies of the above-referenced financial information will not be sent to recipients of this document unless specifically requested. Recipients of this document may request hard copies of the above-referenced financial information of IPSA from the Receiving Agent, Neville Registrars Limited, on 0121 585 1131 from within the UK or on +44 (0)121 505 1131 calling from outside the UK. Lines are open from 9.00am to 5.00pm (London time) Monday to Friday (excluding public holidays in England and Wales). Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. Calls are charged at the standard geographic rate. Calls outside the UK will be charged at the applicable international rate.
3. For the avoidance of doubt, neither the content of IPSA's website nor the content of any website accessible from hyperlinks on IPSA's website is incorporated by reference into, or forms part of, this document.

PART B: ENCOR

Encor was incorporated on 8 March 2016 and, consequentially, has not published any accounts yet.

APPENDIX IV: ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Encor Directors, whose names and business addresses are set out in paragraph 2.1 below, accept responsibility for the information contained in this document (including any expressions of opinion attributed to them) other than information in respect of IPSA, the IPSA Directors, the Independent Director and their respective connected persons and the Wider IPSA Group for which responsibility is accepted by the IPSA Directors and the Independent Director pursuant to paragraphs 1.2 and 1.3 below. To the best of the knowledge and belief of the Encor Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The IPSA Directors, whose names are set out in paragraph 2.3 below, accept responsibility for all the information contained in this document (including any expressions of opinion attributed to them, other than the recommendation of the Independent Director which is the responsibility of the Independent Director) relating to IPSA Group, the IPSA Directors and their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the IPSA Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Independent Director, being Susan Laker, accepts responsibility for the recommendation of the Independent Director. To the best of the knowledge and belief of the Independent Director (who has taken all reasonable care to ensure that such is the case), the information contained in the recommendation of the Independent Director for which she accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors, registered offices and business addresses

- 2.1 The Encor Directors and their respective positions are set out below:

Name	Position
Edward Cowdery	Chief Executive
Julian Lloyd-Vine	COO
Robert McLearn	CFO
William Slegg	Director of Projects
Christopher Morgan	Non-Executive Director

- 2.2 The registered office of Encor and the business address of each Encor Director is Unit 1a The Granary Bulrushes Business Park, Coombe Hill Road, East Grinstead, England, RH19 4LZ.

- 2.3 The IPSA Directors and their respective positions are as follows:

Name	Position
Peter Earl	Chief Executive Officer

Name	Position
Susan Laker	Non-Executive Director

2.4 The registered office of IPSA is Millbank Tower 21-24 Millbank, 17 Floor, London, England, SW1P 4QP.

3. *Market quotations*

The IPSA Shares have not had a quotation since 16 September 2016 when they were delisted from AIM, having been suspended since 15 September 2015. In the six month period prior to 24 May 2017 (being the last Business Day before publication of this document) there have been a number of dealings in IPSA Shares which are understood by IPSA to be transfers between nominee accounts and underlying beneficial owners. As there is no market quotation for IPSA and all such transfers have been done via CREST, there is no available information on the prices paid (if any) on the transfers of such IPSA Shares.

The Encor Shares are not admitted to trading. In the six month period prior to 24 May 2017 (being the last Business Day before publication of this document) there have been no transactions in Encor Shares other than the acquisitions and subscriptions of, in aggregate, 3,083,332 Encor Shares by Encor Directors as further set out at paragraph 4.7(a) below and the subscription by Peter Earl described at paragraph 4.7(b) below.

4. *Interests and dealings*

4.1 For the purpose of this paragraph 4 and paragraph 10 of this Appendix IV:

acting in concert with a party means any such person acting or deemed to be acting in concert with that party for the purposes of the City Code and/or the Offer. Persons who will be presumed to be acting in concert with other persons in the same category include:

- (A) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);
- (B) a company with any of its directors (together with their close relatives and the related trusts of any of them);
- (C) a company with any of its pensions schemes and the pension schemes of any company described in (a);
- (D) a fund manager (including an exempt fund manager) with any investment company, unit trust or other person whose investments such fund manager manages on a discretionary basis, in respect of the relevant accounts; and
- (E) connected advisers (and persons controlling, controlled by or under the same control as such connected advisers) with their clients;

arrangement includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing, but excludes irrevocable commitments;

connected adviser includes an organisation which: (i) is advising Encor or (as the case may be) IPSA in relation to the Offer; (ii) is a corporate broker to Encor or (as the case may be) IPSA; or (iii) is advising a person acting in concert with Encor or (as the case may be) IPSA in relation to the Offer or in relation to the matter which is the reason for that person being a member of the concert party;

control means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings gives de facto control;

dealing includes: (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or of general control of relevant securities; (ii) the taking, granting, acquisition, disposal of, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities; (iii) subscribing or agreeing to subscribe for relevant securities; (iv) the exercise or conversion, whether in respect of any new or existing securities, or any relevant securities carrying conversion or subscription rights; (v) the acquisition, disposal of, entering into, closing out, exercising (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities; (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; (vii) the redemption or purchase of, or taking or exercising of an option over, any of its own relevant securities by an offeree company or offeror; and (viii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

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

disclosure date means 24 May 2017, being the last Business Day before publication of this document;

disclosure period means the period which began on 26 April 2016 (the date 12 months before the start of the Offer Period) and ended on 24 May 2017 (being the last Business Day before the publication of this document);

Encor Relevant Securities means (i) shares and other securities in Encor carrying voting rights; (ii) equity share capital of Encor and (iii) securities of Encor carrying conversion or subscription rights into any of the foregoing;

exempt fund manager means a person who manages investment accounts on a discretionary basis and is recognised by the Panel as an exempt fund manager for the purposes of the City Code;

a person has an **interest** or is **interested** in relevant securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but not if he only has a short position in such securities) and in particular if: (i) he owns them; (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them; by virtue of any agreement to purchase, option or derivative, he: (A) has the right or option to acquire them or call for their delivery; or (B) is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or (iv) he is party to any derivative: (I) whose value is determined by reference to their price; and (II) which results, or may result, in his having a long position in them;

relevant securities means IPSA Relevant Securities and/or Encor Relevant, as the context requires; and

