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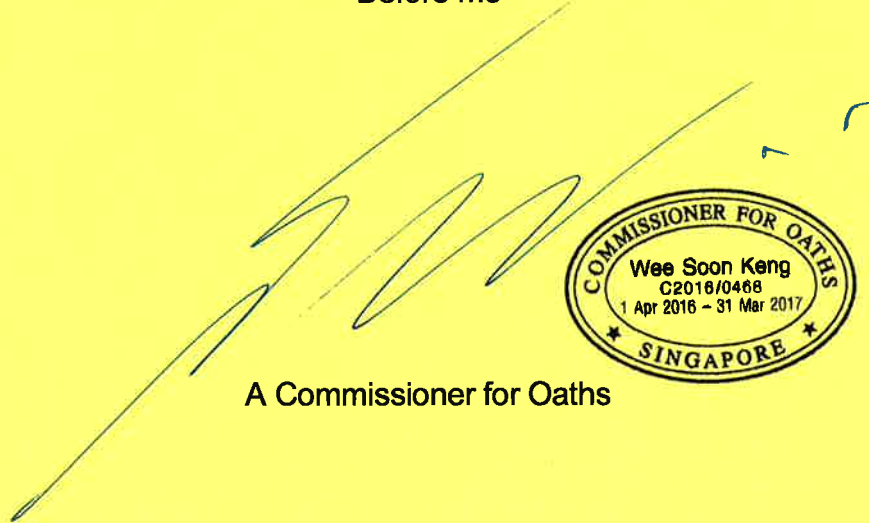
referred to in the affidavit of

**Lam Kwok Chong**

and sworn before me

this 8th day of September 2016

Before me



A Commissioner for Oaths

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**SCHEME DOCUMENT DATED 23 AUGUST 2016**

THIS SCHEME DOCUMENT IS ISSUED BY EUNETWORKS GROUP LIMITED (THE "COMPANY"). THIS SCHEME DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT ABOUT THIS SCHEME DOCUMENT OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all or any of your issued and fully paid-up ordinary shares in the capital of the Company, you should immediately hand this Scheme Document and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.



**eunetworks**  
**EUNETWORKS GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199905625E)

**PROPOSED ACQUISITION OF EUNETWORKS GROUP LIMITED  
BY EUN (UK) LIMITED AND EUN HOLDINGS, LLP  
BY WAY OF A SCHEME OF ARRANGEMENT UNDER  
SECTION 210 OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE**

Independent Financial Adviser to the Independent Directors of euNetworks Group Limited



**SAC Advisors**

**SAC ADVISORS PRIVATE LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200713620D)

**IMPORTANT**

Latest date and time for lodgement of Proxy Form	:	5 September 2016 at 9.30 a.m.
Date and time of Court Meeting	:	7 September 2016 at 9.30 a.m.
Place of Court Meeting	:	Meeting Room 329, Level 3 Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard Suntec City Singapore 039593

The action to be taken by you is set out on page 48 of this Scheme Document.

The important dates, times and place relating to the Court Meeting and the expected timetable are set out on pages 12 and 13 of this Scheme Document. Your attention is also drawn to the notes under the expected timetable.



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## DEFINITIONS

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In this Scheme Document, the following definitions apply throughout except where the context otherwise requires:

<b>"1Q2016"</b>	:	The three months ended 31 March 2016
<b>"2Q2016"</b>	:	The three months ended 30 June 2016
<b>"Accompanying Documents"</b>	:	Has the meaning ascribed to it in <b>paragraph 3.1.2</b> of the Explanatory Statement
<b>"Acquisition"</b>	:	Has the meaning ascribed to it in <b>paragraph 1.1</b> of the Letter to Shareholders
<b>"ACRA"</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>"Auditors"</b>	:	BDO LLP, the auditors of the Company
<b>"Bank Account"</b>	:	Has the meaning ascribed to it in <b>paragraph 12.2.3(i)</b> of the Explanatory Statement
<b>"Books Closure Date"</b>	:	A date and time to be announced (before the Effective Date) by the Company on which the Transfer Books and the Register of Members will be closed in order to determine the entitlements of the Scheme Shareholders in respect of the Scheme
<b>"Books Closure Period"</b>	:	Has the meaning ascribed to it in <b>paragraph 13.1</b> of the Explanatory Statement
<b>"Business Day"</b>	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore, the State of Delaware, US and London, the United Kingdom
<b>"Cancellation Payments"</b>	:	Has the meaning ascribed to it in <b>paragraph 11.4.2</b> of <b>Appendix 3</b> to this Scheme Document
<b>"Cash Consideration"</b>	:	Has the meaning ascribed to it in <b>paragraph 3.1.2(i)</b> of the Letter to Shareholders
<b>"Catalist"</b>	:	The Catalist Board of the SGX-ST (then known as the SGX-ST Dealing and Automated Quotation System)
<b>"Code"</b>	:	The Singapore Code on Take-overs and Mergers
<b>"Columbia LP"</b>	:	Columbia Capital Equity Partners V, L.P., a limited partnership formed under the laws of the State of Delaware, US



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**DEFINITIONS**


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<b>“Columbia Shareholders”</b>	:	Columbia EUN Partners V, LLC and EUN Partners V, LLC
<b>“Columbia V”</b>	:	Columbia Capital V, LLC, a limited liability company formed under the laws of the State of Delaware, US
<b>“Columbia Warrantholders”</b>	:	(i) Columbia Capital Equity Partners V (QP), L.P.; (ii) Columbia Capital Equity Partners V (NON-US), L.P.; (iii) Columbia Capital Equity Partners V (Co-Invest), L.P.; and (iv) Columbia Capital Equity Partners IV (QP), L.P.
<b>“Columbia Warrants”</b>	:	The 2,100,000 warrants issued by the Company to the Columbia Warrantholders, pursuant to a subscription agreement dated 30 June 2011, each warrant entitling the holder to subscribe for one new Share, as adjusted from time to time
<b>“Common A Interests”</b>	:	Common A interests in the Partnership carrying such rights as set out in the Partnership Agreement
<b>“Common B Interests”</b>	:	Common B interests in the Partnership carrying such rights as set out in the Partnership Agreement
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore
<b>“Company”</b>	:	euNetworks Group Limited
<b>“Company Securities”</b>	:	(i) Shares, (ii) other securities which carry voting rights in the Company and (iii) convertible securities, warrants, options and derivatives in respect of the Shares or other securities which carry voting rights in the Company
<b>“Company’s Prescribed Occurrence”</b>	:	Has the meaning ascribed to it in <b>paragraph 1 of Appendix 10</b> to this Scheme Document
<b>“Company’s Warranties”</b>	:	The representations and warranties given by the Company in favour of the Offeror as set out in <b>Appendix 14</b> to this Scheme Document
<b>“Consideration”</b>	:	The consideration payable to Entitled Scheme Shareholders for the Shares pursuant to the Scheme comprising Cash Consideration, subject to any Partnership Interest Election by Entitled Scheme Shareholders for Equity Consideration

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**DEFINITIONS**


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<b>“Court”</b>	:	The High Court of the Republic of Singapore or, where applicable on appeal, the Court of Appeal of the Republic of Singapore
<b>“Court Meeting”</b>	:	The meeting of the Scheme Shareholders to be convened, pursuant to the order of the Court, to approve the Scheme, notice of which is set out on pages 377 to 380 of this Scheme Document, and any adjournment thereof
<b>“Court Order”</b>	:	The order of the Court sanctioning the Scheme under Section 210 of the Companies Act
<b>“Deed of Undertaking”</b>	:	Has the meaning ascribed to it in <b>paragraph 4</b> of the Letter to Shareholders
<b>“Defaulting Party”</b>	:	Has the meaning ascribed to it in <b>paragraph 8.1(ii)</b> of the Explanatory Statement
<b>“Delisting Suspension Day”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.2</b> of the Letter to Shareholders
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“Effective Date”</b>	:	The date on which the Scheme, if approved, becomes effective and binding in accordance with its terms
<b>“Election Form”</b>	:	The form of election allowing Entitled Scheme Shareholders to make a Partnership Interest Election pursuant to the Scheme, to be despatched to Entitled Scheme Shareholders following the Books Closure Date
<b>“Election Period”</b>	:	The period commencing from a date to be announced by the Company, the Offeror and the Partnership (which is expected to be a date falling after the Books Closure Date) and ending on a date to be determined by the Company, the Offeror and the Partnership, during which the duly completed Election Forms (together with the Accompanying Documents) shall be received by the Share Registrar to determine the Partnership Interest Election exercised by Entitled Scheme Shareholders
<b>“Encumbrances”</b>	:	Any liens, equities, mortgages, charges, hypothecations, pledges, retention of title, trust arrangements, preferential rights, rights of pre-emption and other rights or interests conferring security or similar rights in favour of a third party or any agreements, arrangements or obligations to create any of the foregoing

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**DEFINITIONS**


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<b>“Entitled Depository Agents”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.1.2</b> of the Letter to Shareholders
<b>“Entitled Scheme Shareholders”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.1.1</b> of the Letter to Shareholders
<b>“Equity Consideration”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.1.2(ii)</b> of the Letter to Shareholders
<b>“euNetworks Fiber”</b>	:	euNetworks Fiber UK Limited
<b>“euNetworks Service Agreement”</b>	:	Has the meaning ascribed to it in <b>paragraph 11.3</b> of <b>Appendix 3</b> to this Scheme Document
<b>“Existing Partners”</b>	:	The partners of the Partnership holding Preferred Interests, Common A Interests and Common B Interests as at the Latest Practicable Date, as more particularly set out in <b>paragraph 7.6.3</b> of the Offeror Letter to Shareholders
<b>“Explanatory Statement”</b>	:	The explanatory statement in compliance with Section 211 of the Companies Act as set out on pages 29 to 49 of this Scheme Document
<b>“FY”</b>	:	Financial year ended or ending 31 December, as the case may be
<b>“Governmental Agency”</b>	:	Any court of competent jurisdiction or government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity in Singapore, the United Kingdom, US or otherwise
<b>“Greenspring”</b>	:	Has the meaning ascribed to it in <b>paragraph 7.6.3</b> of the Offeror Letter to Shareholders
<b>“Group” or “euNetworks”</b>	:	The Company and its subsidiaries, and <b>“Group Company”</b> means any one of them
<b>“Group Company Licences”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.2.1</b> of <b>Appendix 14</b> to this Scheme Document
<b>“IFA”</b>	:	SAC Advisors, the independent financial adviser to the Independent Directors
<b>“IFA Letter”</b>	:	Has the meaning ascribed to it in <b>paragraph 8.1</b> of the Letter to Shareholders

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**DEFINITIONS**


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<b>“Implementation Agreement”</b>	:	The scheme implementation agreement dated 29 July 2016 entered into between the Offeror, the Partnership and the Company setting out the terms and conditions on which the Offeror, the Partnership and the Company will implement the Scheme
<b>“Independent Directors”</b>	:	The Directors who are considered independent for the purposes of making a recommendation to the Scheme Shareholders on the Scheme, namely Mr. Brady Reid Rafuse, Mr. Joachim Piroth, Mr. Daniel Simon Aegerter, Mr. Nicholas George and Mr. Lam Kwok Chong
<b>“Internal Transfer”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.4</b> of the Letter to Shareholders
<b>“Joint Announcement”</b>	:	Has the meaning ascribed to it in <b>paragraph 1.1</b> of the Letter to Shareholders
<b>“Joint Announcement Date”</b>	:	29 July 2016, being the date of the Joint Announcement
<b>“Last Trading Day”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.2</b> of the Letter to Shareholders
<b>“Latest Practicable Date”</b>	:	16 August 2016, being the latest practicable date prior to the printing of this Scheme Document
<b>“Letter to Shareholders”</b>	:	The letter to Shareholders as set out in pages 15 to 28 of this Scheme Document
<b>“Long-Stop Date”</b>	:	The date falling six months after the Joint Announcement Date (or such other date as the Offeror and the Company may agree in writing)
<b>“MGO”</b>	:	The mandatory general offer by the Partnership for the Company set out in the offer document dated 1 December 2014 issued by J.P. Morgan (S.E.A.) Limited for and on behalf of the Partnership
<b>“Offeror”</b>	:	EUN (UK) Limited (Company Registration Number: 9203923), a company incorporated under the laws of the United Kingdom, which is wholly-owned by the Offeror’s Holdco
<b>“Offeror Financial Adviser”</b>	:	Has the meaning ascribed to it in <b>paragraph 1.5</b> of the Offeror Letter to Shareholders
<b>“Offeror Letter to Shareholders”</b>	:	The letter from the Offeror to Shareholders as set out in <b>Appendix 2</b> to this Scheme Document

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**DEFINITIONS**


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<b>“Offeror Securities”</b>	:	(i) Offeror Shares and (ii) convertible securities, warrants, options and derivatives in respect of the Offeror Shares
<b>“Offeror Shares”</b>	:	Ordinary shares in the capital of the Offeror
<b>“Offeror’s Holdco”</b>	:	EUN Holdings (UK) Limited (Company Registration Number: 9203914), a company incorporated under the laws of the United Kingdom, which is wholly-owned by the Partnership and is also the sole shareholder of the Offeror
<b>“Offeror’s Holdco Securities”</b>	:	(i) Offeror’s Holdco Shares and (ii) convertible securities, warrants, options and derivatives in respect of the Offeror’s Holdco Shares
<b>“Offeror’s Holdco Shares”</b>	:	Ordinary shares in the capital of the Offeror’s Holdco
<b>“Offeror’s Prescribed Occurrence”</b>	:	Has the meaning ascribed to it in <b>paragraph 2 of Appendix 10</b> to this Scheme Document
<b>“Offeror’s Warranties”</b>	:	The representations and warranties given by the Offeror in favour of the Company as set out in <b>Appendix 12</b> to this Scheme Document
<b>“Option Cancellation Agreements”</b>	:	Has the meaning ascribed to it in <b>paragraph 11.4.2 of Appendix 3</b> to this Scheme Document
<b>“Option Scheme”</b>	:	Has the meaning ascribed to it in <b>paragraph 11.4.1 of Appendix 3</b> to this Scheme Document
<b>“Options”</b>	:	Has the meaning ascribed to it in <b>paragraph 11.4.1 of Appendix 3</b> to this Scheme Document
<b>“Options Proposal”</b>	:	Has the meaning ascribed to it in <b>paragraph 11.4.1 of Appendix 3</b> to this Scheme Document
<b>“Other Shareholders”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.3.1</b> of the Letter to Shareholders
<b>“Overseas Shareholder”</b>	:	Has the meaning ascribed to it in <b>paragraph 16.1</b> of the Explanatory Statement
<b>“Parties”</b>	:	The Company, the Offeror and the Partnership, and <b>“Party”</b> means any of them
<b>“Partnership”</b>	:	EUN Holdings, LLP, a limited liability partnership formed under the laws of the State of Delaware, US

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**DEFINITIONS**


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<b>“Partnership Agreement”</b>	:	The Second Amended and Restated Limited Liability Partnership Agreement of the Partnership dated 29 July 2016 entered into among the Partnership and the Existing Partners, as set out in the Offeror Letter to Shareholders and which has also been published on the “Investor Relations” section on the Company’s website, <a href="http://www.eunetworks.com">http://www.eunetworks.com</a> , since the Joint Announcement Date
<b>“Partnership Interest Election”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.1.2(ii)</b> of the Letter to Shareholders
<b>“Partnership Interests”</b>	:	Interests in the Partnership
<b>“Partnership Securities”</b>	:	(i) Preferred Interests, (ii) Common A Interests, (iii) Common B Interests, (iv) securities which carry the same or substantially the same rights as the Preferred Interests and the Common A Interests and (v) convertible securities, warrants, options and derivatives in respect of the foregoing
<b>“Partnership’s Prescribed Occurrence”</b>	:	Has the meaning ascribed to it in <b>paragraph 3 of Appendix 10</b> to this Scheme Document
<b>“Partnership’s Warranties”</b>	:	The representations and warranties given by the Partnership in favour of the Company as set out in <b>Appendix 13</b> to this Scheme Document
<b>“Platform”</b>	:	Has the meaning ascribed to it in <b>paragraph 12.2.2(ii)(b)</b> of the Explanatory Statement
<b>“Potential Investment or Divestment”</b>	:	Has the meaning ascribed to it in <b>paragraph 1.7.3 of Appendix 11</b> to this Scheme Document
<b>“Preferred Interests”</b>	:	Preferred interests in the Partnership carrying such rights as set out in the Partnership Agreement
<b>“Prescribed Occurrences”</b>	:	The Company’s Prescribed Occurrences, the Offeror’s Prescribed Occurrences and the Partnership’s Prescribed Occurrences and <b>“Prescribed Occurrence”</b> means any of them
<b>“Proxy Form”</b>	:	The accompanying proxy form for the Court Meeting as set out in this Scheme Document
<b>“QIC”</b>	:	Has the meaning ascribed to it in <b>paragraph 9.1.4</b> of the Letter to Shareholders
<b>“Record Date”</b>	:	The date falling on the Business Day immediately preceding the Effective Date
<b>“Register of Members”</b>	:	The register of members of the Company

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**DEFINITIONS**


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<b>“Registration Rights Agreement”</b>	:	The registration rights agreement dated 29 July 2016 setting out the registration rights of parties who elect to receive Partnership Interests, as set out in the Offeror Letter to Shareholders and which has also been published on the “Investor Relations” section on the Company’s website, <a href="http://www.eunetworks.com">http://www.eunetworks.com</a> , since the Joint Announcement Date
<b>“Relevant Columbia Warranholders”</b>	:	(i) Columbia Capital Equity Partners V (QP), L.P.; (ii) Columbia Capital Equity Partners V (NON-US), L.P.; and (iii) Columbia Capital Equity Partners V (Co-Invest), L.P.
<b>“Relevant Directors”</b>	:	Has the meaning ascribed to it in <b>paragraph 7.2.1(iv)</b> of the Explanatory Statement
<b>“Relevant Option Holders”</b>	:	Has the meaning ascribed to it in <b>paragraph 11.4.2 of Appendix 3</b> to this Scheme Document
<b>“Relevant Shares”</b>	:	Has the meaning ascribed to it in <b>paragraph 4.1.1</b> of the Explanatory Statement
<b>“Remuneration Committee”</b>	:	Has the meaning ascribed to it in <b>paragraph 11.3(ii) of Appendix 3</b> to this Scheme Document
<b>“SAC Advisors”</b>	:	SAC Advisors Private Limited
<b>“Scenario A”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.3.1(i)</b> of the Letter to Shareholders
<b>“Scenario B”</b>	:	Has the meaning ascribed to it in <b>paragraph 3.3.1(ii)</b> of the Letter to Shareholders
<b>“Scheme”</b>	:	The scheme of arrangement under Section 210 of the Companies Act dated 23 August 2016 as set out on pages 365 to 376 of this Scheme Document (as may be amended or modified from time to time)
<b>“Scheme Conditions”</b>	:	Has the meaning ascribed to it in <b>paragraph 7.1</b> of the Explanatory Statement
<b>“Scheme Document”</b>	:	This document dated 23 August 2016 and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update the document(s) from time to time
<b>“Scheme Shareholders”</b>	:	Shareholders other than the Partnership

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**DEFINITIONS**


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<b>“Securities”</b>	:	Has the meaning ascribed to it in <b>paragraph 16.1</b> of the Explanatory Statement
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
<b>“Shareholders”</b>	:	Persons who are registered as holders of Shares in the Register of Members
<b>“Shares”</b>	:	Issued and paid-up ordinary shares in the capital of the Company
<b>“SIC”</b>	:	Securities Industry Council of Singapore
<b>“Singapore Business Day”</b>	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
<b>“Statements of Prospects”</b>	:	Has the meaning ascribed to it in <b>paragraph 2</b> of <b>Appendix 6</b> to this Scheme Document
<b>“Terminating Party”</b>	:	Has the meaning ascribed to it in <b>paragraph 8.1(i)</b> of the Explanatory Statement
<b>“Transfer Books”</b>	:	The transfer books of the Company
<b>“Undertaking Shareholders”</b>	:	Has the meaning ascribed to it in <b>paragraph 4</b> of the Letter to Shareholders
<b>“US”</b>	:	The United States of America
<b>“US Securities Act”</b>	:	Has the meaning ascribed to it in <b>paragraph 16.1</b> of the Explanatory Statement
<b>“Utilisation Date”</b>	:	Has the meaning ascribed to it in <b>paragraph 11.4.2</b> of <b>Appendix 3</b> to this Scheme Document
<b>“Euros” or “€”</b>	:	Euros, the lawful currency of the European Union
<b>“GBP” or “£”</b>	:	British Pound Sterling, the lawful currency of the United Kingdom
<b>“S\$”</b>	:	Singapore Dollars, the lawful currency of the Republic of Singapore



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## DEFINITIONS

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**“US\$”** : US Dollars, the lawful currency of US

**“%” or “per cent.”** : Per centum or percentage

**Acting in Concert and Concert Parties.** The expression **“acting in concert”** and the term **“concert parties”** shall have the meanings ascribed to them respectively in the Code.