IPSA Relevant Securities means (i) IPSA Shares and any other securities of IPSA conferring voting rights; (ii) equity share capital of IPSA; and (iii) securities of IPSA carrying conversion or subscription rights into any of the foregoing;

4.2 *Persons acting in concert with Encor*

The persons (in addition to all the Encor Directors together with their close relatives and related trusts and controlled companies) deemed to be acting in concert with Encor for the

purposes of the Offer are Sloane Corporate Finance Limited of 17th Floor, Millbank Tower 21-24 Millbank, London SW1P 4QP, which is acting as a connected adviser under the City Code for the purpose of the Estimate of Value Letter. Other than the Encor Directors and Sloane Corporate Finance Limited, there are no persons who, for the purposes of the City Code, are acting or deemed to be acting in concert with Encor in respect of the Offer.

4.3 *Persons acting in concert with IPSA*

The persons (in addition to all the IPSA Directors together with their close relatives and related trusts and controlled companies) deemed to be acting in concert with IPSA for the purposes of the Offer are Optiva Securities Ltd of 2 Mill Street, Mayfair, London W15 2AT, which is acting as a connected adviser under the City Code. Other than the IPSA Directors and Optiva, there are no persons who, for the purposes of the City Code, are acting or deemed to be acting in concert with IPSA in respect of the Offer.

4.4 *Interests in IPSA Relevant Securities*

As at the last day of the disclosure period

- (a) None of Encor and its concert parties and their immediate families, related trusts and connected persons, all of which are beneficial unless otherwise stated, had an interest in IPSA Relevant Securities;
- (b) The following IPSA Directors and their respective related parties had an interest in, a right to subscribe for, or a short position in certain IPSA Relevant Securities. The nature of the interests or rights concerned and the number of IPSA Relevant Securities to which these apply are as follows:

Name	Type of relevant security held	No. of IPSA Relevant Securities
Peter Earl	IPSA Shares	1,750,000
Susan Laker	IPSA Shares	650,000

4.5 *Interests in Encor Relevant Securities*

- (a) As at the disclosure date, other than set out in this document and at paragraph 4.7(a) below, neither IPSA nor any persons acting in concert with IPSA (including, without limitation, the IPSA Directors together with their respective immediate families, related trusts and connected persons) were interested in, or had a right to subscribe for any IPSA Relevant Securities or Encor Relevant Securities.
- (b) As at the disclosure date, other than set out below, neither Encor nor any persons acting in concert with Encor (including, without limitation, the Encor Directors together with their respective immediate families, related trusts and connected persons) were interested in, or had a right to subscribe for any IPSA Relevant Securities or Encor Relevant Securities.

Name	Type of relevant security held	No. of Encor Relevant Securities
Ed Cowdery	Encor Shares	39,147,453
Julian Lloyd Vine	Encor Shares	24,483,333
Robert McLearn	Encor Shares	1,500,000

Chris Morgan	Encor Shares	833,333
William Slegg	Encor Shares	3,083,333

4.6 *Dealings in IPSA Relevant Securities*

- (a) There have been no dealings in IPSA Relevant Securities by Encor or any Encor Directors (or any of their respective immediate relatives, related trusts and companies or any persons acting in concert with them) during the disclosure period.
- (b) There have been no dealings in IPSA Relevant Securities by IPSA or IPSA Directors (or any of its immediate relatives, related trusts and companies or any persons acting in concert with them) during the disclosure period.

4.7 *Dealings in Encor Relevant Securities*

- (a) On 17 May 2017, Peter Earl subscribed for 333,333 Encor Shares at £0.03 per share. Otherwise there have been no dealings in Encor Relevant Securities by IPSA or IPSA Directors (or any of their respective immediate relatives, related trusts and companies or any persons acting in concert with them) during the disclosure period.
- (b) There have been no dealings in Encor Relevant Securities by Encor or any Encor Directors (or any of their respective immediate relatives, related trusts and companies or any persons acting in concert with them) during the disclosure period other than as set out below:

Name	Date	Nature of Transaction	Number of Encor Shares	Price
Julian Lloyd Vine	3 May 2016	Purchase	2,500,000	£0.01
Chris Morgan	18 May 2016	Purchase	500,000	£0.01
Ed Cowdery	28 September 2016	Acquisition	38,814,120	£0.02 (acquired in exchange for securities)
Julian Lloyd Vine	28 September 2016	Acquisition	21,650,000	£0.02 (acquired in exchange for securities)
William Slegg	18 November 2016	Purchase	2,500,000	£0.02
Robert McLearn	20 February 2017	Purchase	1,500,000	£0.02
William Slegg	20 February 2017	Purchase	250,000	£0.02
Ed Cowdery	30 April 2017	Purchase	333,333	£0.03
Julian Lloyd Vine	30 April 2017	Purchase	333,333	£0.03
Chris Morgan	30 April 2017	Purchase	333,333	£0.03
William Slegg	30 April 2017	Purchase	333,333	£0.03

4.8 *General*

Save as disclosed in this paragraph 4, as at the disclosure date,

- (a) none of:
- (i) Encor;
 - (ii) the Encor Directors (and their close relatives and related trusts and controlled companies);
 - (iii) any other person acting in concert with Encor,

held any interest or right to subscribe for or any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in any IPSA Relevant Securities or Encor Relevant Securities, nor, save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any IPSA Relevant Securities or Encor Relevant Securities (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the City Code), nor had any such person dealt in any IPSA Relevant Securities during the Disclosure Period; and

- (b) none of:
- (i) IPSA;
 - (ii) the IPSA Directors (and their close relatives and related trusts and controlled companies); nor
 - (iii) any other person acting in concert with IPSA,

held any interest or right to subscribe for or any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in any relevant securities, nor, save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any IPSA Relevant Securities, (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the City Code), nor had any such person dealt in any relevant securities between the start of the Offer Period and the disclosure date.

- (c) none of:
- (i) IPSA;
 - (ii) the IPSA Directors (and their close relatives and related trusts and controlled companies); nor
 - (iii) any other person acting in concert with IPSA,

held any interest or right to subscribe for or any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, in any relevant securities, nor, save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any Encor Relevant Securities (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the City Code), nor had

any such person dealt in any relevant securities between the start of the Offer Period and the disclosure date.

5. United Kingdom taxation

The following statements are intended to be a general guide only to certain UK tax considerations and are based on current UK tax law and current published practice of HM Revenue and Customs, both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the UK taxation treatment of shareholders (a) who for UK tax purposes are resident in the UK and, in the case of individuals, are domiciled in the UK, (b) who hold the IPSA Shares as investments (other than under an individual savings account or a self-invested personal pension) and (c) who are the beneficial owners of both the IPSA Shares and any dividends paid on them. The statements may not apply to certain classes of shareholders such as (but not limited to) persons acquiring (or treated as acquiring) their IPSA Shares under a share scheme or otherwise in connection with an office or employment, dealers in securities, persons subject to UK tax on the remittance basis, charities, trustees, insurance companies and collective investment schemes.

The summary below does not constitute tax or legal advice and IPSA Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

5.1 *Tax consequences of the transfer of the IPSA Shares and the issue of the New Encor Shares*

For the purposes of a liability to United Kingdom capital gains tax and corporation tax on chargeable gains (“CGT”) the transfer of the IPSA Shares and the issue of the New Encor Shares should be treated as an exchange of securities falling within section 135 Taxation of Chargeable Gains Act 1992 (“TCGA”). An IPSA Shareholder who does not (either alone or together with any connected person) hold more than five per cent. of any class of shares in or debentures of IPSA, should for the purposes of CGT, be treated as having made no disposal of his IPSA Shares. Instead, the New Encor Shares will be treated as the same asset as those IPSA Shares in respect of which he received the New Encor Shares, acquired at the same time and for the same consideration as those IPSA Shares. On any disposal or repayment of the New Encor Shares, any CGT arising will be determined by reference to the market value of the assets disposed of and retained at the date of the disposal.

5.2 *Tax consequences in respect of New Encor Shares*

Encor will not be required to withhold amounts on account of United Kingdom tax at source when paying dividends on New Encor Shares.

A United Kingdom resident Encor Shareholder who receives a dividend in respect of New Encor Shares will have a dividend allowance of £5,000 per tax year available to him. The dividend allowance is not a deduction in arriving at total income or taxable income. Instead, the first £5,000 of dividend income will attract a zero rate of income tax. Any dividends the individual Encor Shareholder receives in excess of the allowance will be taxed at the following rates: i) 7.5% (dividend ordinary rate) on dividends within the shareholder’s basic rate band; ii) 32.5% (dividend upper rate) on dividends within the shareholder’s higher rate band; iii) 38.1% (dividend additional rate) on dividends within the shareholder’s higher rate band.

Encor Shareholders who are within the charge to corporation tax will be subject to corporation tax on dividends paid by Encor, unless (subject to special rules for such shareholders that are small companies) the dividends fall within an exempt class and certain other conditions are met. Each Encor Shareholder’s position will depend on its own

individual circumstances, and while it would normally be expected that the dividends paid by Encor would fall within an exempt class, it should be noted that the exemptions are not comprehensive and are subject to anti-avoidance rules. Shareholders within the charge to United Kingdom corporation tax should therefore consult their own professional advisers.

Non-UK resident individual Encor shareholders, other than on dividends representing the receipts of a trade, profession or vocation carried on in the UK, are only taxed on dividends arising from a United Kingdom source. This is however limited to the sum of tax deducted from, or treated as deducted from, 'disregarded income' (as defined by statute) and the tax liability leaving out the disregarded income and with no person allowances or double taxation relief taken into account. Such shareholders should not further United Kingdom income tax to pay upon their receipt of a dividend from Encor. Encor shareholders may also be subject to foreign taxation on dividend income under applicable local law. Encor Shareholders who are not resident for tax purposes in the United Kingdom should obtain their own tax advice concerning tax liabilities on dividends received from Encor in the country of their tax residence.

Acceptance of the Offer will constitute a disposal or a part disposal of IPSA Shares for the purposes of UK tax on chargeable gains which may, depending on an IPSA Shareholder's circumstances (including the availability of reliefs, exemptions and allowable losses), give rise to a liability to capital gains tax ("**CGT**"), corporation tax or an allowable loss for those purposes.

5.3 *Taxation of Capital Gains on New Encor Shares*

Encor Shareholders who are individuals resident in the United Kingdom, or who cease to be resident in the United Kingdom for a period of less than five years of assessment, may depending on their circumstances (including the availability of exemptions or reliefs), be liable to United Kingdom taxation on chargeable gains in respect of gains arising from a sale or other disposal of New Encor Shares.

An Encor Shareholder who is not UK resident will not be subject to UK tax on a gain arising on a disposal of New Encor Shares unless (i) the Encor Shareholder carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and, broadly, holds the New Encor Shares for the purposes of the trade, profession, vocation, branch, agency or permanent establishment or (ii) the Encor Shareholder falls within the anti-avoidance rules applying to individuals who are temporarily not resident in the UK

For Encor Shareholders within the charge to UK corporation tax on chargeable gains, indexation allowance should be available to reduce the amount of chargeable gain released on a disposal of New Encor Shares (but not to create or increase any loss).

An individual Encor Shareholder who acquires New Encor Shares while resident in the United Kingdom needs to cease to be resident for tax purposes in the United Kingdom for a period of more than five complete tax years otherwise the temporary non-residence rules apply. If those rules apply and the Encor Shareholder disposes of all or part of his New Encor Shares during the period in which he is non-United Kingdom resident then he may be liable to UK CGT on his return to the United Kingdom where that Shareholder was United Kingdom resident for at least four of the seven tax years immediately preceding the year of departure from the United Kingdom (subject to any available exemptions or reliefs). For individuals, a tax year is the period from 6 April in a calendar year to 5 April in the following calendar year.