**Depository agent and sub-account holder.** The expressions **“depository agent”** and **“sub-account holder”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

**Expressions.** Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons, where applicable, shall include corporations.

**Headings.** The headings in this Scheme Document are inserted for convenience only and shall be ignored in construing this Scheme Document.

**Rounding.** Any discrepancies in this Scheme Document between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

**Scheme Shareholders.** References to **“you”**, **“your”** and **“yours”** in this Scheme are, as the context so determines, to Scheme Shareholders.

**Statutes.** Any reference in this Scheme Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or any modification thereof and used in this Scheme Document shall, where applicable, have the meaning assigned to that word under the Companies Act, the SFA or that modification, as the case may be.

**Subsidiary and Related Corporation.** The expressions **“subsidiary”** and **“related corporation”** shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

**Time and Date.** Any reference to a time of day and date in this Scheme Document shall be a reference to Singapore time and date respectively, unless otherwise specified.

**Total Number of Shares and Percentage of Shares.** In this Scheme Document, the total number of Shares (including treasury shares) as at the Latest Practicable Date is 451,372,619. As at the Latest Practicable Date, the Company has 13,855,200 treasury shares. Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Scheme Document are based on 437,517,419 Shares in the issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date.

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## FORWARD-LOOKING STATEMENTS

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All statements other than statements of historical facts included in this Scheme Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s, the Offeror’s Holdco’s, the Partnership’s or the Company’s (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, the Offeror’s Holdco, the Partnership, the Company and the Offeror Financial Adviser undertakes any obligation to update publicly or revise any forward-looking statements.

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**EXPECTED TIMETABLE**


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Latest date and time for lodgement of Proxy Form for the Court Meeting	:	5 September 2016 at 9.30 a.m. <sup>(1)(2)</sup>
Date and time of the Court Meeting	:	7 September 2016 at 9.30 a.m.
Place of the Court Meeting	:	Meeting Room 329, Level 3 Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard Suntec City Singapore 039593
Expected date of Court hearing of the application to sanction the Scheme	:	27 September 2016
Expected Books Closure Date	:	28 September 2016 at 5.00 p.m.
Expected Books Closure Period	:	28 September 2016 at 5.00 p.m. to 21 October 2016 at 9.00 a.m.
Expected date of despatch of Election Forms and Accompanying Documents to Entitled Scheme Shareholders	:	3 October 2016
Expected commencement date of Election Period	:	6 October 2016 at 9.00 a.m.
Expected last date of submission of Election Forms and Accompanying Documents	:	19 October 2016 at 5.00 p.m.
Expected Record Date	:	19 October 2016 <sup>(3)</sup>
Expected Effective Date	:	20 October 2016 <sup>(4)</sup>
Expected date for the payment of the Cash Consideration and the issuance of the Equity Consideration	:	By 31 October 2016, being seven Singapore Business Days from the Effective Date <sup>(3)</sup>

**You should note that save for the latest date and time for the lodgement of the Proxy Form and the date, time and place of the Court Meeting, the above timetable is indicative only and may be subject to change. For the events listed above which are described as “expected”, please refer to future announcement(s) by the Company for the exact dates of these events.**

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## EXPECTED TIMETABLE

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**Notes:**

- (1) Scheme Shareholders are requested to lodge the Proxy Forms for the Court Meeting in accordance with the instructions contained therein not less than 48 hours before the time appointed for the Court Meeting.
- (2) All Proxy Forms for the Court Meeting must be lodged with the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Completion and lodgement of a Proxy Form will not prevent Scheme Shareholders from attending and voting in person at the Court Meeting if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
- (3) Assuming that the Effective Date is on 20 October 2016.
- (4) The Scheme will only be effective and binding upon lodgement of the Court Order with ACRA. The Court Order will be lodged with ACRA upon the satisfaction (or, where applicable, waiver) of the other Scheme Conditions, a list of which is set out in **Appendix 9** to this Scheme Document.

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**CORPORATE INFORMATION**

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<b>DIRECTORS</b>	:	Mr. John Neil Hobbs Mr. Brady Reid Rafuse Mr. Joachim Piroth Mr. Daniel Simon Aegerter Mr. Frederic Grant Emry III Mr. Nicholas George Mr. Lam Kwok Chong Mr. Kai-Uwe Ricke Mr. John Tyler Siegel Jr.
<b>COMPANY SECRETARY</b>	:	Ms. Ngiam May Ling
<b>REGISTERED OFFICE</b>	:	50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
<b>SHARE REGISTRAR</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
<b>SINGAPORE LEGAL ADVISER TO THE COMPANY</b>	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
<b>INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS</b>	:	SAC Advisors Private Limited 1 Robinson Road #21-02 AIA Tower Singapore 048542
<b>AUDITORS</b>	:	BDO LLP 21 Merchant Road #05-01 Singapore 058267

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## LETTER TO SHAREHOLDERS

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### EUNETWORKS GROUP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199905625E)

#### Directors:

Mr. John Neil Hobbs  
Mr. Brady Reid Rafuse  
Mr. Joachim Piroth  
Mr. Daniel Simon Aegerter  
Mr. Frederic Grant Emry III  
Mr. Nicholas George  
Mr. Lam Kwok Chong  
Mr. Kai-Uwe Ricke  
Mr. John Tyler Siegel Jr.

#### Registered Address:

50 Raffles Place  
#32-01  
Singapore Land Tower  
Singapore 048623

23 August 2016

To: The Shareholders of euNetworks Group Limited

Dear Sir/Madam

#### **PROPOSED ACQUISITION BY EUN (UK) LIMITED AND EUN HOLDINGS, LLP OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF EUNETWORKS GROUP LIMITED BY WAY OF A SCHEME OF ARRANGEMENT**

#### **1. INTRODUCTION**

##### **1.1 Announcement of the Acquisition and the Scheme**

On 29 July 2016, the Company, the Offeror, the Offeror's Holdco and the Partnership jointly announced (the "**Joint Announcement**") the proposed acquisition by the Offeror and the Partnership of all the Shares (excluding treasury shares) other than those already held by the Partnership (the "**Acquisition**") to be effected by way of a scheme of arrangement under Section 210 of the Companies Act (the "**Scheme**") and in accordance with the Code and the terms and conditions of the Implementation Agreement.

A copy of the Joint Announcement is available at the "Investor Relations" section on the Company's website at [www.eunetworks.com](http://www.eunetworks.com).

##### **1.2 Purpose**

The purpose of this Scheme Document is to set out information pertaining to the Scheme, to seek your approval of the Scheme and to give you notice of the Court Meeting.

##### **1.3 Explanatory Statement**

An Explanatory Statement setting out the key terms of, the rationale for, and the effect of, the Scheme and the procedures for its implementation is set out on pages 29 to 49 of this Scheme Document. The Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme as set out on pages 365 to 376 of this Scheme Document.

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## LETTER TO SHAREHOLDERS

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### 1.4 Information on the Company, the Offeror and the Partnership

#### 1.4.1 The Company

The Company is a limited liability company and was incorporated in Singapore on 18 September 1999. The Company was first listed on 26 January 2000 on the Main Board of the SGX-ST and its listing was subsequently transferred on 22 October 2004 to Catalist. Following the MGO, the Company was delisted from Catalist, but remains a public company. The Company's registered office is 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 and its principal place of business is 15 Worship Street, London EC2A 2DT, the United Kingdom.

The principal activities of the Company are those of investment holding and acting as a corporate manager, advisor and administrative centre to support the business development and marketing of the businesses of its subsidiaries.

The Group is a Western European provider of bandwidth infrastructure services. The Group owns and operates 13 fibre-based metropolitan city networks in five countries, connected with a high capacity intercity backbone covering 45 cities in 10 countries. The Group is also the leading data centre and cloud connectivity provider in Europe, directly connecting over 280 key data centres, with further data centres indirectly connected and the Group is a leading provider of enterprise connectivity to cloud service providers, who locate their platforms within data centres across the region.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$558,401,295.94 comprising 437,517,419 Shares, which excludes 13,855,200 Shares held in treasury.<sup>1</sup>

#### 1.4.2 The Offeror and the Partnership

The Offeror is a special purpose vehicle incorporated under the laws of the United Kingdom for the purposes of the Acquisition. The Offeror is wholly-owned by the Offeror's Holdco which is, in turn, wholly-owned by the Partnership.

The Partnership is a limited liability partnership formed under the laws of the State of Delaware, US and was established by Columbia V and Columbia LP as a bid consortium for the Columbia Shareholders, the Columbia Warrantheolders and certain private equity investors to invest in the Company.

As at the Latest Practicable Date, the Partnership holds in aggregate 307,125,438 Shares, representing approximately 70.20 per cent. of the Shares (excluding treasury shares).

Further details on the Offeror and the Partnership can be found in the Offeror Letter to Shareholders.

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<sup>1</sup> On 8 August 2016, the Columbia Warrants, then held by the Partnership, lapsed and ceased to be valid.

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## LETTER TO SHAREHOLDERS

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### 2. RATIONALE FOR THE ACQUISITION AND FUTURE PLANS FOR THE COMPANY

#### 2.1 Rationale for the Acquisition

As stated in the Offeror Letter to Shareholders, the rationale for the Acquisition is as follows:

*“The purpose of the Scheme is (a) to privatise the Company; (b) to move the Entitled Scheme Shareholders, who wish to remain invested in the business of the Company, into the Partnership for the purposes of achieving tax, corporate and financing efficiencies; and (c) to give the Entitled Scheme Shareholders who wish to exit the Company an opportunity to realise their investments in the Shares.”*

#### 2.2 Future Plans for the Company

As stated in the Offeror Letter to Shareholders:

*“Save as described in the foregoing, the Offeror, the Offeror’s Holdco and the Partnership currently have no intention of making any material changes to the existing businesses, re-deploying the fixed assets, or discontinuing the employment of the existing employees of the Group. The Offeror believes the Company has yet to realise its potential as the management’s business plan has not been fully implemented. The Offeror also believes it may take up to several years for the management to fully implement the business plan. The Offeror plans to remain invested in the Company at least for such duration, and support the management in the implementation of their business plan. However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interest of the Offeror, the Offeror’s Holdco, the Partnership and/or the Company.”*

### 3. THE ACQUISITION AND THE SCHEME

#### 3.1 Terms of the Scheme

The Acquisition will be effected by way of the Scheme in accordance with the Code and on the terms and subject to the conditions of the Implementation Agreement. Under the Scheme:

**3.1.1** all the Shares (excluding treasury shares) held by Scheme Shareholders as at 5.00 p.m. (Singapore time) on the Books Closure Date (the “**Entitled Scheme Shareholders**”) that are acquired for the Equity Consideration will be transferred to the Partnership, and all the Shares (excluding treasury shares) held by the Entitled Scheme Shareholders that are acquired for the Cash Consideration will be transferred to the Offeror, in each case, as follows:

- (i) fully paid;
- (ii) free from all Encumbrances; and
- (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared by the Company on or after the Joint Announcement Date; and



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## LETTER TO SHAREHOLDERS

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- 3.1.2** in consideration for such transfer, each of the Entitled Scheme Shareholders will be entitled to receive a sum in cash or, in lieu thereof, Preferred Interests and Common A Interests as follows:
- (i) **S\$1.16 to be paid by the Offeror for each Share** (the “**Cash Consideration**”); or
  - (ii) where the Entitled Scheme Shareholder has made a valid election to receive Preferred Interests and Common A Interests in lieu of the Cash Consideration for his Shares (the “**Partnership Interest Election**”), **0.10 Preferred Interest and 0.10 Common A Interest to be issued by the Partnership for each Share** (the “**Equity Consideration**”).

Certain of the key terms of the Preferred Interests and Common A Interests in the Partnership are summarised in the summary of the key terms in the Partnership Agreement and the Registration Rights Agreement, as set out in **Schedule 1** to the Offeror Letter to Shareholders. **Such summary of the key terms in the Partnership Agreement and the Registration Rights Agreement does not purport to be exhaustive and should be read in conjunction with the Partnership Agreement as well as the Registration Rights Agreement in their entirety for accuracy and completeness**, copies of which are set out respectively in **Schedules 2** and **3** to the Offeror Letter to Shareholders. Copies of the Partnership Agreement and the Registration Rights Agreement have also been made available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

For the avoidance of doubt, with the exception of Entitled Scheme Shareholders who are depository agents (the “**Entitled Depository Agents**”), each Entitled Scheme Shareholder is only entitled to receive the Cash Consideration or, in lieu thereof, the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder’s name, but not a mixture of both. In the absence of any valid Partnership Interest Election made by such Entitled Scheme Shareholder or in the event of any failure by such Entitled Scheme Shareholder to make a valid Partnership Interest Election, the Entitled Scheme Shareholder shall only be entitled to receive the Cash Consideration for all the Shares registered in such Entitled Scheme Shareholder’s name.

**Appropriate arrangements will be put in place for Entitled Depository Agents to elect for the Cash Consideration or, in lieu thereof, the Equity Consideration in accordance with instructions from sub-account holders, as further described in paragraph 12.2 of the Explanatory Statement.**

In respect of the Equity Consideration, the aggregate Preferred Interests and Common A Interests that are issuable to any Entitled Scheme Shareholder (or its nominee) in respect of the Shares held by such Entitled Scheme Shareholder will be rounded down, in each case, to the nearest whole number.

The Equity Consideration to be issued pursuant to the Scheme becoming effective and binding in accordance with its terms will, when issued, be validly authorised, validly issued and outstanding, fully paid and non-assessable and free from Encumbrances (other than restrictions arising out of the Partnership Agreement or

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## LETTER TO SHAREHOLDERS

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applicable securities laws) and all consents, authorisations, approvals or waivers from any Governmental Agencies or third parties necessary for such issuance have been or will, prior to such issuance, be obtained.

**The Equity Consideration will not be listed on any securities exchange. Before making a Partnership Interest Election, the Entitled Scheme Shareholders should also note the risk factors set out in paragraph 7.5 of the Offeror Letter to Shareholders.**

### 3.2 Analysis of the Cash Consideration

The Cash Consideration represents the following **premium** or **discount** over the historical traded prices of the Shares:

	Benchmark Price (S\$)	Premium/ (Discount) (%)
Last transacted price per Share as quoted on the SGX-ST on 14 November 2014 (the “ <b>Last Trading Day</b> ”) <sup>(1)</sup>	0.875	32.6
VWAP <sup>(2)</sup> of the Shares for the 1-month period up to and including the Last Trading Day	0.721	60.9
VWAP of the Shares for the 3-month period up to and including the Last Trading Day	0.672	72.7
VWAP of the Shares for the 6-month period up to and including the Last Trading Day	0.577	101.1
VWAP of the Shares for the 12-month period up to and including the Last Trading Day	0.593	95.6
Closing price per Share as quoted on Catalist on 13 March 2015 <sup>(3)</sup> (the “ <b>Delisting Suspension Day</b> ”)	1.160	0.0
VWAP of the Shares for the 1-month period up to and including the Delisting Suspension Day	1.161	(0.1)
VWAP of the Shares for the 6-month period up to and including the Delisting Suspension Day	1.140	1.8

*Source: Based on data extracted from S&P Capital IQ and the announcement dated 17 November 2014 by the Partnership in relation to the MGO.*

**Notes:**

- (1) Being the last trading day prior to the announcement dated 17 November 2014, being the date on which the MGO was announced.
- (2) “**VWAP**” means volume-weighted average price of the Shares.
- (3) Being the last full day of trading in the Shares on Catalist before the suspension in trading of the Shares requested after market closing on 13 March 2015.

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## LETTER TO SHAREHOLDERS

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### 3.3 Illustrative Resultant Interest in Partnership

**3.3.1 Resultant Partnership Interests Scenarios.** For purely illustrative purposes only, the following table sets out the resultant approximate percentage of Preferred Interests and Common A Interests in the Partnership of the Existing Partners, the Undertaking Shareholders and the Scheme Shareholders other than the Undertaking Shareholders (the “**Other Shareholders**”) under the following scenarios:

- (i) assuming all the Other Shareholders elect to receive the Equity Consideration in respect of all of the Shares held by them pursuant to the Scheme (such scenario, “**Scenario A**”); and
- (ii) assuming none of the Other Shareholders elect to receive the Equity Consideration pursuant to the Scheme (such scenario, “**Scenario B**”).

Shareholders	Scenario A (%) <sup>(1)</sup>		Scenario B (%) <sup>(2)</sup>	
	Preferred Interests	Common A Interests	Preferred Interests	Common A Interests
Existing Partners	71.0	71.0	72.6	72.6
Undertaking Shareholders	26.9	26.9	27.4	27.4
Other Shareholders	2.2	2.2	–	–

**Notes:**

- (1) Based on **44,932,286** Preferred Interests and **44,932,286** Common A Interests in issue under Scenario A after the consideration payable to Scheme Shareholders pursuant to the Scheme is paid.
- (2) Based on **43,958,919** Preferred Interests and **43,958,919** Common A Interests in issue under Scenario B after the consideration payable to Scheme Shareholders pursuant to the Scheme is paid.

## LETTER TO SHAREHOLDERS

**3.3.2 Illustrative Resultant Partnership Interests.** Set out below is a table illustrating the aggregate Cash Consideration or the Equity Consideration (and the percentage of Partnership Interests represented by the Equity Consideration under each of Scenario A and Scenario B) which different numbers of Shares will be acquired for pursuant to the Scheme:

No. of Shares	EITHER: Aggregate Cash Consideration (\$)	OR: Aggregate Equity Consideration			
		Scenario A	% <sup>(1)</sup>	Scenario B	% <sup>(2)</sup>
1,000	1,160	100 Preferred Interests and 100 Common A Interests	n.m. <sup>(3)</sup>	100 Preferred Interests and 100 Common A Interests	n.m. <sup>(3)</sup>
10,000	11,600	1,000 Preferred Interests and 1,000 Common A Interests	0.002	1,000 Preferred Interests and 1,000 Common A Interests	0.002
100,000	116,000	10,000 Preferred Interests and 10,000 Common A Interests	0.022	10,000 Preferred Interests and 10,000 Common A Interests	0.023
1,000,000	1,160,000	100,000 Preferred Interests and 100,000 Common A Interests	0.223	100,000 Preferred Interests and 100,000 Common A Interests	0.227

**Notes:**

- (1) Based on **44,932,286** Preferred Interests and **44,932,286** Common A Interests in issue under Scenario A after the consideration payable to Scheme Shareholders pursuant to the Scheme is paid.
- (2) Based on **43,958,919** Preferred Interests and **43,958,919** Common A Interests in issue under Scenario B after the consideration payable to Scheme Shareholders pursuant to the Scheme is paid.
- (3) Not meaningful.

### 3.4 Shareholding after the Scheme and the Acquisition

Following the completion of the Scheme and the Acquisition, it is the intention of the Partnership, the Offeror's Holdco and the Offeror to undertake the following internal corporate exercise to consolidate the Shares at the level of the Offeror (the "**Internal Transfer**"):

- (i) the Partnership will contribute the Shares acquired for the Equity Consideration and the other Shares it holds to the Offeror's Holdco; and

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## LETTER TO SHAREHOLDERS

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- (ii) in turn, the Partnership will procure that the Offeror's Holdco contributes all such Shares received from the Partnership to the Offeror.

Consequently, after the Internal Transfer which will take place on or after the Effective Date, the Offeror will hold 100 per cent. of the Shares (excluding treasury shares).

#### 4. IRREVOCABLE UNDERTAKINGS

Certain Scheme Shareholders as specified in **paragraph 4.1** of the Explanatory Statement (each, an "**Undertaking Shareholder**" and collectively, the "**Undertaking Shareholders**") have each given an irrevocable undertaking to the Offeror (the "**Deed of Undertaking**") to, *inter alia*:

- (i) exercise, or procure the exercise of, the voting rights in respect of the Relevant Shares held by such Undertaking Shareholder in favour of the Scheme and any other matter necessary or proposed to implement the Scheme at the Court Meeting; and
- (ii) elect, or procure an election to receive the Equity Consideration in respect of the Relevant Shares pursuant to the Scheme, in place of the Cash Consideration, during the election period and to deliver the duly completed Election Forms, in accordance with the terms of the Scheme and this Scheme Document,

on and subject to the terms set out in their respective Deeds of Undertaking.

The names of the Undertaking Shareholders, details of the Shares owned by them and whether they have undertaken to elect the Cash Consideration or Equity Consideration are set out in **paragraph 4.1** of the Explanatory Statement.

#### 5. CONFIRMATION OF FINANCIAL RESOURCES

As stated in the Offeror Letter to Shareholders, Ernst & Young Corporate Finance Pte Ltd, being the financial adviser to the Offeror in connection with the Acquisition and the Scheme, confirms that the Offeror has sufficient financial resources to acquire, and satisfy the consideration to be paid for, all of the Shares to be acquired by it pursuant to the Scheme on the basis that all Entitled Scheme Shareholders (other than the Undertaking Shareholders who have, pursuant to the Deeds of Undertaking, undertaken to the Offeror to receive the Equity Consideration in lieu of the Cash Consideration) will receive the Cash Consideration.

#### 6. NO CASH OUTLAY

Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Scheme Shareholders under the Scheme.

#### 7. NO GENERAL OFFER

Scheme Shareholders should note that by voting in favour of the Scheme, they are agreeing to the Offeror, the Partnership and their concert parties consolidating effective control of the Company without having to make a general offer for the Company.

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## LETTER TO SHAREHOLDERS

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### 8. INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS

#### 8.1 Appointment of the IFA

The Independent Directors have appointed SAC Advisors as the independent financial adviser to advise the Independent Directors for the purpose of making a recommendation to the Scheme Shareholders in connection with the Scheme. Scheme Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether or not to vote in favour of the Scheme. The advice of the IFA is set out in its letter dated 23 August 2016 to the Independent Directors (the “**IFA Letter**”) as set out in **Appendix 1** to this Scheme Document.

#### 8.2 Factors taken into Consideration by the IFA

In arriving at its recommendation, the IFA has taken into account certain considerations (an extract of which is reproduced in italics below). Scheme Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix 1** to this Scheme Document.

*“In arriving at our recommendation in respect of the Cash Consideration, we have taken into consideration, inter alia, the following factors summarised below. The factors set out herein should be considered in the context of the entirety of this IFA Letter and the Scheme Document:*

- (a) No market quotation for the Shares;*
- (b) Financial performance and position of the Group;*
- (c) Asset-based valuation of the Group;*
- (d) Comparison with the valuation statistics of selected companies broadly comparable to the Group;*
- (e) Comparison with recently completed privatisation of companies listed on the SGX-ST as well as the privatisation of a public unlisted company;*
- (f) Cash distribution to Shareholders since the delisting of the Company from Catalyst; and*
- (g) Other relevant considerations.*

*In arriving at our recommendation in respect of the Equity Consideration, we have taken into consideration, inter alia, the following factors summarised below. The factors set out herein should be considered in the context of the entirety of this IFA Letter and the Scheme Document:*

- (a) Shareholdings in the Partnership;*
- (b) Historical share transfers;*

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## LETTER TO SHAREHOLDERS

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- (c) *Inferred Partnership value, percentage of Scheme Shareholders' interest in Stapled Partnership Interest, financial leverage and distributions;*
- (d) *Lack of liquidity and marketability of an unlisted private entity; and*
- (e) *Voting rights, transfer restrictions, tag along rights and drag along obligation in the Partnership."*

### 8.3 Advice of the IFA

After having regard to the considerations set out in the IFA Letter, and based on the information available to the IFA as at the Latest Practicable Date, the IFA has made certain recommendations to the Independent Directors, an extract of which is reproduced in italics below.

Scheme Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety as set out in **Appendix 1** to this Scheme Document.

***"Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Cash Consideration are fair and reasonable.***

***Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Equity Consideration are fair and reasonable.***

***Accordingly, we advise the Independent Directors to recommend to the Scheme Shareholders to vote in favour of the Scheme. Further, we also advise the Independent Directors to recommend to:***

- (i) ***Scheme Shareholders who wish to realise their investments in the Company and/or do not wish to maintain ongoing equity investment in the Company that they should elect for the Cash Consideration; and***
- (ii) ***Scheme Shareholders who wish to maintain their equity investment in the Company that they may opt for the Equity Consideration.***

***In view of the Irrevocable Undertakings, the Company would have achieved the requisite minimum 75% votes to approve the Scheme, although the passing of the Scheme is still subject to a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting. The Scheme, when effective, will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting, and if they were present, whether or not they had voted, and if they had voted, whether or not they had voted in favour of the Scheme.***

***Scheme Shareholders should also take note that the Company is a public unlisted company and the Shares are not quoted or traded on the SGX-ST or on any other stock exchanges. Hence, the Scheme Shareholders may face difficulties in selling their Shares due to the absence of a public market. The Scheme (in particular, the Cash Consideration) therefore provides the Scheme Shareholders with an opportunity to exit from the investments in the Company."***

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## LETTER TO SHAREHOLDERS

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### 9. INDEPENDENT DIRECTORS' RECOMMENDATION

#### 9.1 Independence

The Company understands that the Offeror has, on 15 July 2016, obtained a ruling from the SIC that certain Directors, namely Mr. John Tyler Siegel Jr., Mr. John Neil Hobbs, Mr. Frederic Grant Emry III and Mr. Kai-Uwe Ricke, are exempted from the requirement of making a recommendation to the Scheme Shareholders in respect of the Scheme, as such Directors are each of the view that he faces an irreconcilable conflict of interest in relation to the Scheme for various reasons, as follows:

- 9.1.1** in relation to Mr. John Tyler Siegel Jr., the Partnership is under the de facto control of Columbia V, which is accustomed to act in accordance with the directions of Mr. John Tyler Siegel Jr.. Columbia V is the entity having management and control of the Partnership and has been the main driver in the strategy for the privatisation of the Company and structuring the Acquisition. Given that Columbia V is accustomed to act in accordance with the directions of Mr. John Tyler Siegel Jr., Mr. John Tyler Siegel Jr. will face an irreconcilable conflict of interest in relation to the Scheme that would render him inappropriate to join the remainder of the board of directors of the Company to make a recommendation to Scheme Shareholders in relation to the Scheme;
- 9.1.2** in relation to Mr. John Neil Hobbs, he is currently the chairman and a director, respectively, of a portfolio company of Columbia Capital VI, LLC and its associated funds and a portfolio company of Columbia V and its associated funds. He has in the past also taken up various positions in various investee companies of Columbia V and has a history of close association with the Columbia Capital group and its associated funds;
- 9.1.3** in relation to Mr. Frederic Grant Emry III, he is currently a nominee designated by Greenspring to act as a manager on the board of managers of the Partnership. He is accustomed to act in accordance with the directions of Greenspring who as a partner of the Partnership is presumed to be acting in concert with the Offeror; and
- 9.1.4** in relation to Mr. Kai-Uwe Ricke, he is currently a nominee designated by QIC Private Capital Pty Ltd as trustee for the QIC Private Equity Fund No. 2 and QIC Investments No. 1 Pty Ltd as trustee for the QIC Direct Opportunities Fund ("QIC") to act as a manager on the board of managers of the Partnership. He is accustomed to act in accordance with the directions of QIC who as a partner of the Partnership is presumed to be acting in concert with the Offeror.

In light of the reasons set out above, each of Mr. John Tyler Siegel Jr., Mr. John Neil Hobbs, Mr. Frederic Grant Emry III and Mr. Kai-Uwe Ricke has been exempted by the SIC from the requirement to make a recommendation to the Scheme Shareholders in respect of the Scheme. However, they must still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Scheme.



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## LETTER TO SHAREHOLDERS

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### 9.2 Recommendation

The Independent Directors, having considered carefully the terms of the Scheme and the advice given by the IFA in the IFA Letter, concur with the recommendation of the IFA in respect of the Scheme. Accordingly, the Independent Directors recommend that Scheme Shareholders vote in favour of the Scheme at the Court Meeting. Further, the Independent Directors also recommend that:

- (i) Scheme Shareholders who wish to realise their investments in the Company and/or do not wish to maintain ongoing equity investment in the Company should elect for the Cash Consideration; and
- (ii) Scheme Shareholders who wish to maintain their equity investment in the Company may opt for the Equity Consideration.

Scheme Shareholders should read and carefully consider this Scheme Document in its entirety, in particular, the advice of the IFA as set out in **Appendix 1** to this Scheme Document before deciding whether or not to vote in favour of the Scheme.

### 9.3 No Regard to Specific Objectives

The Independent Directors advise Scheme Shareholders, in deciding whether or not to vote in favour of the Scheme, to carefully consider the advice of the IFA and in particular, the various considerations highlighted by the IFA in the IFA Letter.

In giving the above recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Scheme Shareholder. As each Scheme Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

## 10. DIRECTORS' INTENTIONS WITH RESPECT TO THEIR SHARES

In the absence of a competing offer, all of the Directors who hold Shares (including Mr. Daniel Simon Aegerter who has executed the Deed of Undertaking in relation to the Shares owned by him), as set out in **paragraph 6.7** of **Appendix 3** to this Scheme Document, have informed the Company that they will vote in favour of the Scheme, save for Mr. Kai-Uwe Ricke who will abstain from voting at the Court Meeting.

Mr. Kai-Uwe Ricke, who is presumed to be a party acting in concert with the Partnership and the Offeror, will abstain from voting at the Court Meeting pursuant to the SIC's ruling, as set out in **paragraph 10.1.1(i)** of the Explanatory Statement, that the Offeror, the Partnership and their concert parties are required to abstain from voting on the Scheme in respect of their Shares (if any).

All of the Directors who hold Shares have informed the Company that they will make the Partnership Interest Election in respect of their Shares.

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## LETTER TO SHAREHOLDERS

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### 11. GENERAL

#### 11.1 Governing Law and Jurisdiction

The Scheme and all actions taken or made or deemed to be taken or made thereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. Each of the Company, the Offeror, the Partnership and the Scheme Shareholders submits to the non-exclusive jurisdiction of the courts of Singapore.

#### 11.2 No Third Party Rights

A person who is not a party to this Scheme or any contracts made pursuant to this Scheme has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term or provision of this Scheme or such contract (as the case may be).

### 12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of the preparation of this Scheme Document) have taken all reasonable care to ensure that all the facts stated and all opinions expressed in this Scheme Document (excluding information in **paragraphs 4, 12.2.1 and 12.2.2** of the Explanatory Statement, **Appendices 1, 2, 7 and 8** to this Scheme Document, and any information relating to or opinions expressed by the Offeror, the Offeror's Holdco, the Partnership, persons acting or presumed to be acting in concert with any of them, the Auditors and/or the IFA) are fair and accurate and that, where appropriate, no material facts which relate to the Company have been omitted from this Scheme Document, and the Directors jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, obtained from a named source or obtained from the Offeror, the Offeror's Holdco, the Partnership, the Auditors, the IFA and/or the Offeror Financial Adviser, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Scheme Document.

The Directors do not accept any responsibility for any information relating to the Offeror, the Offeror's Holdco, the Partnership, the Auditors, the IFA and/or the Offeror Financial Adviser or any opinion expressed by or on behalf of the Offeror, the Offeror's Holdco, the Partnership, the Auditors, the IFA and/or the Offeror Financial Adviser.

In respect of the IFA Letter and the reports issued by the Auditors and the IFA on the Statements of Prospects, as set out respectively in **Appendices 1, 7 and 8** to this Scheme Document, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate.

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## LETTER TO SHAREHOLDERS

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### 13. GENERAL INFORMATION

Your attention is drawn to the further relevant information in the Explanatory Statement and the Appendices to this Scheme Document.

Yours faithfully

For and on behalf of the board of Directors of  
**EUNETWORKS GROUP LIMITED**

John Neil Hobbs  
Chairman

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## EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

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### PROPOSED ACQUISITION OF THE COMPANY BY THE OFFEROR AND THE PARTNERSHIP BY WAY OF THE SCHEME

#### 1. INTRODUCTION

##### 1.1 Announcement of the Acquisition and the Scheme

On 29 July 2016, the Company, the Offeror, the Offeror's Holdco and the Partnership jointly announced the proposed Acquisition to be effected by way of a scheme of arrangement under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

##### 1.2 Explanatory Statement

This Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme as set out on pages 365 to 376 of this Scheme Document. Capitalised terms used in this Explanatory Statement which are not defined herein shall bear the same meanings ascribed to them on pages 1 to 10 of this Scheme Document.

#### 2. RATIONALE FOR THE ACQUISITION

The rationale for the Acquisition is set out in **paragraph 3.1** of the Offeror Letter to Shareholders.

#### 3. THE SCHEME

##### 3.1 Terms of the Scheme

The Acquisition will be effected by way of the Scheme in accordance with the Code and on the terms and subject to the conditions of the Implementation Agreement. Under the Scheme:

**3.1.1** all the Shares (excluding treasury shares) held by the Entitled Scheme Shareholders that are acquired for the Equity Consideration will be transferred to the Partnership, and all the Shares (excluding treasury shares) held by the Entitled Scheme Shareholders that are acquired for the Cash Consideration will be transferred to the Offeror, in each case, as follows:

- (i) fully paid;
- (ii) free from all Encumbrances; and
- (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared by the Company on or after the Joint Announcement Date; and

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## EXPLANATORY STATEMENT

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**3.1.2** in consideration for such transfer, each of the Entitled Scheme Shareholders will be entitled to receive a sum in cash or, in lieu thereof, Preferred Interests and Common A Interests as follows:

- (i) **the Cash Consideration, being S\$1.16 to be paid by the Offeror for each Share; or**
- (ii) where the Entitled Scheme Shareholder has made a valid Partnership Interest Election, **the Equity Consideration, being 0.10 Preferred Interest and 0.10 Common A Interest to be issued by the Partnership for each Share.**

For the avoidance of doubt, with the exception of Entitled Depository Agents, each Entitled Scheme Shareholder is only entitled to receive the Cash Consideration or, in lieu thereof, the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder's name, but not a mixture of both.