An individual Encor Shareholder who is subject to UK income tax at the higher or additional rate will be liable to United Kingdom CGT on the amount of any chargeable gain realised by a disposal of New Encor Shares at the rate of 20 per cent. Individual Encor Shareholders who are subject to income tax at the basic rate only should only be liable to CGT on the chargeable gain up to the unused amount of the shareholder's basic rate band at a rate of 10 per cent., and at a rate of 20 per cent. on the gains above the basic rate band. In the event that a disposal of the New Encor Shares results in the realisation of a loss by the shareholder for CGT purposes, such a loss may be set-off by the shareholder against other chargeable gains in the same or future years of assessment.

The CGT annual exemption (£11,300 for the tax year 2017/18) may be available to individual Encor Shareholders (to the extent it has not already been utilised) to offset against chargeable gains realised on a disposal of their New Encor Shares.

United Kingdom resident corporate Encor Shareholders will generally be subject to United Kingdom corporation tax (rather than CGT) on any chargeable gain realised on a disposal of New Encor Shares. From 1 April 2017, the corporation tax rate for company profits is 19 per cent. Any chargeable loss realised by such a shareholder may be set-off by the shareholder against chargeable gains in the same or future accounting periods. A corporate Encor Shareholder with a significant holding of New Encor Shares may be exempt from corporation tax on any gain arising on disposal New Encor Shares, provided it can satisfy the conditions of the exemption applicable to disposal of substantial Shareholdings.

5.4 *Inheritance tax in respect of New Encor Shares*

New Encor Shares will be assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. A gift of such assets by, or the death of, an individual Encor Shareholder may (subject to certain exemptions and reliefs) give rise to a liability to United Kingdom inheritance tax, even if the holder is neither domiciled in the United Kingdom nor deemed to be domiciled here (under certain rules relating to long term residence or previous domicile). Generally, United Kingdom inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold New Encor Shares bringing them within the charge to inheritance tax. Encor Shareholders should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any New Encor Shares through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to United Kingdom inheritance tax and an equivalent tax in another country or if they are in any doubt about their United Kingdom inheritance tax position.

5.5 *Stamp Duty and Stamp Duty Reserve Tax*

The statements in this section are intended as a general guide to the current United Kingdom stamp duty and SDRT position in respect of New Encor Shares. Investors should note that certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for SDRT under the Stamp Duty Reserve Tax Regulations 1986.

General

Except in relation to depositary receipt systems and clearance services (to which special rules may apply), no stamp duty or SDRT will arise on the issue of shares in registered form by Encor.

An unconditional agreement to transfer New Encor Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. SDRT is, in general, payable by the purchaser.

An instrument transferring New Encor Shares will generally be subject to stamp duty at the rate of 0.5 per cent. of the amount or consideration given for the transfer (rounded up to the nearest £5). The purchaser normally pays the stamp duty.

If a duty stamped transfer instrument completing an agreement to transfer New Encor Shares is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any

SDRT paid is generally repayable, normally with interest, and otherwise the SDRT charge is cancelled.

CREST

Paperless transfers of New Encor Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of shares into CREST will not generally be subject to SDRT or stamp duty, unless the transfer into CREST is itself for consideration.

5.6 *UK stamp duty and stamp duty reserve tax*

No UK stamp duty or stamp duty reserve tax should be payable by IPSA Shareholders as a result of accepting the Offer.

6. Material Contracts

6.1 *Material Contracts of Encor*

Save as disclosed below, neither Encor nor any other member of the Encor Group has entered into any contract, otherwise than in the ordinary course of business, since 27 April 2015 (being the date two years prior to the commencement of the Offer Period), which is or may be material:

(a) *Confidentiality Agreement*

On 5 September 2016, Encor and IPSA entered into a confidentiality agreement pursuant to which each party has undertaken to, amongst other things, keep confidential information made available by the other party confidential and not to disclose it to third parties unless required by law or regulation.

(b) *Loan Agreement with Demand Power*

On 1 June 2016, Encor and Demand Power entered into a loan agreement whereby Encor advanced a loan of £205,000 to Demand Power. Under the terms of the agreement, the loan is repayable on the earlier of: (i) the sale of any of the Development SPVs, (ii) the date of commencement of construction on any development site; and (iii) 31 May 2017. Under the terms of the loan agreement, a one-off repayment premium of £41,000 would be due on the date of repayment if admission of Encor to listing on a stock exchange had taken place prior to the date of repayment. In the event of such admission not having occurred prior to repayment, the one-off interest payment would be £215,000.

The loan is secured way of a debenture between Demand Power and certain of the Development SPVs and the Company whereby Demand Power and each of the Development SPVs charged by way of fixed and floating charged their assets as security in favour of the Company. The assets were released from the charge following Demand Power's acquisition by the Company.

A deed of amendment dated 30 August 2016 was entered into between the Company, Demand Power and certain of the Development SPVs. The deed increased the loan made available to Demand Power from £205,000 to £705,000. In addition, the repayment premium payable if repayment has not taken place prior to Admission was increased to £515,000. Following Demand Power's acquisition by Encor, the 31 May 2017 repayment date was extended to 31 October 2017.

As at the date of this document the entire amount of the loan (being £705,000) has been drawn down.

6.2 Material Contracts of IPSA

Save as disclosed below, neither IPSA nor any other member of the IPSA Group has entered into any contract, otherwise than in the ordinary course of business, since 27 April 2015 (being the date two years prior to the commencement of the Offer Period), which is or may be material:

(a) *Sale and purchase of Blazeway*

On 27 January 2016, IPSA entered into an agreement with Sloane Corporation Limited to sell the whole of the entire issued share capital of Blazeway Engineering Limited for a sum of £50,000. There are no outstanding warranties, liabilities or obligations subsisting under this agreement.

(b) *Side letter to Settlement Agreement*

On 5 December 2016, Ethos Energy S.p.A. ("**Ethos**") and IPSA entered into a side letter to a settlement agreement dated 27 October 2014 between them (the "**Settlement Agreement**") pursuant to which IPSA agreed to pay a sum of £1,250,000 as part payment towards the sum owed under the Settlement Agreement. IPSA also agreed that it would, or procure that Rurelec plc would, enter into a direct contractual arrangement with Fagioli S.p.A. for the storage of certain equipment from 1 January 2017.