In order to make a valid Partnership Interest Election, in addition to the Election Form, each Entitled Scheme Shareholder (or its nominee) is also required to submit the relevant supporting documents including the appropriate US Internal Revenue Service Form W-8 or W-9 and an accredited investor questionnaire for such Entitled Scheme Shareholder (or its nominee, provided that such nominee is the appropriate person for such forms) (the "**Accompanying Documents**"). For the avoidance of doubt, each Entitled Scheme Shareholder is only entitled to appoint one nominee (in place of the Entitled Scheme Shareholder) to receive the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder's name.

In the absence of any valid Partnership Interest Election made by such Entitled Scheme Shareholder or in the event of any failure by such Entitled Scheme Shareholder to make a valid Partnership Interest Election, the Entitled Scheme Shareholder shall only be entitled to receive the Cash Consideration for all the Shares registered in such Entitled Scheme Shareholder's name.

### ***Arrangements applicable to Entitled Scheme Shareholders that are Entitled Depository Agents***

An Election Form will be despatched to each Entitled Depository Agent to enable it to indicate the number of Shares it holds on behalf of each sub-account holder who has directed the Entitled Depository Agent to make the Partnership Interest Election. Entitled Depository Agents must not permit a sub-account holder to achieve a mixture of the Equity Consideration and the Cash Consideration for the Shares held on behalf of the sub-account holder. By submitting the completed Election Form, an Entitled Depository Agent confirms and represents to the Offeror, the Partnership and the Company that:

- (i) in relation to each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election, the Partnership Interest Election has been exercised in respect of all (but not some) of the Shares held by the Entitled Depository Agent for such sub-account holder;

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**EXPLANATORY STATEMENT**

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- (ii) each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election is a person to whom the Equity Consideration may be lawfully issued; and
- (iii) to the best of its knowledge and belief, since the Joint Announcement Date, it has not transferred any Shares held for a sub-account holder for the purposes of facilitating a mixture of the Equity Consideration and the Cash Consideration for such Shares.

In order to make a valid Partnership Interest Election in respect of any sub-account holder, in addition to the Election Form, each Entitled Depository Agent is also required to submit the relevant Accompanying Documents for each such sub-account holder.

In the absence of any valid Partnership Interest Election made by such Entitled Depository Agent for a sub-account holder or in the event of any failure by such Entitled Depository Agent to make a valid Partnership Interest Election in respect of any sub-account holder, the Entitled Depository Agent shall only be entitled to receive the Cash Consideration for all the Shares it holds on behalf of such sub-account holder.

***Arrangements applicable to Entitled Scheme Shareholders generally***

The Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar will be authorised and entitled, at their sole and absolute discretion, to reject or treat as invalid any Election Form or Accompanying Document which is not entirely in order or which does not comply with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Form and/or the Accompanying Documents, or which is left blank, or otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents.

Any decision to reject any Election Form or Accompanying Document received by the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar on the grounds that it has been left blank or is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents will be final and binding, and none of the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and the Share Registrar accepts any responsibility or liability for the consequences of such a decision.

In respect of the Equity Consideration, the aggregate Preferred Interests and Common A Interests that are issuable to any Entitled Scheme Shareholder (or its nominee) in respect of the Shares held by such Entitled Scheme Shareholder will be rounded down, in each case, to the nearest whole number.

The Equity Consideration to be issued pursuant to the Scheme becoming effective and binding in accordance with its terms will, when issued, be validly authorised, validly issued and outstanding, fully paid and non-assessable and free from Encumbrances (other than restrictions arising out of the Partnership Agreement or applicable securities laws) and all consents, authorisations, approvals or waivers from any Governmental Agencies or third parties necessary for such issuance have been or will, prior to such issuance, be obtained.

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**The Equity Consideration will not be listed on any securities exchange. Before making a Partnership Interest Election, the Entitled Scheme Shareholders should also note the risk factors set out in paragraph 7.5 of the Offeror Letter to Shareholders.**

### 3.2 No Cash Outlay

Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Scheme Shareholders under the Scheme.

### 3.3 No General Offer

Scheme Shareholders should note that by voting in favour of the Scheme, they are agreeing to the Offeror, the Partnership and their concert parties consolidating effective control of the Company without having to make a general offer for the Company.

## 4. IRREVOCABLE UNDERTAKINGS

### 4.1 Deeds of Undertaking

Each Undertaking Shareholder has given a Deed of Undertaking to, *inter alia*:

**4.1.1** exercise, or procure the exercise of, the voting rights in respect of the Shares held by such Undertaking Shareholder as set out below in this **paragraph 4.1** (the “**Relevant Shares**”) in favour of the Scheme and any other matter necessary or proposed to implement the Scheme at the Court Meeting; and

**4.1.2** elect, or procure an election to receive the Equity Consideration in respect of the Relevant Shares pursuant to the Scheme, in place of the Cash Consideration, during the election period and to deliver the duly completed Election Forms, in accordance with the terms of the Scheme and this Scheme Document,

on and subject to the terms set out in their respective Deeds of Undertaking.

## EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

The names of the Undertaking Shareholders, details of the Shares held by them and whether they have undertaken to elect the Cash Consideration or the Equity Consideration are set out below:

S/No	Shareholder	Shares Owned	Percentage <sup>(1)</sup>	Elected Consideration	
				% of Shares owned to which Cash Consideration applies	% of Shares owned to which Equity Consideration applies
1.	G.K. Goh Strategic Holdings Pte Ltd	33,067,424	7.56	0	100
2.	Mr. Aegerter Simon Daniel	32,693,128	7.47	0	100
3.	Alpha Securities Pte Ltd	15,092,742	3.45	0	100
4.	Mr. Goh Geok Khim	7,700,000	1.76	0	100
5.	Delta-v Capital 2011, LP	6,390,158	1.46	0	100
6.	Delta-v Capital Access Fund, LP	4,411,102	1.01	0	100
7.	WP SCF Select Co-Investment Fund, L.P.	4,073,276	0.93	0	100
8.	Delta-v Capital 2009, LP	3,673,113	0.84	0	100
9.	Washington Square Park Partners LLC	3,275,346	0.75	0	100
10.	Tasman Fund Trustee Limited	3,000,000	0.69	0	100
11.	Mr. Goh Yew Lin	2,849,782	0.65	0	100
12.	Mr. Ho Kam Yew	2,400,000	0.55	0	100
13.	Mr. Edward Thomas Jenne <sup>(2)</sup>	2,032,243	0.46	0	100

**Notes:**

- (1) Based on 437,517,419 issued Shares (excluding treasury shares) as at the Latest Practicable Date.  
(2) These Shares are held by HSBC (Singapore) Noms Pte Ltd on behalf of Mr. Edward Thomas Jenne.



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## EXPLANATORY STATEMENT

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### 4.2 Lapse of Deed of Undertaking

All obligations under the Deeds of Undertaking will lapse if:

- 4.2.1 the Scheme lapses or is withdrawn;
- 4.2.2 the Implementation Agreement is terminated in accordance with its terms, whether by reason of the non-fulfilment of the Scheme Conditions or the Scheme failing to become effective on the date falling 180 days after the Joint Announcement Date or otherwise;
- 4.2.3 there is any amendment to the form of the Partnership Agreement or the Registration Rights Agreement (if applicable) which will adversely affect the relevant Undertaking Shareholder's rights as a holder of the Preferred Interests and Common A Interests in the Partnership; or
- 4.2.4 at any time there is another scheme of arrangement, general offer or offer for purchase of substantially all of the assets of the Company on better terms (in the case of an offer for purchase of assets, based on a reasonable calculation of a look-through price for the shares of the Company), and the Offeror has not revised the consideration for the Scheme to match or better such terms, or made an equivalent offer on the same or better terms.

### 4.3 No Other Irrevocable Undertakings

Save for the Deeds of Undertaking, the Company understands that neither the Offeror, the Partnership nor any person acting in concert with them has received any undertakings from any party to vote in favour of the Scheme at the Court Meeting as at the Latest Practicable Date.

## 5. INFORMATION ON THE OFFEROR AND THE PARTNERSHIP

Information on the Offeror and the Partnership, as well as the Offeror's rationale for the Acquisition and future plans for the Group, are set out in the Offeror Letter to Shareholders.

## 6. COURT MEETING

### 6.1 Court Meeting

The Scheme, which is proposed pursuant to Section 210 of the Companies Act, is required to be approved by Scheme Shareholders at the Court Meeting. By an order of the Court, the Court Meeting was directed to be convened for the purpose of approving the Scheme.

By proposing that the Acquisition be implemented by way of a scheme of arrangement under Section 210 of the Companies Act, the Company is providing Scheme Shareholders with the opportunity to decide at the Court Meeting whether they consider the Scheme to be in their best interests.

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## EXPLANATORY STATEMENT

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The Scheme must be approved at the Court Meeting by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting, such majority representing not less than 75 per cent. in value of the Shares voted at the Court Meeting.

In accordance with the SIC's rulings as set out in **paragraph 10.1.1(i)** of this Explanatory Statement, the Offeror, the Partnership and their concert parties will abstain from voting on the Scheme in respect of their Shares (if any). For the avoidance of doubt, as the Shares held by the Partnership are not subject to the Scheme, the Partnership will in any case not be eligible to vote on the Scheme.

The Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement and a copy of the Court Order has been lodged with ACRA.

When the Scheme, with or without modification, becomes effective, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting.

### 6.2 Notice

The notice of the Court Meeting is set out in **Appendix 16** on pages 377 to 380 of this Scheme Document. You are requested to take note of the date, time and place of the Court Meeting.

## 7. SCHEME CONDITIONS

### 7.1 Scheme Conditions

Pursuant to the terms of the Implementation Agreement, the Scheme is conditional upon the satisfaction or waiver (as the case may be) of a number of conditions precedent (the "**Scheme Conditions**").

A list of the Scheme Conditions is set out in **Appendix 9** to this Scheme Document.

### 7.2 Update on Status of Scheme Conditions

Set out below is an update on the status of the Scheme Conditions:

**7.2.1** the SIC has by way of a letter dated 15 July 2016 confirmed, *inter alia*, that:

- (i) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to certain conditions as stated in **paragraph 10.1.1** of this Explanatory Statement;
- (ii) the Deeds of Undertaking by each respective Undertaking Shareholder, in and of themselves, do not amount to an agreement or understanding to cooperate between each Undertaking Shareholder and the Offeror to obtain or consolidate effective control of the Company through the Acquisition, and accordingly, each of the Undertaking Shareholders is allowed to attend and vote on the Scheme at the Court Meeting unless it is otherwise acting in concert with the Offeror;

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- (iii) it has no objections to the Scheme Conditions; and
- (iv) Mr. John Tyler Siegel Jr., Mr. John Neil Hobbs, Mr. Frederic Grant Emry III and Mr. Kai-Uwe Ricke (collectively, the “**Relevant Directors**”) are exempted from the requirement to make a recommendation to Scheme Shareholders in respect of the Scheme as the Relevant Directors face irreconcilable conflicts of interest in doing so. The Relevant Directors must, however, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Scheme;

**7.2.2** each Undertaking Shareholder has on 29 July 2016 entered into a Deed of Undertaking in favour of the Offeror to vote his Shares in favour of the Scheme at the Court Meeting; and

**7.2.3** other than as set out in this **paragraph 7.2**, none of the other Scheme Conditions have, as at the Latest Practicable Date, been satisfied or waived.

### 7.3 Remaining Scheme Conditions

Accordingly, as at the Latest Practicable Date, the Scheme is conditional upon the satisfaction (or, where applicable, waiver) of the remaining Scheme Conditions as set out in **Appendix 9** to this Scheme Document by the Long-Stop Date.

### 7.4 Benefit of Certain Scheme Conditions

The Implementation Agreement provides that:

**7.4.1** The Offeror alone may waive the Scheme Conditions in **paragraphs 5** (in relation to the Company’s Prescribed Occurrences set out in **Appendix 10** of this Scheme Document), **6** and **9** of **Appendix 9** to this Scheme Document. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Offeror. The Offeror may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.

**7.4.2** The Company alone may waive the Scheme Conditions in **paragraphs 5** (in relation to the Offeror’s Prescribed Occurrences and the Partnership’s Prescribed Occurrences as set out in **Appendix 10** to this Scheme Document), **7** and **8** of **Appendix 9** to this Scheme Document. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Company. The Company may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.

**7.4.3** The Scheme Conditions in **paragraphs 1, 2, 3** and **4** of **Appendix 9** to this Scheme Document are not capable of being waived by either the Company or the Offeror or both of them.

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## EXPLANATORY STATEMENT

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### 8. TERMINATION OF THE IMPLEMENTATION AGREEMENT

#### 8.1 Right to Terminate

The Implementation Agreement provides, *inter alia*, that the Implementation Agreement may be terminated at any time on or prior to the date falling on the Record Date:

- 8.1.1 by either the Offeror or the Company, if any Governmental Agency has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- 8.1.2 by the Offeror, in the event of any breach or non-fulfilment of the Scheme Conditions in **paragraphs 5** (in relation to Company's Prescribed Occurrences set out in **Appendix 10** to this Scheme Document), **6** and **9** of **Appendix 9** to this Scheme Document; and
- 8.1.3 by the Company, in the event of any breach or non-fulfilment of the Scheme Conditions in **paragraphs 5** (in relation to the Offeror's Prescribed Occurrences and the Partnership's Prescribed Occurrences set out in **Appendix 10** to this Scheme Document), **7** and **8** of **Appendix 9** to this Scheme Document,

provided that:

- (i) in each case, the Party seeking termination of the Implementation Agreement (the "**Terminating Party**") does so only with the prior consultation and approval of the SIC; and
- (ii) in the case of a termination under **paragraphs 8.1.2** or **8.1.3** above, the Terminating Party has given written notice to the other Party in breach of or failing to fulfil a Scheme Condition (the "**Defaulting Party**") stating its intention to terminate the Implementation Agreement and the Defaulting Party has not, where such breach or failure is capable of remedy, remedied such breach or failure within 15 Business Days after receipt of such written notice.

#### 8.2 Non-fulfilment of Scheme Conditions

Notwithstanding anything contained in the Implementation Agreement, either the Company or the Offeror may terminate the Implementation Agreement if any of the Scheme Conditions has not been satisfied (or, where applicable, has not been waived) by, or if the Scheme has not become effective on the Long-Stop Date, provided that the Terminating Party (and, where the Terminating Party is the Offeror and/or the Partnership) shall not have breached or failed to comply with in any material respect its obligations under the Implementation Agreement in such manner as to have directly caused the breach or non-fulfilment of such Scheme Condition or prevented the Scheme from becoming effective on or before the Long-Stop Date and does so only with the prior consultation and approval of the SIC.

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## EXPLANATORY STATEMENT

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### 8.3 Effect of Termination

In the event of the termination of the Implementation Agreement by either the Offeror or the Company pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law) and there shall be no other liability on any Party.

## 9. OBLIGATIONS OF THE COMPANY, THE OFFEROR AND THE PARTNERSHIP

Pursuant to the terms of the Implementation Agreement:

- (i) the Company has undertaken to and with the Offeror;
- (ii) the Offeror has undertaken to and with the Company; and
- (iii) the Partnership has undertaken to and with the Company,

that it shall execute all documents and do all acts and things necessary for the implementation of the Scheme, as expeditiously as practicable, including the specific obligations set out in **paragraphs 1, 2 and 3** respectively of **Appendix 11** to this Scheme Document.

## 10. REGULATORY APPROVALS

### 10.1 SIC

The SIC has by way of a letter dated 15 July 2016 confirmed, *inter alia*, that:

**10.1.1** the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:

- (i) the Offeror and/or the Partnership and their concert parties abstain from voting on the Scheme;
- (ii) the common substantial shareholders, if any, of the Offeror and/or the Partnership and the Company abstain from voting on the Scheme;
- (iii) the directors of the Company who are also directors of the Offeror and/or the Partnership, if any, abstain from making a recommendation on the Scheme to the Scheme Shareholders;
- (iv) the Company appoints an independent financial advisor to advise the Scheme Shareholders on the Scheme; and
- (v) the Scheme Document to be provided to the Scheme Shareholders discloses the names of the Offeror and the Partnership and its concert parties, their current voting rights in the Company as at the Latest Practicable Date and their voting rights in the Company after the Scheme;

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**10.1.2** the Deeds of Undertaking by each respective Undertaking Shareholder, in and of themselves, do not amount to an agreement or understanding to cooperate between each Undertaking Shareholder and the Offeror to obtain or consolidate effective control of the Company through the Acquisition, and accordingly, each of the Undertaking Shareholders is allowed to attend and vote on the Scheme at the Court Meeting unless it is otherwise acting in concert with the Offeror;

**10.1.3** it has no objections to the Scheme Conditions; and

**10.1.4** the Relevant Directors are exempted from the requirement to make a recommendation to Scheme Shareholders in respect of the Scheme as the Relevant Directors face irreconcilable conflicts of interest in doing so. The Relevant Directors must, however, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Scheme.

### 10.2 Court

This Scheme is subject to the sanction of the Court as stated in **paragraph 2 of Appendix 9** to this Scheme Document.

## 11. EFFECT OF THE SCHEME

Upon the Scheme becoming effective and binding, the Company will become wholly-owned by the Offeror and the Partnership.

Following the completion of the Scheme and the Acquisition, the Partnership, the Offeror's Holdco and the Offeror will undertake the Internal Transfer such that following the completion of the Internal Transfer, the Offeror will hold 100 per cent. of the Shares (excluding treasury shares).

Entitled Scheme Shareholders who have made valid Partnership Interest Elections will receive Preferred Interests and Common A Interests as the Equity Consideration for their Shares and, accordingly, will remain invested in the Company through the Partnership and the Offeror. Other Entitled Scheme Shareholders who have not made any valid Partnership Interest Election will receive Cash Consideration and will no longer retain any interest or ownership in the Company.

## 12. IMPLEMENTATION OF THE SCHEME

### 12.1 Application to Court for Sanction

Upon the Scheme being approved by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting, such majority holding not less than 75 per cent. in value of the Shares voted at the Court Meeting, an application will be made to the Court by the Company for the sanction of the Scheme.

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### 12.2 Procedure for Implementation

If the Court sanctions the Scheme, the Offeror, the Partnership and the Company will (subject to the satisfaction (or, where applicable, waiver) of all the Scheme Conditions) take the necessary steps to render the Scheme effective and binding, and the following will be implemented:

#### 12.2.1 Partnership Interest Election and Election Form

All Entitled Scheme Shareholders (other than Entitled Depository Agents) will, subject to the terms set out herein, receive Cash Consideration in respect of all their Shares unless they make a valid Partnership Interest Election in which case they will receive Equity Consideration in respect of all their Shares.