(c) *Deed of Release and Undertakings*

On 23 March 2017, IPSA and Rurelec entered into a deed of release and undertakings pursuant to which IPSA released Rurelec from any claims owing under the 2013 Rurelec Agreement. These claims were primarily in relation to the deferred consideration element of the purchase price still owing under the 2013 Rurelec Agreement.

By way of the Deed of Release, the following was agreed:

- (i) IPSA released Rurelec from any remaining claims under the Ethos Claims and the 2013 Rurelec Agreement (principally relating to the Deferred Consideration);
- (ii) the amount owed by IPSA to Ethos, under the Settlement Agreement and otherwise was €4.7m;
- (iii) Rurelec waived its entitlement to the whole amount of the €4.7m which was owed to Ethos via IPSA and reduced the amount to €1.275m, subject to the reservation of Rurelec's rights to the full amount of €4.7m should IPSA default on any of its obligations
- (iv) the sums owing from Rurelec to IPSA were agreed at £1.535m and the sums that were owing from IPSA to Rurelec were agreed at £1.275m, meaning that the outstanding amount left payable from Rurelec to IPSA amounted to £260,000 to be paid in monthly instalments from 31 March 2017 – 31 October 2017;
- (v) IPSA agreed to use the net cash sum of £260,000 to pay an agreed list of trade creditors;
- (vi) Rurelec released its pledge over the turbine Equipment granted pursuant to the 2013 Rurelec Agreement; and

(vii) the longstop date in the 2013 Rurelec Agreement was extended to 31 December 2017.

(d) *Option Agreement*

On 23 March 2017 IPSA entered into an Option Agreement with Rurelec, whereby IPSA granted Rurelec an option to buy various listed assets from the Balance of Plant, for a sum of £1m, with the option being exercisable on or before 30 September 2017.

(e) *Confidentiality Agreement*

On 5 September 2016, Encor and IPSA entered into a confidentiality agreement pursuant to which each party has undertaken to, amongst other things, keep confidential information made available by the other party confidential and not to disclose it to third parties unless required by law or regulation.

7. Service Agreement and Letters of Appointment of IPSA Directors

Neither Peter Earl nor Susan Laker have a service agreement or letter of appointment with IPSA. No IPSA Director's service contract or letters of appointment have been entered into or amended within six months preceding the date of this document, nor are there any other service contracts or letters of appointment between any of the IPSA Directors and IPSA. Neither Peter Earl nor Susan Laker have received any remuneration since their appointments as directors.

8. Offer-related arrangements

8.1 *Confidentiality Agreement*

On 5 September 2016, Encor and IPSA entered into the Confidentiality Agreement which is referred to in paragraph 6.2(e) above.

8.2 *Irrevocable Undertakings*

The following IPSA Directors who are also IPSA Shareholders have undertaken to Encor to accept the Offer in respect of the IPSA Shares held by him no later than the tenth business day after the despatch of the Offer Document. These undertakings are binding in all circumstances:

Name	Shareholding	Percentage of issued share capital of IPSA as at 24 May 2017¹
Peter Earl	1,750,000	1.63
Susan Laker	650,000	0.60
Total	2,400,000	2.23

¹ Being the last Business Day prior to publication of this document

The following IPSA Shareholders have undertaken to Encor to accept the Offer in respect of the IPSA Shares held by them no later than the tenth business day after the despatch of the Offer Document:

Name	Shareholding	Percentage of issued share capital of IPSA as at 24 May 2017¹
Sterling Trust Limited (in administration)	31,794,105	29.57
WH Ireland Nominees Limited	12,165,000	11.32
S Hargrave	3,670,370	3.41
E Shaw	1,268,750	1.18
Technology Finance Limited	2,025,000	1.88
Total	50,923,225	47.37

¹ Being the last Business Day prior to publication of this document

These undertakings are binding in all circumstances.

9. Ratings

- 9.1 As at the commencement of the Offer Period, IPSA had no ratings or outlooks publicly accorded to it by ratings agencies.
- 9.2 As at the commencement of the Offer Period, Encor had no ratings or outlooks publicly accorded to it by ratings agencies.

10. Other information

- 10.1 Optiva has given and has not withdrawn its written consent to the issue of this document and the inclusion in it of the references to its name in the form and context in which they are included.
- 10.2 SCF has given and has not withdrawn its written consent to the issue of this document and the inclusion in it of the references to its name in the form and context in which they are included and the inclusion of its Estimate of Value Letter in Appendix VI.
- 10.3 There has been no significant change in the financial or trading position of IPSA since 30 September 2016, being the date to which the Company's latest annual report and accounts were made up.
- 10.4 Save as disclosed in this document, there have been no discussions with respect to future management incentivisation arrangements and no such arrangements have been proposed or agreed with the management of IPSA.
- 10.5 No agreement, arrangement or understanding (including any compensation arrangement) exists between Encor or any concert party of Encor and any of the IPSA Directors, recent directors, shareholders or recent shareholders of IPSA or any person interested or recently interested in IPSA Shares having any connection with or dependence on, or which is conditional on, the outcome of the Offer and no proposal exists in connection with the Offer whereby any payment or other benefit will be made or given to any director of IPSA as compensation for loss of office or as consideration for or in connection with this retirement from office or otherwise in connection with the Offer.
- 10.6 No agreement, arrangement or understanding of whatever nature, whether formal or informal (including indemnity or option arrangements), relating to relevant securities which may be an inducement to deal or refrain from dealing exists between (i) IPSA

or any concert party of IPSA and any other person having any connection with or any dependence upon the outcome of the Offer; or (ii) Encor or any concert party of Encor and any other person having any connection with or any dependence upon the outcome of the Offer.

10.7 Save as disclosed in this document, there is no agreement, arrangement or understanding by which the legal or beneficial ownership of any securities to be acquired pursuant to the Offer will be transferred to any other person, but Encor reserves the right to transfer any such shares to any other member of the Encor Group or any joint venture, partnership, firm or company in which it has a substantial interest and the right to assign any such shares by way of security or grant any other security interest over such shares.

10.8 There are no agreements or arrangements to which Encor is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a Condition.

11. Fees and expenses

11.1 The aggregate fees and expenses expected to be incurred by Encor in connection with the Offer are estimated to amount to approximately £88,500 (excluding applicable VAT and disbursements). The aggregate number consists of the following categories:

- (a) financial advice: £5,000;
- (b) legal advice: approximately £75,000 (excluding applicable VAT and disbursements); and
- (c) other costs and expenses (including registrars/Receiving Agent fees, Panel fees and printing costs): approximately £8,500 (excluding applicable VAT and disbursements).

11.2 The aggregate fees and expenses expected to be incurred by IPSA in connection with the Offer are estimated to amount to £15,000 (excluding applicable VAT and disbursements). This aggregate number consists of the following categories:

- (a) financial and corporate broking advice: £15,000 (excluding applicable VAT and disbursements);
- (b) legal advice: £Nil;
- (c) accounting advice: £Nil;
- (d) public relations advice: £Nil; and
- (e) other costs and expenses: £Nil.

12. Documents on display

Copies of the following documents will be available (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions), free of charge, on IPSA's website at www.ipsagroup.co.uk while the Offer remains open for acceptance:

- (a) the memorandum and articles of association of IPSA;
- (b) the memorandum and articles of association of Encor;
- (c) the Confidentiality Agreement;

- (d) the consent letters referred to in paragraph 10.1 above;
- (e) the irrevocable undertakings referred to in paragraph 8 above;
- (f) this document and the Form of Acceptance; and
- (g) the published and audited consolidated financial information statements of IPSA for the two financial years ended 30 September 2015 and 30 September 2016.

13. Documents incorporated by reference

Appendix III to this document sets out which parts of certain documents are incorporated by reference in, and form part of, this document.

14. Date of despatch and publication

This document was dispatched and published on 25 May 2017.

APPENDIX V: DEFINITIONS

The following definitions apply throughout this document, unless otherwise stated or the context otherwise requires.

“Acceptance Condition”	the Condition as to acceptances set out in paragraph (a) of Part A of Appendix I to this document;
“AIM”	AIM, a market of the London Stock Exchange;
“Back-Up Generation”	Back-up Generation provides the National Grid and other commercial organisations with emergency power that can be provided when their primary generation assets or primary power supply either fails entirely or fails to meet an increased level of demand;
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the City of London;
“CA 2006” or “Companies Act 2006”	the Companies Act 2006, as amended from time to time;
“Capacity Management”	the management of access to generating capacity from reliable sources through DNOs as part of the Capacity Market;
“Capacity Market”	a market established pursuant to the UK Government’s “Electricity Market Reform” to encourage aggregators such as Flextricity to take responsibility for ensuring reliable energy is available at a given price;
“Certificated” or “Certificated Form”	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security as being held in Certificated Form (that is, not in CREST);
“City Code”	the UK’s City Code on Takeovers and Mergers;
“CMA”	UK Competition and Markets Authority;
“Closing Price”	the closing middle market price of an IPSA Share as derived from the AIM Appendix of the Daily Official List of the London Stock Exchange;
“Conditions”	the conditions to this Offer set out in Part A of Appendix I to this document, and Condition means any one of them;
“Confidentiality Agreement”	the mutual confidentiality agreement entered into between Encor and IPSA dated 5 September 2016;
“connected person(s)”	has the same meaning as in Sections 252 to 256 of the CA 2006;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the operator (as defined in the Uncertificated Securities Regulations 2001);
“CREST Manual”	the manual issued by Euroclear for further information on the CREST procedure;
“CREST Member”	a person who is, in relation to CREST, a system member (as defined in the Regulations);

“CREST Participant”	a person who is, in relation to CREST, a systems participant (as defined in the Regulations);
“CREST Payment”	has the meaning given to it in the CREST Manual;
“CREST Sponsor”	a person who is, in relation to CREST, a sponsoring system participant (as defined in the Regulations);
“CREST sponsored member”	CREST member admitted to CREST as a sponsored member;
“Daily Official List”	the AIM Appendix of the Daily Official List of the London Stock Exchange;
“Dealing Disclosure”	a dealing disclosure made in accordance with Rule 8 of the City Code;
“Demand Side Response”	the ability of the Grid and DNOs to respond to the demand from energy users to use electricity at times when it is cheaper or from “greener” sources;
“Development SPVs”	Demand Power Limited's subsidiary special purpose vehicles;
“Disclosed”	the information which has been fairly disclosed (i) by IPSA in its published annual report and accounts for the year ended 30 September 2016; (ii) in any public announcement to a Regulatory Information Service made by IPSA up to 16 September 2016; (iii) in writing to Encor (in sufficient detail to allow Encor to identify the nature and scope of the relevant fact, matter or circumstance) before the date of this document; or (iv) in this document;
“Encor”	Encor Power plc, a public limited company incorporated in England and Wales with registered number 10050579;
“Encor Director”	a director of Encor;
“Encor Group”	Encor, its subsidiaries and subsidiary undertakings, and “member of the Encor Group” shall be construed accordingly;
“Encor Shares”	the ordinary shares of £0.01 each in the capital of Encor;
“Energy Storage Services”	Energy Storage is the ability to either supply power to, or receive power from, the DNO network using large scale battery installations;
“Electronic Acceptance”	the inputting and settling of a TTE Instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document;
“ESA Instruction”	an Escrow Account Adjustment Input (AESN), transaction type “ESA’ (as described in the CREST Manual);
“Escrow Agent”	the Receiving Agent in its capacity as escrow agent (as described in the CREST Manual issued by Euroclear);
“Euroclear”	Euroclear UK & Ireland Limited, the operator of Crest;
“FCA”	the Financial Conduct Authority or its successor from time to time;
“First Closing Date”	1.00pm (London time) on 15 June 2017;