All Entitled Depository Agents will, subject to the terms set out herein, receive Cash Consideration in respect of all their Shares unless they make a valid Partnership Interest Election in respect of Shares held on behalf of any sub-account holder(s) in which case they will receive Equity Consideration in respect of such Shares.

In the absence of any valid Partnership Interest Election made by such Entitled Scheme Shareholder or in the event of any failure by such Entitled Scheme Shareholder to make a valid Partnership Interest Election, the Entitled Scheme Shareholder shall only be entitled to receive the Cash Consideration for all the Shares registered in such Entitled Scheme Shareholder's name.

*Arrangements applicable to Entitled Scheme Shareholders that are Entitled Depository Agents*

An Election Form will be despatched to each Entitled Depository Agent to enable it to indicate the number of Shares it holds on behalf of each sub-account holder who has directed the Entitled Depository Agent to make the Partnership Interest Election. Entitled Depository Agents must not permit a sub-account holder to achieve a mixture of the Equity Consideration and the Cash Consideration for the Shares held on behalf of the sub-account holder. By submitting the completed Election Form, an Entitled Depository Agent confirms and represents to the Offeror, the Partnership and the Company that:

- (i) in relation to each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election, the Partnership Interest Election has been exercised in respect of all (but not some) of the Shares held by the Entitled Depository Agent for such sub-account holder;
- (ii) each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election is a person to whom the Equity Consideration may be lawfully issued; and

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- (iii) to the best of its knowledge and belief, since the Joint Announcement Date, it has not transferred any Shares held for a sub-account holder for the purposes of facilitating a mixture of the Equity Consideration and the Cash Consideration for such Shares.

In order to make a valid Partnership Interest Election in respect of any sub-account holder, in addition to the Election Form, each Entitled Depository Agent is also required to submit the relevant Accompanying Documents for each such sub-account holder.

In the absence of any valid Partnership Interest Election made by such Entitled Depository Agent for a sub-account holder or in the event of any failure by such Entitled Depository Agent to make a valid Partnership Interest Election in respect of any sub-account holder, the Entitled Depository Agent shall only be entitled to receive the Cash Consideration for all the Shares it holds on behalf of such sub-account holder.

### *Arrangements applicable to Entitled Scheme Shareholders generally*

An Entitled Scheme Shareholder who wishes to receive the Equity Consideration in lieu of Cash Consideration in respect of all its Shares (or an Entitled Depository Agent who wishes to receive the Equity Consideration in lieu of Cash Consideration in respect of all the Shares held on behalf of any sub-account holder(s)) must make a valid Partnership Interest Election by returning the completed Election Form with the relevant Accompanying Documents in accordance with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Forms and/or the Accompanying Documents during the Election Period.

An Entitled Scheme Shareholder who wishes to receive the Cash Consideration in respect of all of such Entitled Scheme Shareholder's Shares does not need to complete and return the Election Form or the Accompanying Documents.

Following the Books Closure Date, the Election Forms and Accompanying Documents are expected to be despatched on or around the third Singapore Business Day from the Books Closure Date to all Entitled Scheme Shareholders at their respective addresses shown in the Register of Members at their own risk. Such Election Forms and Accompanying Documents may also be collected at the Share Registrar's office situated at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during the Election Period.

The applicability of the Scheme to Overseas Shareholders (as defined below) may be affected by the laws of the relevant overseas jurisdictions. Such Overseas Shareholders should refer to **paragraph 16** of this Explanatory Statement for further details.

With the exception of Entitled Depository Agents, the Partnership Interest Election must be exercised in respect of all (but not some) of the Shares registered in each Entitled Scheme Shareholder's name as at the Books Closure Date.



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The Election Forms and relevant Accompanying Documents must be received on or before the end of the Election Period. If the Share Registrar fails to receive from any Entitled Scheme Shareholder an Election Form or the relevant Accompanying Documents by the end of the Election Period, such Entitled Scheme Shareholder shall be deemed to have elected to receive Cash Consideration in respect of all its Shares.

The Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar will be authorised and entitled, at their sole and absolute discretion, to reject or treat as invalid any Election Form or Accompanying Document which is not entirely in order or which does not comply with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Form and/or the Accompanying Documents, or which is left blank, or otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents.

Any decision to reject any Election Form or Accompanying Document received by the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar on the grounds that it has been left blank or is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents will be final and binding, and none of the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and the Share Registrar accepts any responsibility or liability for the consequences of such a decision.

None of the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and the Share Registrar shall be required to notify any Entitled Scheme Shareholder if such Entitled Scheme Shareholder's Election Form or any Accompanying Document is not received or is not in compliance with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Form and/or the Accompanying Documents, or is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect.

In respect of the Equity Consideration, the aggregate Preferred Interests and Common A Interests that are issuable to any Entitled Scheme Shareholder (or its nominee) in respect of the Shares held by such Entitled Scheme Shareholder will be rounded down, in each case, to the nearest whole number.

The Equity Consideration to be issued pursuant to the Scheme becoming effective and binding in accordance with its terms will, when issued, be validly authorised, validly issued and outstanding, fully paid and non-assessable and free from Encumbrances (other than restrictions arising out of the Partnership Agreement or applicable securities laws) and all consents, authorisations, approvals or waivers from any Governmental Agencies or third parties necessary for such issuance have been or will, prior to such issuance, be obtained.

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**12.2.2 Settlement**

Upon the Scheme becoming effective and binding, the settlement will take place in the following manner:

**(i) Transfer of Shares**

- (a) The Shares held by Entitled Scheme Shareholders who have not made any valid Partnership Interest Election during the Election Period will be transferred to the Offeror for the Cash Consideration to be paid by the Offeror for each Share transferred.
- (b) The Shares in respect of which a valid Partnership Interest Election has been made during the Election Period will be transferred to the Partnership for the Equity Consideration to be issued by the Partnership to the relevant Entitled Scheme Shareholder (or its nominee) or the relevant sub-account holder (at the direction of the Entitled Depository Agent to the Partnership).
- (c) To effect the transfers mentioned in sub-paragraphs (a) and (b) above, the Company shall authorise any person to execute or effect on behalf of all such Entitled Scheme Shareholders instrument(s) or instruction(s) of transfer of all the Shares held by such Entitled Scheme Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Scheme Shareholder.
- (d) From the Effective Date, all existing share certificates representing a former holding of Shares by the Entitled Scheme Shareholders will cease to be evidence of title of the Shares represented thereby.
- (e) The Entitled Scheme Shareholders are required to forward these existing share certificates representing their former holding of Shares to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven Singapore Business Days after the Effective Date for cancellation.

**(ii) Despatch of Consideration****(a) Cash Consideration**

The Offeror shall, not later than seven Singapore Business Days after the Effective Date, and against the transfer of the Shares set out in **paragraph 12.2.2(i)** above, despatch the Cash Consideration to the Entitled Scheme Shareholders who have not made any valid Partnership Interest Election during the Election Period, by sending a cheque for the aggregate cash payment payable to and made out in favour of each Entitled Scheme Shareholder, or in the case of joint Entitled Scheme Shareholders, to and made out in favour of the first

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named Entitled Scheme Shareholder, in each case, by ordinary post to such Entitled Scheme Shareholder's address appearing in the Register of Members on the Books Closure Date, at the sole risk of such Entitled Scheme Shareholder.

(b) **Equity Consideration**

The Partnership shall, not later than seven Singapore Business Days after the Effective Date, and against the transfer of the Shares set out in **paragraph 12.2.2(i)** above, issue the Equity Consideration to Entitled Scheme Shareholders who made valid Partnership Interest Election(s) during the Election Period. Immediately after the Equity Consideration is issued by the Partnership, the Partnership will credit the relevant amount of Partnership Interests to the Entitled Scheme Shareholder's (or its nominee's) or the relevant sub-account holder's account (at the direction of the Entitled Depository Agent to the Partnership) on the esharesinc.com platform (the "**Platform**"). Each Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder, will receive electronic mail from the Platform to such Entitled Scheme Shareholder's (or its nominee's) or relevant sub-account holder's electronic mailing address as provided in the Election Form, at the sole risk of such Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder, requiring them to register with the Platform after which such Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder will receive electronic certificates for the relevant amount of Partnership Interests.

### 12.2.3 Retention and Release of Proceeds

- (i) On and after the day being six calendar months after the posting of such cheques relating to the Cash Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account (the "**Bank Account**") in the name of the Company or any of its related corporations with a licenced bank in London, the United Kingdom selected by the Company or any of its related corporations. Following the payment of the Cash Consideration into the Bank Account, the Offeror will send a letter to each Entitled Scheme Shareholder whose cheque has not been cashed (or has been returned uncashed) at such Entitled Scheme Shareholder's address as shown in the Register of Members informing the Entitled Scheme Shareholder that the relevant Cash Consideration is being held on trust for such Entitled Scheme Shareholder by the Company or its related corporation or the successor entity of the Company or its related corporation. Such letter would also provide contact details for such Entitled Scheme Shareholders to make enquiries.
- (ii) The Company or its related corporation or the successor entity of the Company or its related corporation shall hold such moneys until the expiration of six years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to **Clause 6.1** of the

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Scheme as set out in **Appendix 15** to this Scheme Document to persons who satisfy the Company or its related corporation or the successor entity of the Company or its related corporation that they are respectively entitled thereto and that the cheques referred to in **Clause 6.1** of the Scheme as set out in **Appendix 15** to this Scheme Document for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to **Clause 5(i)** of the Scheme as set out in **Appendix 15** to this Scheme Document.

- (iii) On the expiry of six years from the Effective Date, each of the Company and the Offeror shall be released from any further obligation to make any payments of the Cash Consideration under the Scheme and the Company or its related corporation or the successor entity of the Company or its related corporation shall transfer to the Official Receiver the balance (if any) of the sums then standing to the credit of the Bank Account.

### 13. CLOSURE OF BOOKS

#### 13.1 Notice of Books Closure

Subject to the approval by Shareholders of the Scheme at the Court Meeting and the sanction of the Scheme by the Court, notice of the Books Closure Date will be given in due course for the purposes of determining the entitlements of the Entitled Scheme Shareholders to the Consideration under the Scheme.

**The Books Closure Date is tentatively scheduled to be 28 September 2016 at 5.00 p.m.. It is expected that the Transfer Books and the Register of Members will be closed from the Books Closure Date to 21 October 2016 at 9.00 a.m. (the “Books Closure Period”) and will re-open on or about 21 October 2016 at 9.00 a.m. to effect the transfer of Shares pursuant to the Scheme.**

#### 13.2 Books Closure

No transfer of the Shares may be effected during the Books Closure Period.

### 14. SETTLEMENT AND REGISTRATION PROCEDURES

Subject to the Scheme becoming effective and binding, the following settlement and registration procedures will apply.

Entitlements to the Consideration will be determined on the basis of the Entitled Scheme Shareholders and their holdings of Shares appearing in the Register of Members as at 5.00 p.m. on the Books Closure Date.

Scheme Shareholders who have not already done so are requested to take the necessary action to ensure that the Shares owned by them are registered in their names with the Share Registrar by 5.00 p.m. on the Books Closure Date.

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From the Effective Date, all existing share certificates representing a former holding of Shares by the Entitled Scheme Shareholders will cease to be evidence of title of the Shares represented thereby.

Not later than seven Singapore Business Days after the Effective Date, and against the transfer of Shares set out in **paragraph 12.2.2(i)** of this Explanatory Statement, the Offeror shall make payment of the Cash Consideration to each Entitled Scheme Shareholder who has not made any valid Partnership Interest Election during the Election Period and the Partnership shall issue the Equity Consideration to each Entitled Scheme Shareholder who made a valid Partnership Interest Election during the Election Period based on the Entitled Scheme Shareholder's holding of Shares appearing in the Register of Members as at 5.00 p.m. on the Books Closure Date.

### 15. DIRECTORS' INTERESTS IN SHARES

The interests of the Directors in the Shares as at the Latest Practicable Date are set out in **paragraph 6.7 of Appendix 3** to this Scheme Document. The effect of the Scheme on such interests of the Directors does not differ from that of the other Scheme Shareholders except that, after the Scheme becomes effective and binding, the Offeror and the Partnership will collectively own all of the Shares (excluding treasury shares) as at the Effective Date, and Mr. John Tyler Siegel Jr. will be deemed interested in approximately 100 per cent. of the Shares (excluding treasury shares).

### 16. OVERSEAS SHAREHOLDERS

#### 16.1 Overseas Shareholders

The applicability of the Scheme to Scheme Shareholders whose addresses are outside Singapore, as shown in the Register of Members (each, an "**Overseas Shareholder**"), may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions.

Where there are potential restrictions on sending this Scheme Document or the Election Form to any overseas jurisdiction, each of the Company, the Offeror, the Offeror's Holdco and the Partnership reserve the right not to send such documents to the Scheme Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all Scheme Shareholders (including the Overseas Shareholders), including those to whom this Scheme Document or the Election Form will not be, or may not be, sent, provided that this Scheme Document or the Election Form does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

**Overseas Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.**

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**NOTICE TO SHAREHOLDERS IN THE UNITED STATES OF AMERICA**

The offer and sale of Preferred Interests and Common A Interests (the “Securities”) by the Partnership have not been and will not be registered under the United States Securities Act of 1933, as amended (the “US Securities Act”), or under the laws of any other jurisdiction. The Securities will be offered in reliance on the exemption from registration under Section 3(a)(10) of the US Securities Act. The Securities have not been recommended by any US federal or state securities commission or other regulatory authority in the United States, and any representation or statement to the contrary is a criminal offence.

**16.2 Copies of Scheme Document**

Shareholders (including Overseas Shareholders) may obtain copies of this Scheme Document and any related documents during normal business hours and up to the date of the Court Meeting from the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may write in to the registered office at the same address to request for this Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three Singapore Business Days prior to the date of the Court Meeting.

It is the responsibility of any Overseas Shareholder who wishes to request for this Scheme Document and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consents which may be required, or compliance with all necessary formalities or legal requirements. In requesting for this Scheme Document and any related documents, the Overseas Shareholder represents and warrants to the Offeror, the Offeror’s Holdco, the Partnership and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

**16.3 Notice**

The Offeror, the Offeror’s Holdco, the Partnership and the Company each reserves the right to notify any matter, including the fact that the Scheme has been proposed, to any or all Scheme Shareholders (including Overseas Shareholders) by announcement which has been uploaded to and is accessible at the “Investor Relations” section on the Company’s website, <http://www.eunetworks.com>, or paid advertisement in the most widely circulated English-language national newspaper published daily in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Scheme Shareholder (including any Overseas Shareholder) to receive or see such announcement or advertisement.

**16.4 Foreign Jurisdiction**

It is the responsibility of any Overseas Shareholder who wishes to participate in the Scheme to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consents which may be

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required, or compliance with all necessary formalities or legal requirements. In participating in the Scheme, the Overseas Shareholder represents and warrants to the Company, the Offeror, the Offeror's Holdco and the Partnership that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

### 17. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 17.1 Proxy Form

Scheme Shareholders who are unable to attend the Court Meeting are requested to complete the enclosed Proxy Form in accordance with the instructions printed thereon and lodge them with the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for the Court Meeting.

The completion and lodgement of Proxy Forms will not prevent Scheme Shareholders from attending and voting in person at the Court Meeting if they subsequently wish to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

#### 17.2 Election Form

Following the Books Closure Date, the Election Forms and the Accompanying Documents are expected to be despatched on or around the third Singapore Business Day from the Books Closure Date to all Entitled Scheme Shareholders at their respective addresses shown in the Register of Members at their own risk. Such Election Forms and Accompanying Documents may also be collected at the Share Registrar's office situated at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during the Election Period.

The applicability of the Scheme to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Such Overseas Shareholders should refer to **paragraph 16** of this Explanatory Statement for further details.

In addition to the requirements of **paragraph 12.2.1** of the Explanatory Statement for the making of a valid Partnership Interest Election, the Election Forms and the relevant Accompanying Documents must be received on or before the end of the Election Period which is expected to be on 19 October 2016 at 5.00 p.m.

### 18. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The IFA Letter setting out the advice of the IFA to the Independent Directors is set out on pages 50 to 88 in **Appendix 1** to this Scheme Document.

### 19. INDEPENDENT DIRECTORS' RECOMMENDATION

The recommendation of the Independent Directors in relation to the Scheme is set out in **paragraph 9** of the Letter to Shareholders.

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**20. GENERAL INFORMATION**

Your attention is drawn to the further relevant information, including the interests in the Shares of the Directors, which is set out in the Appendices to this Scheme Document. These Appendices form part of this Scheme Document. This Explanatory Statement should be read in conjunction with, and is qualified by, the full text of this Scheme Document, including the Scheme as set out on pages 365 to 376 of this Scheme Document.



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**APPENDIX 1**  
**LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS**

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**SAC ADVISORS PRIVATE LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number 200713620D)

1 Robinson Road #21-02 AIA Tower  
Singapore 048542

23 August 2016

To: **The Independent Directors**  
**euNetworks Group Limited**  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

Dear Sirs,

**PROPOSED ACQUISITION OF EUNETWORKS GROUP LIMITED (THE “COMPANY”) BY EUN (UK) LIMITED (THE “OFFEROR”) AND EUN HOLDINGS, LLP OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF THE COMPANY BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE (“COMPANIES ACT”) AND IN ACCORDANCE WITH THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS (“CODE”)**

*Unless otherwise defined or the context otherwise requires, all terms used in this IFA Letter shall have the same meanings as defined in the Scheme Document dated 23 August 2016 and the Offeror Letter to Shareholders dated 23 August 2016, as the case may be. For the purpose of this IFA Letter, where applicable, the exchange rate was extracted from published information by Bloomberg L.P. and is provided solely for information.*

*Details contained in the Scheme Document and the Offeror Letter to Shareholders, as the case may be, where necessary or relevant in supporting or elaborating our advice, are not wholly reproduced, but instead, are referenced to or summarised throughout the sections of this IFA Letter. We recommend that the Independent Directors advise the Shareholders to read these contextual references and summaries with due care.*

## **1. INTRODUCTION**

### **1.1 Background**

#### 2014 Offer

On 17 November 2014, J.P. Morgan (S.E.A.) Limited (“**JPMSEAL**”) announced, for and on behalf of EUN Holdings, LLP (“**2014 Offeror**” or “**Partnership**”), that the 2014 Offeror had entered into unconditional purchase agreements with each of Fortress Partners Offshore Securities LLC, Fortress Partners Securities LLC and Mackenzie Cundill Recovery Fund, for the acquisition of an aggregate of 75,765,004 Shares, which represented 17.32% of the then issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”) (excluding treasury shares) (the “**2014 Acquisition**”).

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## APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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Pursuant to the 2014 Acquisition, the 2014 Offeror and parties acting in concert with it owned or controlled in aggregate 247,596,973 Shares, which represented 56.59% of the then Shares (excluding treasury shares).

In accordance with Section 139 of the Securities and Future Act, Chapter 289 and Rule 14 of the Code, the 2014 Offeror made a mandatory unconditional cash offer (the “**2014 Offer**”) for all the Shares (excluding treasury shares), other than those already owned, controlled or agreed to be acquired by the 2014 Offeror and parties acting in concert with it as at the date of the 2014 Offer (the “**Offer Shares**”).

In connection with the 2014 Offer, JPMSEAL, for and on behalf of the 2014 Offeror, also made the options proposal to the holders of outstanding options granted under the euNetworks Group Limited 2009 Share Option Scheme and the warrants proposal (the “**2009 Warrants Proposal**”) to the holders of outstanding warrants issued by the Company on 8 December 2009 (the “**2009 Warrants**”). On 8 December 2014, the Company announced that the 2009 Warrants had expired and the 2009 Warrants Proposal thus lapsed accordingly.

### Delisting

On 11 February 2015, the Company and the 2014 Offeror jointly announced that the 2014 Offeror had presented to the Directors a formal proposal (the “**Delisting Proposal**”) to seek the voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) pursuant to Rules 1307 and 1308 of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

Under the Delisting Proposal, the 2014 Offeror proposed that the 2014 Offer served as the reasonable exit alternative offered to Shareholders for the purposes of Rule 1308(1) of the Catalist Rules. The closing date of the 2014 Offer was extended from 13 February 2015 to 13 March 2015 to facilitate the Delisting Proposal. On 14 March 2015, the Company announced that the total number of shares owned, controlled or agreed to be acquired by the 2014 Offeror and parties acting in concert with it amounted to approximately 70.20% of the total number of Shares (excluding treasury shares) as at the close of the 2014 Offer at 5.30 p.m. (Singapore time) on 13 March 2015. On 18 March 2015, the Company announced that the Shares would be delisted from the Catalist Board of the SGX-ST (the “**Catalist**”) with effect from 9.00 a.m. on 20 March 2015.

### Acquisition

On 29 July 2016 (“**Joint Announcement Date**”), the Company, the Offeror, EUN Holdings (UK) Limited (the “**Offeror’s Holdco**”) and the Partnership jointly announced (“**Joint Announcement**”) the proposed acquisition by the Offeror and the Partnership of all the Shares (excluding treasury shares) other than those already held by the Partnership (the “**Acquisition**”) to be effected by way of a scheme of arrangement under Section 210 of the Companies Act (the “**Scheme**”), in accordance with the Code, and on the terms and subject to the conditions of the Implementation Agreement (as defined below).

A copy of the Joint Announcement is available at the “Investor Relations” section on the Company’s website at [www.eunetworks.com](http://www.eunetworks.com).

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## APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### The Offeror

The Offeror is a special purpose vehicle incorporated under the laws of the United Kingdom for the purposes of the Acquisition. The Offeror is wholly-owned by the Offeror's Holdco, a company incorporated under the laws of the United Kingdom which is, in turn, wholly-owned by the Partnership.

### The Partnership

The Partnership is a limited liability partnership formed under the laws of the State of Delaware, US and was established by Columbia Capital V, LLC ("**Columbia V**") and Columbia Capital Equity Partners V, LP ("**Columbia LP**") as a bid consortium for (i) Columbia EUN Partners V, LLC and EUN Partners V, LLC (collectively, the "**Columbia Shareholders**"), (ii) Columbia Capital Equity Partners V (QP), L.P., Columbia Capital Equity Partners V (NON-US), L.P., Columbia Capital Equity Partners V (Co-Invest), L.P. and Columbia Capital Equity Partners IV (QP), L.P. (collectively, the "**Columbia Warrantholders**") and (iii) certain private equity firms and private wealth management family offices (the "**New Investors**"), to invest in the Company. As at the Latest Practicable Date, the Partnership holds in aggregate 307,125,438 Shares, representing approximately 70.20% of the Shares (excluding treasury shares).

### The Scheme

In connection with the Acquisition, the Company, the Offeror and the Partnership (each, a "**Party**" and collectively, the "**Parties**") had, on the Joint Announcement Date, entered into a scheme implementation agreement setting out the terms and conditions on which the Parties will implement the Scheme ("**Implementation Agreement**").

The Scheme is subject to various conditions precedent, including, *inter alia*, the approval of the Scheme by Shareholders at the meeting of the Shareholders to be convened, pursuant to the order of the Court, to approve the Scheme ("**Court Meeting**") and the sanction of the Scheme by the Court. In this regard, the Undertaking Shareholders (as defined below) who hold, in aggregate, 120,658,314 Shares, representing approximately 27.58% of the Shares (excluding treasury shares) as at the Latest Practicable Date, have given their irrevocable undertakings to the Offeror ("**Irrevocable Undertakings**") to, *inter alia*, vote in favour of the Scheme and to elect to receive the Equity Consideration (as defined below). Further, in the absence of a competing offer, all of the Directors who hold Shares (including Mr. Daniel Simon Aegerter who has executed the Irrevocable Undertaking in relation to the Shares owned by him), as set out in paragraph 6.7 of Appendix 3 to the Scheme Document, have informed the Company that they will vote in favour of the Scheme, save for Mr. Kai-Uwe Ricke who will abstain from voting at the Court Meeting. By an order of the Court, the Court Meeting was directed to be convened for the purpose of approving the Scheme. In accordance with the SIC's rulings as set out in paragraph 10.1.1(i) of the Explanatory Statement in the Scheme Document, the Offeror and/or the Partnership and their concert parties will abstain from voting on the Scheme in respect of their Shares (if any). For the avoidance of doubt, as the Shares held by the Partnership are not subject to the Scheme, the Partnership will in any case not be eligible to vote on the Scheme.

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## APPENDIX 1

### LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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By proposing that the Acquisition be implemented by way of a scheme of arrangement under Section 210 of the Companies Act, the Company is providing the Shareholders other than the Partnership (“**Scheme Shareholders**”) with the opportunity to decide at the Court Meeting whether they consider the Scheme to be in their best interests. When the Scheme, with or without modification, becomes effective, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting, and if they were present, whether or not they had voted, and if they had voted, whether or not they had voted in favour of the Scheme.

#### 1.2 Independent Financial Adviser

On 8 March 2016, the Directors appointed SAC Advisors Private Limited (“**SAC Advisors**”) as the independent financial adviser (“**IFA**”) to the Directors who are considered to be independent for the purposes of making recommendation to the Scheme Shareholders on the Scheme (the “**Independent Directors**”). This letter (“**IFA Letter**”) is addressed to the Independent Directors, and sets out, *inter alia*, our evaluation and advice on the financial terms of the Scheme. This IFA Letter forms part of the Scheme Document to be despatched to Shareholders.

For the purpose of the Scheme, the SIC had, on 15 July 2016, ruled that certain Directors, namely Mr. John Tyler Siegel Jr., Mr. John Neil Hobbs, Mr. Frederic Grant Emry III and Mr. Kai-Uwe Ricke, are exempted from the requirement of making a recommendation to the Scheme Shareholders in respect of the Scheme as each of them faces an irreconcilable conflict of interest in relation to the Scheme for the reasons set out in paragraph 9.1 of the Letter to Shareholders in the Scheme Document. They must, however, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Scheme. The remaining Directors, namely Mr. Nicholas George, Mr. Brady Reid Rafuse, Mr. Joachim Piroth, Mr. Daniel Simon Aegerter and Mr. Lam Kwok Chong, are deemed independent in respect of the Scheme.

## 2. TERMS OF REFERENCE

SAC Advisors has been appointed as the IFA to the Independent Directors to provide an assessment of the financial terms of the Scheme in order to advise the Independent Directors in respect of their recommendation to the Scheme Shareholders in relation to the Scheme, in compliance with the provisions of the Code. We have confined our evaluation on the bases set out herein to the financial terms of the Scheme.

Our terms of reference do not require us to evaluate or comment on the rationale, legal, strategic and commercial risks and/or merits (if any) of the Scheme or on the future financial performance or prospects of the Company and its subsidiaries (collectively known as the “**Group**”) and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the Directors and the management of the Group (the “**Management**”) although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our recommendations as set out in this IFA Letter.

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We were not involved in any aspect of the negotiations entered by the Group in connection with the Scheme or in the deliberations leading up to the decision by the Directors to undertake the Scheme. Accordingly, we do not, by this IFA Letter, warrant the merits of the Scheme, other than to advise the Independent Directors on the terms of the Scheme from a financial point of view. We were also not requested, instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Scheme. In this regard, we are not addressing the relative merits of the Scheme as compared to any alternative transaction previously considered by the Company or which otherwise may have been available to the Company currently or in the future, and such comparison and consideration remain the responsibility of the Directors.

In the course of our evaluation of the financial terms of the Scheme, we have held discussions with the Directors and the Management and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors and the Management, including the information contained in the Scheme Document. We have relied on, and assumed without independent verification, the accuracy and completeness of such information or representations, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations.

We have relied upon the assurances from the Directors (including those who may have delegated supervision of the Scheme Document), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Scheme Document in respect of the Scheme is fair and accurate in all material aspects. The Directors confirmed to us that, to the best of their knowledge and belief, there is no other information or fact, the omission of which would cause any statement in the Scheme Document in respect of the Scheme to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information and representations upon which we have relied on, we have not independently verified such information or representations but nevertheless have made reasonable enquiries and exercised our judgement as we have deemed necessary in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on.

In addition, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, property, plant and equipment) of the Company or the Group and we have not been furnished with any such evaluation or appraisal.

Our recommendations are based upon market, economic, industry and other conditions prevailing as at the Latest Practicable Date, and information made available to us as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our recommendations in light of any subsequent developments after the Latest Practicable Date that may affect our recommendations contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Scheme, which may be released on the Company's website at [www.eunetworks.com](http://www.eunetworks.com), after the Latest Practicable Date.

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In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Scheme Shareholder or any specific group of Shareholders. We recommend that any Scheme Shareholder who may require specific advice in relation to his or their investment objective(s) or portfolio(s) should consult his or their legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own advisers in the preparation of the Scheme Document (other than this IFA Letter, the Offeror Letter to Shareholders, the Letter from the Auditors on the Statements of Prospects and the Letter from the IFA on the Statements of Prospects set out in Appendices 2, 7 and 8 to the Scheme Document respectively). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Scheme Document (other than this IFA Letter and the Letter from the IFA on the Statements of Prospects as set out in Appendix 8 to the Scheme Document) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Scheme Document (except for this IFA Letter and the Letter from the IFA on the Statements of Prospects as set out in Appendix 8 to the Scheme Document).

We have prepared this IFA Letter for the sole use by the Independent Directors in connection with their consideration of the Scheme and their advice and recommendation to the Scheme Shareholders in respect thereof. The recommendations made to the Scheme Shareholders in relation to the Scheme remain the responsibility of the Independent Directors.

Other than for its intended purpose, this IFA Letter should not be used for any other purposes and/or by other persons, save for the sole use by the Independent Directors in connection with their consideration of the Scheme, without the prior consent of SAC Advisors. Our recommendation in relation to the Scheme should be considered in the context of the entirety of this IFA Letter and the Scheme Document.

### 3. THE SCHEME

Details of the Scheme are set out in paragraph 3 of the Letter to Shareholders, the Explanatory Statement and Appendices 9 and 15 to the Scheme Document. Relevant extracts of the Scheme are set out below for your reference.

#### 3.1 Terms of the Scheme

The Acquisition will be effected by way of the Scheme in accordance with the Code and on the terms and subject to the conditions of the Implementation Agreement. Under the Scheme, all the Shares (excluding treasury shares) held by persons who are registered as holders of Shares in the Register of Members of the Company as at 5.00 p.m. (Singapore time) on the Books Closure Date, other than the Partnership (the “**Entitled Scheme Shareholders**”), that are acquired for by way of the Equity Consideration (as defined below) will be transferred to the Partnership, and all the Shares (excluding treasury shares) held by the Entitled Scheme Shareholders that are acquired for by way of the Cash Consideration (as defined below) will be transferred to the Offeror, in each case, as follows:

- (i) fully paid;

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- (ii) free from all liens, equities, mortgages, charges, hypothecations, pledges, retention of title, trust arrangements, preferential rights, rights of pre-emption and other rights or interests conferring security or similar rights in favour of a third party or any agreements, arrangements or obligations to create any of the foregoing (“**Encumbrances**”); and
- (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared by the Company on or after the Joint Announcement Date; and

in consideration for such transfer, each of the Entitled Scheme Shareholders will be entitled to receive a sum in cash or, in lieu thereof, Preferred Interests and Common A Interests as follows:

- (i) S\$1.16 to be paid by the Offeror for each Share (the “**Cash Consideration**”); or
- (ii) where the Entitled Scheme Shareholder has made a valid election to receive Preferred Interests and Common A Interests in lieu of the Cash Consideration for his Shares (the “**Partnership Interest Election**”), 0.10 Preferred Interest and 0.10 Common A Interest to be issued by the Partnership for each Share (the “**Equity Consideration**”).

Certain of the key terms of the Preferred Interests and Common A Interests in the Partnership are summarised in the summary of the key terms in the partnership agreement constituting the Partnership (the “**Partnership Agreement**”) and the registration rights agreement which sets out the registration rights of parties who elect to receive Equity Consideration (the “**Registration Rights Agreement**”), as set out in Schedule 1 to the Offeror Letter to Shareholders. Such summary of the key terms in the Partnership Agreement and the Registration Rights Agreement does not purport to be exhaustive and should be read in conjunction with the Partnership Agreement as well as the Registration Rights Agreement in their entirety for accuracy and completeness, copies of which are set out respectively in Schedules 2 and 3 to the Offeror Letter to Shareholders. Copies of the Partnership Agreement and the Registration Rights Agreement have also been made available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the date on which the Scheme becomes effective and binding in accordance with its terms (the “**Effective Date**”).

**For the avoidance of doubt, each Entitled Scheme Shareholder, with the exception of Entitled Scheme Shareholders who are depository agents (“Entitled Depository Agents”), is only entitled to receive the Cash Consideration or, in lieu thereof, the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder’s name, but not a mixture of both. In the absence of any valid Partnership Interest Election made by such Entitled Scheme Shareholder or in the event of any failure by such Entitled Scheme Shareholder to make a valid Partnership Interest Election, the Entitled Scheme Shareholder shall only be entitled to receive the Cash Consideration for all the Shares registered in the Entitled Scheme Shareholder’s name. Appropriate arrangements will be put in place for the Entitled Depository Agents to elect for the Cash Consideration or, in lieu thereof, the Equity Consideration in accordance with instructions from sub-account holders on whose behalf they are holding Shares, as further described in paragraph 12.2 of the Explanatory Statement in the Scheme Document.**

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In respect of the Cash Consideration, the aggregate cash amount that is payable to any Entitled Scheme Shareholder in respect of the Shares held by such Entitled Scheme Shareholder will be rounded to the nearest whole cent.

In respect of the Equity Consideration, the aggregate Preferred Interests and Common A Interests that are issuable to any Entitled Scheme Shareholder (or its nominee) in respect of the Shares held by such Entitled Scheme Shareholder will be rounded down, in each case, to the nearest whole number.

The Equity Consideration to be issued pursuant to the Scheme becoming effective and binding in accordance with its terms will, when issued, be validly authorised, validly issued and outstanding, fully paid and non-assessable and free from Encumbrances (other than restrictions arising out of the Partnership Agreement or applicable securities laws) and all consents, authorisations, approvals or waivers from any Governmental Agencies or third parties necessary for such issuance have been or will, prior to such issuance, be obtained.

**The Equity Consideration will not be listed on any securities exchange. Before making a Partnership Interest Election, the Entitled Scheme Shareholders should also note the risk factors set out in paragraph 7.5 of the Offeror Letter to Shareholders in Appendix 2 to the Scheme Document.**

Following the completion of the Scheme and the Acquisition, the Partnership, the Offeror's Holdco and the Offeror will undertake the following internal corporate exercise to consolidate the Shares at the level of the Offeror (the "**Internal Transfer**"):

- (i) the Partnership will contribute the Shares acquired for the Equity Consideration and the other Shares it holds to the Offeror's Holdco; and
- (ii) in turn, the Partnership will procure that the Offeror's Holdco contributes all such Shares received from the Partnership to the Offeror.

Consequently, after the Internal Transfer which will take place on or after the Effective Date, the Offeror will hold 100% of the Shares (excluding treasury shares).

### 3.2 Conditions

The Scheme is subject to a number of conditions precedent which are set out in Appendix 9 to the Scheme Document including, *inter alia*, the following:

- (i) the approval of the Scheme by the Scheme Shareholders in compliance with the requirements under Section 210 of the Companies Act by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting, such majority representing not less than 75% in value of the Shares voted at the Court Meeting;
- (ii) the grant of the Court Order and such Court Order having become final;
- (iii) the lodgement of the Court Order with ACRA; and
- (iv) the receipt of those regulatory approvals set out in paragraph 4 of Appendix 9 to the Scheme Document.



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Upon the Scheme becoming effective, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting, and if they were present, whether or not they had voted, and if they had voted, whether or not they had voted in favour of the Scheme.