“Flexricity”	Flexricity Limited, an aggregator of generation capacity and grid management services;
“Form of Acceptance”	the form of acceptance and authority relating to the Offer being dispatched to IPSA Shareholders who hold their IPSA Shares in Certificated Form, together with this document;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Frequency Response”	the ability of NG and DNOs to maintain in real time a consistent electrical frequency of distributed power regardless of fluctuations in supply of power from generators and demand from energy users;
“Grid”	the National Grid or “the Grid” is the high-voltage electric power transmission network in Great Britain, connecting power stations and major substations to the DNOs and ensuring that electricity generated anywhere in England, Scotland and Wales can be used to satisfy demand elsewhere;
“Independent Director”	Susan Laker;
“IPSA” or the “Company”	IPSA Group plc registered in England and Wales with number 05496202;
“IPSA Shares” or “Ordinary Shares”	includes: (a) the unconditionally allotted or issued and fully paid up (or credited as fully paid up) ordinary shares of £0.02 in the capital of IPSA; and (b) any further ordinary shares of £0.02 each in the capital of IPSA which are unconditionally allotted or issued and fully paid before the Offer closes or before such earlier date as Encor (subject to the City Code) may determine, not being earlier than (a) the date on which the Offer becomes or is declared unconditional as to acceptances; or (b) if later, the First Closing Date, and “IPSA Share” shall be construed accordingly;
“IPSA Directors”	the directors of IPSA;
“IPSA Shareholders”	holders of IPSA Shares;
“London Stock Exchange”	London Stock Exchange plc;
“member account ID”	the identification code or number attached to any member account in CREST;
“New Encor Shares”	the Encor Shares to be issued to IPSA Shareholders who accept the Offer;
“Offer”	the recommended offer made by acquire the whole of the issued share capital of IPSA on the terms and subject to the conditions set out in this document and, in the case of IPSA Shares held in Certificated Form, the Form of Acceptance including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer;
“Offer Document”	this document and any subsequent document containing the Offer;

“Offer Period”	the offer period (as defined in the City Code) relating to the Company that commenced on 27 April 2017 and ending on the earlier of the date on which the Offer becomes or is declared unconditional as to acceptances and/or the date on which the Offer lapses or is withdrawn (or such other date as the Panel may decide);
“Opening Position Disclosure”	an opening position disclosure made in accordance with Rule 8 of the City Code;
“Optiva”	Optiva Securities Limited, financial adviser to IPISA;
“Overseas Shareholder”	has the meaning given to it in paragraph 5 of Part B of Appendix I to this document;
“Panel”	the Panel on Takeovers and Mergers;
“Participant ID”	the identification code or membership number used in CREST to identify a CREST Member or other CREST Participant;
“Phase 2 CMA reference”	a reference of the Offer to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
“Phase 2 European Commission proceedings”	proceedings initiated by the European Commission under Article 6(1)(c) of Council Regulation 139/2004/EC in respect of the Offer;
“Previous Acceptor”	has the meaning given to it in paragraph 4(a) of Part B of Appendix I to this document;
“Receiving Agent” and “Registrar”	Neville Registrars Limited, of Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended, modified, consolidated, re-enacted or replaced from time to time);
“Regulatory Information Service”	any of the services authorised from time to time by the FCA for the purposes of disseminating regulatory announcements;
“Relevant Day”	has the meaning given to it in paragraph 2(a) of Part B of Appendix I to this document;
“Restricted ESA Instruction”	has the meaning given to it in paragraph 5(g) of Part B of Appendix I to this document;
“Restricted Escrow Transfer”	has the meaning given to it in paragraph 5(g) of Part B of Appendix I to this document;
“Restricted Jurisdiction”	the United States of America, Canada, Australia, Japan, and any other jurisdiction where the release, publication or distribution in whole or in part, in, into or from or where the extension of the Offer would constitute a violation of the relevant laws of the jurisdiction, in particular the United States of America, Canada, Australia, or Japan;
“Rule 2.7 Announcement”	the joint announcement by Encor and IPISA of a firm intention by Encor to make an offer pursuant to Rule 2.7 of the City Code, which was published on 27 April 2017;
“subsidiary, subsidiary undertaking, associated undertaking and	shall be construed in accordance with CA 2006;

undertaking	
“TFE Instruction”	a Transfer from Escrow instruction (as described in the CREST Manual);
“Third Party”	has the meaning given in paragraph (b) of Part A of Appendix I to this document, and “Third Parties” shall be construed accordingly;
“Triad Management”	the triad system is the way National Grid charges businesses for the cost of the transmission network. By reducing load on the transmission network and increasing energy generation when national demand is highest, customers can save or earn money. Triad Management is the process of matching supply and demand with availability in the transmission network;
“TTE Instruction”	a TTE Instruction or other Transfer to Escrow instruction (as described in the CREST Manual) (as the context requires);
“Uncertificated” or “Uncertificated Form”	in relation to a share or other security, a share or other security which is not held in Certificated Form (that is, in CREST);
“UK or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“United States”, “USA” or “US”	the United States of America, the territories and possessions, any state of the United States of America, the District of Columbia and all areas subject to its jurisdiction or any political sub-division thereof;
“US Dollars”, “US\$” or “\$”	US dollars, the currency of the United States;
“VAT”	value added tax as provided for in the Sixth Directive of the European Community, as provided for in the provisions of the Value Added Tax Act 1994 or any tax of a similar nature;
“Wider IPSA Group”	IPSA and the subsidiaries and subsidiary undertakings of IPSA (including any joint venture, partnership, firm or company in which any member of the IPSA Group has a significant interest or any undertaking in which IPSA and such undertakings (aggregating their interests) has a significant interest); and
“Written Notice”	has the meaning given to it in paragraph 3(f) of Part B of Appendix I to this document.