### 3.3 SIC Rulings

The Offeror had sought certain rulings from the SIC in relation to the Scheme. The SIC had, by way of a letter dated 15 July 2016, confirmed, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
  - (i) the Offeror and/or the Partnership and their concert parties abstain from voting on the Scheme;
  - (ii) the common substantial shareholders, if any, of the Offeror and/or the Partnership and the Company abstain from voting on the Scheme;
  - (iii) the directors of the Company who are also directors of the Offeror and/or the Partnership, if any, abstain from making a recommendation on the Scheme to the Scheme Shareholders;
  - (iv) the Company appoints an independent financial advisor to advise the Scheme Shareholders on the Scheme; and
  - (v) the Scheme Document to be provided to the Scheme Shareholders discloses the names of the Offeror and the Partnership and its concert parties, their current voting rights in the Company as at the Latest Practicable Date and their voting rights in the Company after the Scheme;
- (b) the Irrevocable Undertaking by each respective Undertaking Shareholder, in and of themselves, do not amount to an agreement or understanding to cooperate between each Undertaking Shareholder and the Offeror to obtain or consolidate effective control of the Company through the Acquisition, and accordingly, each of the Undertaking Shareholders is allowed to attend and vote on the Scheme at the Court Meeting unless it is otherwise acting in concert with the Offeror;
- (c) it has no objections to the Scheme Conditions; and
- (d) Mr. John Tyler Siegel Jr., Mr. John Neil Hobbs, Mr. Frederic Grant Emry III and Mr. Kai-Uwe Ricke (collectively, the “**Relevant Directors**”) are exempted from the requirement to make a recommendation to Scheme Shareholders in respect of the Scheme as the Relevant Directors face irreconcilable conflicts of interest in doing so. The Relevant Directors must, however, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Scheme.

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### 3.4 Termination of the Implementation Agreement

The Implementation Agreement provides, *inter alia*, that the Implementation Agreement may be terminated by the Offeror or the Company, at any time, on or prior to the date falling on the Business Day immediately preceding the Effective Date, details of which are set out in paragraphs 8.1 and 8.2 of the Explanatory Statement in the Scheme Document.

In the event of termination of the Implementation Agreement by either the Offeror or the Company pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to confidentiality, costs and expenses, and governing law) and there shall be no liability on any Party.

### 4. INFORMATION ON THE COMPANY, THE GROUP, THE OFFEROR AND THE PARTNERSHIP

#### The Company and the Group

The Company is a limited liability company and was incorporated in Singapore on 18 September 1999. The Company was first listed on 26 January 2000 on the Main Board of the SGX-ST and its listing was subsequently transferred on 22 October 2004 to Catalist. Following the 2014 Offer, the Company was delisted from Catalist, but remains a public company. The Company's registered office is 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 and its principal place of business is 15 Worship Street, London EC2A 2DT, the United Kingdom.

The principal activities of the Company are those of investment holding and acting as a corporate manager, advisor and administrative centre to support the business development and marketing of the businesses of its subsidiaries.

The Group is a Western European provider of bandwidth infrastructure services. The Group owns and operates 13 fibre-based metropolitan city networks in five countries, connected with a high capacity intercity backbone covering 45 cities in 10 countries. The Group is also the leading data centre and cloud connectivity provider in Europe, directly connecting over 280 key data centres, with further data centres indirectly connected; and the Group is a leading provider of enterprise connectivity to cloud service providers, who locate their platforms within data centres across the region.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$558,401,295.94 comprising 437,517,419 Shares, which exclude 13,855,200 Shares held in treasury.

Please refer to paragraph 1.4.1 of the Letter to Shareholders and Appendix 3 to the Scheme Document for additional information on the Company.

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### The Offeror and the Partnership

The Offeror is a special purpose vehicle incorporated under the laws of the United Kingdom for the purposes of the Acquisition. The Offeror is wholly-owned by the Offeror's Holdco which is, in turn, wholly-owned by the Partnership. The sole director of the Offeror is Mr. John Tyler Siegel Jr..

The Partnership is a limited liability partnership formed under the laws of the State of Delaware, US and was established by Columbia V and Columbia LP as a bid consortium for the Columbia Shareholders, the Columbia Warranholders and the New Investors to invest in the Company. The Partnership has in issue Preferred Interests, Common A Interests and Common B Interests in the Partnership, each of which carry such rights as set out in the Partnership Agreement.

As at the Latest Practicable Date, the Partnership holds in aggregate 307,125,438 Shares, representing approximately 70.20% of the Shares (excluding treasury shares).

Please refer to paragraph 1.4.2 of the Letter to Shareholders and Appendix 2 to the Scheme Document for further details on the Offeror and the Partnership.

### 5. IRREVOCABLE UNDERTAKINGS

Certain Scheme Shareholders (each, an "**Undertaking Shareholder**", and collectively, the "**Undertaking Shareholders**") holding, in aggregate, 120,658,314 Shares and representing approximately 27.58% of the Shares (excluding treasury shares), as at the Latest Practicable Date, have each given an Irrevocable Undertaking to the Offeror to, *inter alia*:

- (i) exercise, or procure the exercise of, the voting rights in respect of the Shares held by each Undertaking Shareholder as set out in paragraph 4.1 of the Explanatory Statement in the Scheme Document and the table below (the "**Relevant Shares**") in favour of the Scheme and any other matter necessary or proposed to implement the Scheme at the Court Meeting; and
- (ii) elect, or procure an election to receive the Equity Consideration in respect of all of the Relevant Shares pursuant to the Scheme, in place of the Cash Consideration, during the election period and to deliver the duly completed Election Forms, in accordance with the terms of the Scheme and the Scheme Document,

on and subject to the terms set out in their respective Irrevocable Undertakings.

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The details of the Undertaking Shareholders as at the Latest Practicable Date are as follows:

Name of Undertaking Shareholder	Shares Owned	Percentage Shareholding in the Company <sup>(1)</sup> %
G.K. Goh Strategic Holdings Pte Ltd	33,067,424	7.56
Mr. Aegerter Simon Daniel	32,693,128	7.47
Alpha Securities Pte Ltd	15,092,742	3.45
Mr. Goh Geok Khim	7,700,000	1.76
Delta-V Capital 2011, LP	6,390,158	1.46
Delta-V Capital Access Fund, LP	4,411,102	1.01
WP SCF Select Co-Investment Fund, L.P.	4,073,276	0.93
Delta-V Capital 2009, LP	3,673,113	0.84
Washington Square Park Partners LLC	3,275,346	0.75
Tasman Fund Trustee Limited	3,000,000	0.69
Mr. Goh Yew Lin	2,849,782	0.65
Mr. Ho Kam Yew	2,400,000	0.55
Mr. Edward Thomas Jenne <sup>(2)</sup>	2,032,243	0.46
<b>Total</b>	<b>120,658,314</b>	<b>27.58</b>

**Notes:**

- (1) Based on 437,517,419 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) These Shares are held by HSBC (Singapore) Noms Pte Ltd on behalf of Mr. Edward Thomas Jenne.

The Scheme will not be applicable to the Shares held by the Partnership and accordingly, the Partnership will not be voting at the Court Meeting.

Further, in the absence of a competing offer, all of the Directors who hold Shares (including Mr. Daniel Simon Aegerter who has provided Irrevocable Undertaking in relation to the Shares owned by him), as set out in paragraph 6.7 of Appendix 3 to the Scheme Document, have informed the Company that they will vote in favour of the Scheme, save for Mr. Kai-Uwe Ricke who will abstain from voting at the Court Meeting. All of the Directors who hold Shares have informed the Company that they will make the Partnership Interest Election in respect of their Shares.

Save for the Irrevocable Undertakings and as disclosed, none of the Offeror, any of its concert parties, the Partnership or the Company has received any undertakings from any party to vote in favour of the Scheme at the Court Meeting as at the Latest Practicable Date.

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### 6. OFFEROR'S RATIONALE FOR THE ACQUISITION AND FUTURE PLANS FOR THE COMPANY

The full text of the Offeror's rationale for the Acquisition and future plans for the Company are set out in paragraph 3 of Appendix 2 to the Scheme Document and are extracted below for your reference:

#### Rationale for the Acquisition

*"The purpose of the Scheme is (a) to privatise the Company; (b) to move the Entitled Scheme Shareholders, who wish to remain invested in the business of the Company, into the Partnership for the purposes of achieving tax, corporate and financing efficiencies; and (c) to give the Entitled Scheme Shareholders who wish to exit the Company an opportunity to realise their investments in the Shares."*

#### Future Plans for the Company

*"Save as described in the foregoing, the Offeror, the Offeror's Holdco and the Partnership currently have no intention of making any material changes to the existing businesses, re-deploying the fixed assets, or discontinuing the employment of the existing employees of the Group. The Offeror believes the Company has yet to realise its potential as the management's business plan has not been fully implemented. The Offeror also believes it may take up to several years for the management to fully implement the business plan. The Offeror plans to remain invested in the Company at least for such duration, and support the management in the implementation of their business plan. However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interest of the Offeror, the Offeror's Holdco, the Partnership and/or the Company."*

### 7. ASSESSMENT OF THE FINANCIAL TERMS OF THE SCHEME

In assessing the financial terms of the Scheme, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

- (a) No market quotation for the Shares;
- (b) Financial performance and position of the Group;
- (c) Asset-based valuation of the Group;
- (d) Comparison with the valuation statistics of selected companies broadly comparable to the Group;
- (e) Comparison with recently completed privatisation of companies listed on the SGX-ST as well as the privatisation of public unlisted companies;
- (f) Cash distribution to Shareholders since the delisting of the Company from Catalyst;
- (g) Other relevant considerations; and
- (h) Equity consideration of the Scheme.

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**7.1 No market quotation for the Shares**

The Company is a public unlisted company. The Shares are therefore not quoted or traded on any stock exchange. As there is no recent publicly available data on the trading performance of the Shares, we are not able to compare the Offer Price against any recent historical market transactions on the Shares. Notwithstanding the aforementioned, the Company has confirmed that there were a series of 6 off-market transactions of an aggregate of 13,042,274 Shares conducted by certain shareholders of the Company since its delisting on 20 March 2015 up to the Latest Practicable Date, in relation to the sale of the Shares to parties other than the Offeror and its concert parties. There was no purchase or sale of Shares by the Offeror and its concert parties during the aforesaid period.

It is noted that the transacted price per Share for each of the aforementioned off-market transactions was at the same price as the Cash Consideration.

**7.2 Financial performance and position of the Group**

A summary of the financial results of the Group between FY2013 and FY2015, and for the half year ended 30 June (“HY”) 2016 and HY2015 is set out below:

Review of financial performance

<b>Financial Highlights (EUR million)</b>	<b>HY2016 (Unaudited)</b>	<b>HY2015 (Unaudited)</b>	<b>FY2015 (Audited)</b>	<b>FY2014 (Audited)</b>	<b>FY2013 (Audited)</b>
Revenue	62.8	57.0	117.2	103.4	97.4
Gross Profit	49.1	44.0	90.8	77.9	71.0
Adjusted EBITDA <sup>(1)</sup>	20.5	15.8	33.8	28.3	25.4
Profit/(Loss) before Tax	2.4	3.3	(0.3)	(1.8)	(6.6)
Net Profit/(Loss) after Tax	2.5	3.1	(1.3)	(1.1)	(6.3)

*Source: Company's annual reports and results announcements*

**Note:**

(1) Adjusted EBITDA means EBITDA before the deduction of share option expenses.

FY2014 vs FY2013

Revenue increased by 6.2%, from EUR97.4 million in FY2013 to EUR103.4 million in FY2014 mainly due to (i) network services revenue increasing by EUR7.2 million in FY2014 as the business continued to drive revenue for the provision of bandwidth services on its fibre network and (ii) offset by a EUR1.2 million decline in colocation services revenue in FY2014 attributable to a planned disconnection that took place in April 2013.

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Gross profit increased by 9.7%, from EUR71.0 million in FY2013 to EUR77.9 million in FY2014 in line with the increase in revenue, in particular network services revenue, in FY2014.

Loss before tax improved by 72.7%, from EUR6.6 million in FY2013 to EUR1.8 million in FY2014, mainly due to the increase in gross profit. As a result of the losses since FY2005, the Group had an accumulated loss of EUR111.8 million as at 31 December 2014.

### FY2015 vs FY2014

Revenue increased by 13.3%, from EUR103.4 million in FY2014 to EUR117.2 million in FY2015 due to a number of factors including organic growth, the acquisition of Inland Fibre Telecom Limited, the recognition for the full year results of FibreLac SA (now known as euNetworks SA) compared with two months in the prior year and beneficial foreign exchange rate on the GBP based revenue.

Gross profit increased by 16.6%, from EUR77.9 million in FY2014 to EUR90.8 million in FY2015 in line with the increase in revenue in FY2015.

Loss before tax improved by 83.3%, from EUR1.8 million in FY2014 to EUR0.3 million in FY2015, mainly due to the increase in gross profit, partially offset by higher network operating expenses as a result of greater network reach and density and higher staff costs largely due to payments made to staff with vested share options that were cancelled as a result of the implementation of the new management equity plan. As a result of the losses since FY2005, the Group had an accumulated loss of EUR113.1 million as at 31 December 2015.

### HY2016 vs HY2015

Revenue increased by 10.2%, from EUR57.0 million in HY2015 to EUR62.8 million in HY2016 mainly due to organic growth as well as the acquisition of euNetworks IFT Limited (formerly known as Inland Fibre Telecom Limited) at the end of May 2015.

Gross profit increased by 11.6%, from EUR44.0 million in HY2015 to EUR49.1 million in HY2016 mainly due to increase in revenue as well as improved gross profit margin in HY2016 through an increase in on-net business including additional euTrade.

Profit before tax decreased by 27.3%, from EUR3.3 million in HY2015 to EUR2.4 million in HY2016, mainly due to there being a large share option credit of EUR2.9 million in HY2015 due to cancellation of options compared to a share option charge of EUR0.4 million in HY2016. The accumulated loss of the Group had decreased from EUR113.1 million as at 31 December 2015 to EUR110.6 million as at 30 June 2016.

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Review of financial position

<b>(EUR million)</b>	<b>As at 30 June 2016<sup>(1)</sup> (Unaudited)</b>	<b>As at 31 December 2015 (Audited)</b>
Non-current assets	271.8	259.2
Current assets	33.3	30.3
<b>Total assets<sup>(2)</sup></b>	<b>305.1</b>	<b>289.5</b>
Equity	191.1	188.3
Non-current liabilities	84.2	73.3
Current liabilities	29.8	27.9
<b>Total liabilities</b>	<b>114.0</b>	<b>101.2</b>
<b>Total equity and liabilities</b>	<b>305.1</b>	<b>289.5</b>

*Source: Company's results announcements*

**Note:**

- (1) Certain figures may be different from the HY2016 results announcement due to adjustments made herein to reflect International Financial Reporting Standards.

Based on information set out in the Company's results announcement as well as from discussions with the Management, we note the following:

- (a) Total assets as at 30 June 2016 comprised mainly property, plant and equipment (EUR233.2 million, representing 76.4% of total assets), intangible assets (EUR34.5 million, representing 11.3% of total assets), trade receivables (EUR14.6 million, representing 4.8% of total assets) and cash and cash equivalents (EUR13.8 million, representing 4.5% of total assets). Property, plant and equipment comprised telecommunications networks (74.8%), network equipment (24.6%) and office furniture and equipment (0.6%). Intangible assets comprised customer contracts (23.5%), software (6.4%) and goodwill (70.1%).
- (b) Total liabilities as at 30 June 2016 comprised mainly interest-bearing loans and finance leases (EUR63.6 million, representing 55.8% of total liabilities), deferred revenue (EUR21.3 million, representing 18.7% of total liabilities), and trade and other payables, accruals and provisions (EUR24.4 million, representing 21.4% of total liabilities). Deferred revenue comprised dark fibre leases, operational and maintenance services as well as instalment fees.



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## APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### Statements of Prospects

The following statements of prospects was made in Appendix 6 to the Scheme Document and is extracted below for your reference:

*“While the macroeconomy in Europe remains unsettled, and pricing pressures are prevalent in some markets and for some products, bandwidth demand continues to grow. The Group’s depth and scale continues to develop further enabling euNetworks to serve a focused set of sophisticated customers in diverse segments whose bandwidth requirements are increasing. Further incremental growth opportunities are supported by specific strategic network development projects.*

*euNetworks considers that it can achieve revenue growth at rates consistent with the Group’s organic performance in the most recent financial year by growing market share in its focus products: Fibre, Wavelengths, and Ethernet. In 2Q2016, euNetworks grew revenues 10% versus the same period in the prior year.*

*Further, as euNetworks continues to scale, both gross profit and recurring Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation, before the deduction of share option expenses) are expected to grow at a greater rate than revenue.*

*These improvements will derive from euNetworks’ continued focus on high gross margin sales of 80% in aggregate or better (in 2Q2016 average gross margin on new sales was 82%), and cost management at all levels. This is a continuation of trends evident in the most recent financial year ended 31 December 2015.*

*As at 30 June 2016, euNetworks’ contracts are for periods generally ranging from 1 year to 5 years, with an overall average contract length of just over 3 years.*

*As at 30 June 2016, about 70% of contracts are within contract terms; more than half of these in-term contracts extend into 2017 or beyond.*

*The remaining 30% of contracts roll over on a month to month basis.*

*The sale of multiple products to customers adds further stability to the contract base. As at 30 June 2016, more than 70% of the Group’s recurring revenues are attributed to customers who take three or more services from the Group.*

*These factors plus a focus on continued connection of new carrier-neutral data centres to its network footprint should enable euNetworks to achieve revenue growth consistent with its most recent financial year revenue growth rates over the next two calendar years.”*

(the “**Statements of Prospects**”)

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We note that the Statements of Prospects were made in connection with the Scheme. The Directors have not issued any profit forecast for the Company or the Group. Pursuant to the Code, the above Statements of Prospects were commented on by the auditors of the Company, BDO LLP (the “**Auditors**”), and by us. The Auditors had opined that based on their examination of the evidence supporting the assumptions on which the Statements of Prospects are based, nothing came to their attention which caused them to believe that the assumptions did not provide a reasonable basis for the Statements of Prospects. Further, the Auditors opined that the Statements of Prospects were properly prepared on the basis of such assumptions and were presented on a consistent basis with historical financial statements of the Group and used appropriate accounting principles and policies in accordance with the Singapore Financial Reporting Standards. On our part, we are of the opinion that the Statements of Prospects have been made by the Directors of the Company after due and careful enquiry. Please refer to the Letter from the Auditors and our letter on the Statements of Prospects as set out in Appendices 7 and 8 respectively to the Scheme Document.

#### 7.3 Asset-based valuation of the Group

The asset-based valuation approach provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time, repayment of its liabilities and obligations, and with the balance being available for distribution to its shareholders. The asset-based valuation approach is meaningful in so far as it shows the extent to which the value of each share is backed by assets. This method may ignore the ability of the asset base of the entity to generate future earnings and sustain an earnings-based valuation.