APPENDIX VI

RULE 24.11 ESTIMATE OF VALUE LETTER

The Directors
Encor Power plc
Unit 1a The Granary
Bulrushes Business Park
Coombe Hill Road
East Grinstead

22 May 2017

Dear Sirs

Estimate of Value of the New Encor Shares in connection with the Recommended Acquisition of IPSA Group PLC (“IPSA”) by Encor Power plc (“Encor”)

As described in paragraph 2 of Part II of the Offer Document, under the terms of the Offer, IPSA Shareholders are to be offered 0.62 New Encor Shares for each IPSA Share so held, subject to the terms and conditions of the Offer as described in Part II of the Offer Document.

Pursuant to the requirements of Rule 24.11 of the City Code on Takeovers and Mergers (the “City Code”), you have requested our view as to the estimated value of the New Encor Shares (the “**Estimate of Value**”).

Capitalised terms used in this letter will, unless otherwise stated, have the meaning given to them in the Offer Document published by Encor on 25 May 2017 providing details of the Offer (“**Offer Document**”).

1. Purpose

This Estimate of Value is provided to the directors of Encor solely for the purposes of complying with the requirements of Rule 24.11 of the City Code in connection with the Offer and shall not be used or relied upon for any other purpose whatsoever.

This Estimate of Value is not addressed to, and may not be relied upon by, any other person for any purpose whatsoever and Sloane Corporate Finance Limited (“**SCF**”) expressly disclaims any duty or liability to any third party with respect to the contents of this letter. In providing this Estimate of Value, SCF consents to the inclusion of this Estimate of Value in the Offer Document on the basis that no duties or responsibilities are accepted by us to any third party, individually or collectively with respect to this Estimate of Value.

This Estimate of Value reflects our opinion as to the Estimate of Value, based on the information set forth in paragraph 2 below.

This Estimate of Value does not represent the value that a holder of a New Encor Share may realise for a holding that is redeemed in the future, which may be higher or lower than the figure in this letter. The Estimate of Value takes into account the fact that the New Encor Shares are currently unlisted.

In providing this letter SCF assumes no obligation to update or revise our Estimate of Value at any date in the future.

2. Information

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

- certain publicly available financial statements and other information relating to IPSA and Encor;

- the terms of the Offer, as announced in connection with the Transaction;
- the value of IPSA at the Offer price, which is equivalent to the latest reported net asset value of IPSA as at 30 September 2016;
- the Encor Directors' commercial assessments of the current operations and financial condition and prospects of Encor and IPSA;
- discussions with management covering the Encor Power Corporate Presentation dated 12 May 2017;
- the total fully diluted share capital of Encor and IPSA (as set out at Appendix II of the Offer Document);
- the most recent share issue for cash of Encor Power; and
- the Encor Power business model dated 11 May 2017.

We have relied on and assumed, without independent verification, the accuracy, reasonableness and completeness of the information provided to us. We have not made any independent valuation or appraisal of the assets and liabilities of Encor or IPSA, nor have we sought or been provided with any such valuation or appraisal.

This Estimate of Value is necessarily based on financial, economic, market, exchange rates and other conditions in effect, and the information made available to us, up to 19 May 2017, together with the most recent share issue of Encor Power.

The valuation of securities, particularly those not traded on a recognised exchange, is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing this analysis, we have made numerous assumptions with respect to industry performance and general business, economic and market conditions, many of which are beyond the control of Encor and IPSA. Consequently, the view expressed in this letter is not necessarily indicative of: (i) the price at which a New Encor Share might actually trade in any public market at any future date; (ii) the amount which might be realised upon a sale of Encor or IPSA to a third party; or (iii) the amount that might be realised by a holder of a New Encor Share upon a liquidation of Encor.

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

3. Methodology

We have arrived at our Estimate of Value of the New Encor Shares using our experience of a range of widely accepted valuation methods including, inter alia, comparable company trading multiples and discounted cash flow, recent share issues by the acquiring entity, and we have taken into account the information, factors, assumptions and limitations set out above.

We have assumed that 324,406,558 Encor Shares will be in issue at Completion. This represents the number of Encor Shares currently in issue along with 53,323,225 New Encor Shares to be issued to IPSA Shareholders who have irrevocably undertaken to accept the Offer.

We have also taken into account the fact that:

- the New Encor Shares will be unlisted and not admitted to trading on any stock exchange;
- the New Encor Shares will rank equally with the Encor Shares as regards dividends and voting rights; and

- if the Offer becomes unconditional as to acceptances, IPSA will be a private unlisted subsidiary company of Encor.

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

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

4. General

SCF is acting exclusively as Estimate of Value adviser to Encor and for no one else in connection with the Offer and is not, and will not be, responsible to anyone other than Encor for providing the protections afforded to clients of SCF, or for providing advice in connection with the Offer, the Estimate of Value or any other matter referred to in this document. Neither SCF nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of SCF in connection with the Transaction, the Estimate of Value, any other statement contained herein or otherwise. SCF will receive fees from Encor in respect of its services.

IPSA Shareholders should ascertain whether acquiring or holding the New Encor Shares is affected by the laws of the relevant jurisdiction in which they reside and consider whether New Encor Shares are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to accept the Offer. In particular, IPSA Shareholders should note that the New Encor Shares will not be listed and that whilst Encor intends to seek a listing on the Main Market of the London Stock Exchange, no market currently exists in them and Encor cannot guarantee that it will successfully achieve its listing.

Each IPSA Shareholder that accepts the Offer will become a shareholder in Encor. The value of an investment in Encor may go up as well as down. The market value of Encor Shares (including the New Encor Shares) may not always reflect the underlying value of the Encor Group. A number of factors outside of the control of the Encor Group may impact its performance and the price of the New Encor Shares.

Any decision to accept the Offer should be based on independent financial, tax and legal advice and a full consideration of the Offer Document and the other Transaction Documents.

In providing this Estimate of Value, no recommendation or opinion is given by SCF as to whether IPSA Shareholders should accept the Offer or whether they should refrain from doing so. SCF expresses no opinion as to the fairness from a financial point of view or otherwise of the Offer.

5. Estimate of value

On the basis of and subject to the foregoing, if the New Encor Shares had been in issue on 22 May 2017, the estimated value of a New Encor Share would have been 4 pence per share.

Yours faithfully,

Sloane Corporate Finance Limited
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