In this regard, we noted that the Offeror intends for the Group to carry on its existing business, and the Offeror presently has no intention to (i) introduce any major changes to the business of the Group, (ii) re-deploy the fixed assets of the Group or (iii) discontinue the employment of the employees of the Group, save in the ordinary course of the business.

The Offeror believes the Company has yet to realise its potential as the Management's business plan has not been fully implemented. The Offeror also believes it may take up to several years for the Management to fully implement the business plan. The Offeror plans to remain invested in the Company at least for such duration, and support the Management in the implementation of their business plan. However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interest of the Offeror, the Offeror's Holdco, the Partnership and/or the Company.

We understand from Management that there are no immediate plans to liquidate the Company via a sale of Shares or an initial public offering of the Company.

We also wish to highlight that while the asset base of the Group can be a basis for valuation, such a valuation does not necessarily imply a realisable value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions.

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#### Net assets value (“NAV”) and net tangible assets value (“NTA”) of the Group

Based on the Group’s unaudited consolidated financial statements as at 30 June 2016, the NAV and the NTA of the Group stood at EUR191.1 million (equivalent to S\$285.9 million based on the exchange rate of EUR1 : S\$1.4963 as at 30 June 2016), or EUR0.44 per Share (equivalent to S\$0.65 per Share), and EUR156.6 million (equivalent to S\$234.3 million based on the exchange rate of EUR1 : S\$1.4963 as at 30 June 2016), or EUR0.36 per Share (equivalent to S\$0.54 per Share), respectively.

We note that the Cash Consideration represents a premium of 77.5% to the NAV per share, or a price-to-NAV ratio of 1.77 times, as at 30 June 2016.

The Cash Consideration also represents a premium of 116.6% to the NTA per share, or a price-to-NTA ratio of 2.17 times, as at 30 June 2016.

Property, plant and equipment (“**PPE Assets**”) made up 76.4% of the total assets of the Group as at 30 June 2016. Such PPE Assets comprised mainly telecommunication networks and networks equipment. The Directors and the Management have indicated that an independent valuation of the PPE Assets would not be meaningful as the value of such assets cannot be reasonably assessed on a standalone basis without due consideration of, amongst others, the customer base and terms of customer and supplier contracts. The Directors and the Management have confirmed that as at the Latest Practicable Date, to the best of their knowledge and belief, no allowance for impairment is deemed necessary to the PPE Assets based on the following impairment tests:

- (1) Comparing Adjusted EBITDA (Adjusted EBITDA refers to EBITDA before the deduction of share option expenses) over the next 5 years with current NAV. If the multiple of the Adjusted EBITDA against the NAV is below a certain threshold (as determined by the Management), then this is an indication that no impairment is required; and
- (2) Comparing the value of discounted cash flows from the Group’s cash generating units against the gross asset value. If the discounted cash flows support the gross asset value, then this is an indication that no impairment is required.

In respect of the above, the Directors and the Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

- (a) the realisable value of the Group’s assets and the contracts they support is not less than their respective book values as at 30 June 2016, which would have a material impact on the NAV and NTA of the Group;
- (b) other than that already provided for or disclosed in the Group’s financial information as at 30 June 2016, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV and NTA of the Group as at the Latest Practicable Date;

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- (c) there is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;
- (d) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (e) there are no material acquisitions and disposals of assets by the Group between 30 June 2016 and the Latest Practicable Date, and the Group does not have any plans for conversion of the use of its material assets or material change in the nature of the Group's business.

#### 7.4 Comparison with the valuation statistics of selected companies broadly comparable to the Group

For the purpose of assessing the financial terms of the Scheme, we have referred to the current valuation statistics of selected listed companies on various stock exchanges, which business operations we consider to be broadly comparable to the Group ("**Comparable Companies**"). We had attempted to look at peer companies listed on the SGX-ST which are closely comparable to the Group given that the Company was listed on the SGX-ST. We understand from the Management that there are no peer companies listed on the SGX-ST. We had further extended our search for peer companies to companies listed on the New York Stock Exchange ("**NYSE**"), the NASDAQ Stock Market ("**NASDAQ**"), the Hong Kong Stock Exchange, the London Stock Exchange ("**LSE**"), the Tokyo Stock Exchange and the Australian Securities Exchange and identified the Comparable Companies. The Comparable Companies are broad proxies to the Group's business and are intended to serve only as an illustrative guide. We note that there may be significant differences between valuations of shares trading on the SGX-ST compared to other exchanges. Direct comparison of cross-border valuation statistics does not take into account differing macroeconomic variables, investor sentiments and trading liquidity. Purely for illustration purpose, as at the Latest Practicable Date, based on trailing weighted earnings per share extracted from Bloomberg L.P., the FSSTI was trading at a historical PER of 12.2 times, vis-à-vis the NYSE Composite, NASDAQ Composite and FTSE AIM All Share indices which were trading at a historical PER of 22.3 times, 32.4 times and 42.6 times respectively.

We have had discussions with the Management about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, express or implied, as to the accuracy or completeness of such information. The selected Comparable Companies' accounting policies with respect to the values for which the assets or the revenue and cost are recorded may differ from that of the Group.

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A brief description of the Comparable Companies is as follows:

<b>Comparable Companies</b>	<b>Exchange</b>	<b>Key Activities</b>
Zayo Group Holdings, Inc ("Zayo")	NYSE	Global provider of bandwidth infrastructure services, including dark fibre, wavelengths, SONET, Ethernet, IP services, and carrier-neutral colocation and interconnection.
Level 3 Communications, Inc ("Level 3")	NYSE	Integrated communications network company that provides Internet Protocol and data services, content distribution services, colocation services, and softswitch and voice services.
Cogent Communications Holdings, Inc ("Cogent")	NASDAQ	Next generation optical internet service provider focused on delivering ultra-high speed internet access and transport services. The company serves businesses in the multi-tenant marketplace and service providers located in major metropolitan areas across US.
CityFibre Infrastructure Holdings PLC. ("CityFibre")	LSE	Provider of wholesale fibre network infrastructure. The company also sets up point-to-point, metro fibre rings, and fibre to the home networks for the public and private sectors in the United Kingdom.

Source: Bloomberg L.P.

**Scheme Shareholders should note that there is no company listed on any relevant stock exchange which may be considered identical to the Group in terms of composition of business activities, scale of operations, asset base, clientele base, risk profile, quality of earnings, market capitalisation, gearing, geographical spread of activities, track record, future prospects, and other relevant criteria. Comparisons may also be affected by, *inter alia*, differences in their accounting policies. Our analysis has not adjusted for such difference. As such, any comparison merely serves as an illustrative guide to the Scheme Shareholders and the conclusions drawn from the comparison may not necessarily reflect the perceived market valuation of the Scheme Shares as at the Latest Practicable Date.**

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For the purpose of our evaluation and for illustration, we have used the following valuation measures in our analysis:

Valuation parameter	Description
Price-earnings ratio ("PER")	<p>The historical PER, which illustrates the ratio of the market price of a company's shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company.</p> <p>We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest full year net earnings per share <i>vis-à-vis</i> the corresponding historical PER of the Company based on the Cash Consideration and net earnings per Share for FY2015.</p>
Price-to-NAV ratio/ Price-to-NTA ratio	<p>The NAV- and NTA-based approaches are useful to illustrate the extent that the value of each share is backed by assets and tangible assets respectively, and would be more relevant in the case where the group were to change the nature of its business or realise or convert the use of all or most of its assets. The NAV- and NTA-based valuation approaches may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV and NTA, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.</p> <p>We have considered the historical price-to-NAV and price-to-NTA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest available NAV and NTA per share <i>vis-à-vis</i> the corresponding historical price-to-NAV and price-to-NTA ratios of the Group based on the Cash Consideration and the NAV and NTA per Share of the Group as at 30 June 2016.</p>
Enterprise Value to EBITDA ("EV/EBITDA")	<p>The historical EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance, "EV" is the sum of a company's market capitalisation, preferred equity, non-controlling interests, short- and long-term debts less cash and cash equivalents, and represents the actual cost to acquire the entire company. "EBITDA" refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions.</p>

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Valuation parameter	Description
	We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance sheet values and latest full year EBITDA <i>vis-à-vis</i> the corresponding EV/EBITDA ratio of the Group based on the Cash Consideration and the balance sheet values as at 30 June 2016 and full year EBITDA of the Group for FY2015.

The comparative valuation statistics of the Comparable Companies *vis-à-vis* the Company as implied by the Cash Consideration are set out in the table below:

Comparable Companies	Market Capitalisation as at LPD (US\$ million)	Historical PER (times)	Historical Price-to-NAV ratio (times)	Historical Price-to-NTA ratio (times)	Historical EV/EBITDA ratio (times)
Zayo	6,884.1	N.A. <sup>(1)</sup>	5.61 <sup>(2)</sup>	N.A. <sup>(3)</sup>	23.64
Level 3	17,505.3	5.01	1.67	10.05	12.96
Cogent	1,685.8	339.14	N.A. <sup>(4)</sup>	N.A. <sup>(4)</sup>	17.01
CityFibre	227.0	N.A. <sup>(5)</sup>	1.41 <sup>(6)</sup>	1.42 <sup>(6)</sup>	N.A. <sup>(7)</sup>
High		339.14	5.61	10.05	23.64
Mean		5.01 <sup>(8)</sup>	2.90	5.74	17.87
Median		5.01 <sup>(8)</sup>	1.67	5.74	17.01
Low		5.01	1.41	1.42	12.96
The Company (Implied by the Cash Consideration)	378.8 <sup>(9)</sup>	N.A. <sup>(10)</sup>	1.77	2.17	12.26

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies and SAC Advisors' computations

**Notes:**

- (1) Not applicable as Zayo has recorded losses in its latest audited full year financial statements.
- (2) Adjusted for the (a) issuance of unsecured notes, (b) redemption of unsecured notes, (c) repayment of borrowings and (d) acquisition of assets as disclosed in Zayo's quarterly report for the period ended 31 March 2016.
- (3) Not applicable as Zayo's intangible assets exceeded its net assets in its latest available unaudited interim financial statements.
- (4) Not applicable as Cogent was in a net liability position in its latest available unaudited interim financial statements.
- (5) Not applicable as CityFibre has recorded losses in its latest audited full year financial statements.

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- (6) Adjusted for the following events subsequent to CityFibre's last reported balance sheet date as at 31 December 2015:
- (a) the completion of a £90 million acquisition of certain national network infrastructure assets from KCOM Group plc on 18 January 2016; and
  - (b) the completion of £80 million equity placing at 50p per share and a loan facility of £100 million, of which £35 million was utilised in the asset purchase on 14 January 2016.
- In addition, we had assumed that there was no goodwill in the acquisition in (a) above.
- (7) Not applicable as CityFibre recorded negative EBITDA in its latest audited full year financial statements.
- (8) Being an outlier, Cogent has been excluded from the computation of the mean and median historical PERs.
- (9) Derived by multiplying the Cash Consideration in US\$ equivalent by the total Shares (excluding treasury shares) as at the Latest Practicable Date.
- (10) Not applicable as the Company recorded losses in its latest audited full year financial statements.

#### **Historical PER comparison**

We note that, as at the Latest Practicable Date, the range of PERs among the Comparable Companies is between 5.01 times and 339.14 times, with the mean and median PERs of the Comparable Companies (excluding the outlier) being 5.01 times.

As the Company is in a loss making position, its PER is not meaningful and a comparison in respect of PERs of Comparable Companies would not be meaningful.

#### **Historical price-to-NAV comparison**

We note that, as at the Latest Practicable Date, the range of price-to-NAV ratios among the Comparable Companies is between 1.41 times and 5.61 times, with the mean price-to-NAV ratio of the Comparable Companies being 2.90 times and median price-to-NAV ratio being 1.67 times.

We note that the price-to-NAV ratio of the Company implied by the Cash Consideration of 1.77 times is within the range of the price-to-NAV ratios of the Comparable Companies and is higher than the median price-to-NAV ratio of the Comparable Companies. However, it is lower than the mean price-to-NAV ratio of the Comparable Companies.

#### **Historical price-to-NTA comparison**

We note from the latest available unaudited interim financial statements of both Zayo and Cogent that, they are in a negative NTA position. Accordingly, a comparison can only be made against Level 3 and CityFibre's price-to-NTA ratio of 10.05 times and 1.42 times respectively.

We note that the price-to-NTA ratio of the Company implied by the Cash Consideration of 2.17 times is within the range of the price-to-NTA ratios of the Comparable Companies, but is lower than the mean and median price-to-NAV ratios of the Comparable Companies.



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#### Historical EV/EBITDA comparison

We note that, as at the Latest Practicable Date, the range of EV/EBITDA ratios among the Comparable Companies is between 12.96 times and 23.64 times, with the mean EV/EBITDA ratio of the Comparable Companies being 17.87 times and median EV/EBITDA ratio being 17.01 times.

We note that the EV/EBITDA ratio of the Company implied by the Cash Consideration of 12.26 times is below the range of the EV/EBITDA ratios of the Comparable Companies, and lower than the mean and median EV/EBITDA ratios of the Comparable Companies. It is also noted that of all the Comparable Companies, CityFibre has a negative EV/EBITDA ratio. In addition, the other three Comparable Companies namely, Zayo, Level 3 and Cogent, have significantly larger market capitalisation *vis-à-vis* the Company's market capitalisation as implied by the Cash Consideration.

#### 7.5 Comparison with recently completed privatisation of companies listed on the SGX-ST as well as privatisation of a public unlisted company

We note the intention of the Offeror is, *inter alia*, to privatise the Company. In assessing the reasonableness of the Cash Consideration in light of the stated intention of the Offeror, we have compared the financial terms of the Scheme, in particular, the Cash Consideration as a premium above or discount to the relevant NTA, with those of selected announced and completed privatisation transactions in a 12-month period prior to the Joint Announcement Date, which were carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual, offers being made by way of a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Code where the offeror has stated its intention to delist the listed company from the SGX-ST ("**Precedent Privatisation Transactions**"). As the Company is an unlisted company and its Shares are not traded publicly, comparison of the Cash Consideration against the trading market share prices of the Precedent Privatisation Transactions is not relevant for this purpose.

The analysis in this paragraph serves as a general indication of the relevant premia/discounts that the offerors paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the NTA of the respective target companies. We note that certain Precedent Privatisation Transactions had undertaken revaluations and/or adjustments to their assets which may have had a material impact on their latest announced book values. In this respect, we have compared the Cash Consideration with the revalued NAV, revalued NTA or adjusted NAV or NTA of the Precedent Privatisation Transactions, where applicable. We have excluded the 2014 Offer from the Precedent Privatisation Transactions.

We wish to highlight that the premium that an offeror pays in any particular privatisation transaction varies in different specific circumstances depending on, *inter alia*, factors such as the potential synergy the offeror can gain by acquiring the target, the presence or absence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares and the existing and desired level of control in the target company. The comparison below is made without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies below. Further, the list of target companies involved in the Precedent Privatisation Transactions set out in the analysis below may not be directly comparable with

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the Company in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, quality of earnings, financial performance, operating and financial leverage, future prospects and other relevant criteria. Hence, the comparison of the Scheme with the Precedent Privatisation Transactions set out below is for illustration purpose only and is by no means exhaustive. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

In particular, none of the target companies in the Precedent Privatisation Transactions are involved in business activities and operations similar to that of the Company, and all these target companies were listed on the SGX-ST, whereas the Company is a public unlisted company. In this regard, we have also attempted to compare the financial terms of the Scheme with those of recently completed privatisation of public unlisted companies which are subject to the guidelines of the Code. The aforementioned privatisation exercises are also referred as the Precedent Privatisation Transactions for the purpose of our analysis in this Letter.

Name of Company	Description	Date of Announcement	Price-to-NTA (times)
<b><i>Privatisation of companies listed on the SGX-ST</i></b>			
Lizhong Wheel Group Limited	Manufacturer of aluminium wheels	17 Aug 2015	0.6 <sup>(1)</sup>
Chosen Holdings Limited	Product design and development, mould design and fabrication, plastic injection moulding and secondary processes and final product assembly	1 Sep 2015	0.8 <sup>(2)</sup>
Eastern Holdings Ltd.	Property development and publishing	22 Sep 2015	0.8 <sup>(3)</sup>
Zagro Asia Limited	Manufacturing and distribution of crop care and animal health products	3 Nov 2015	0.9 <sup>(4)</sup>
Tiger Airways Holdings Limited	Budget airline operator of flights to destinations in Asia	6 Nov 2015	5.4 <sup>(5)</sup>
Sinotel Technologies Ltd.	Provider of innovative applications and solutions for the full spectrum of the wireless telecommunication value chain in the People's Republic of China ("PRC")	30 Nov 2015	0.8
Li Heng Chemical Fibre Technologies Limited	Manufacture and sale of high-end nylon yarn products in the PRC	22 Dec 2015	0.4 <sup>(6)</sup>

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Name of Company	Description	Date of Announcement	Price-to-NTA (times)
<i>Privatisation of companies listed on the SGX-ST (continued)</i>			
Interplex Holdings Ltd.	Precision engineering companies offering end-to-end solutions in advanced application development and manufacturing solutions for complex precision mechanical and electro-mechanical components and assemblies	23 Dec 2015	1.7
China Dairy Group Ltd.	Manufacture and trades milk and related products in the PRC	30 Dec 2015	1.1 <sup>(7)</sup>
Lantrovision (S) Ltd	Supply, design, install and provides consultancy services on network integration and structured cabling. The company also engages in the contracting of IT Infrastructure and the supply of electrical hardware and fittings	27 Jan 2016	1.5
China Yongsheng Limited	Producer and supplier of concrete and related products in the PRC	24 Feb 2016	0.7 <sup>(8)</sup>
Xinren Aluminum Holdings Limited	Manufacture and sale of aluminium products in the PRC	25 Feb 2016	1.5 <sup>(9)</sup>
Osim International Ltd	Markets, distributes, sells and franchises healthy lifestyle products	7 Mar 2016	2.6
Select Group Limited	An integrated food catering and management services provider in Singapore	23 Mar 2016	3.9
Xyec Holdings Co., Ltd.	Provider of integrated engineering and IT consultancy and services to major manufacturing industries in Japan	29 Mar 2016	1.3
China Merchants Holdings (Pacific) Limited	Toll road operator in the PRC	9 May 2016	1.1 <sup>(10)</sup>
Eu Yan Sang International Ltd	Health and wellness company in traditional chinese medicine	16 May 2016	1.7 <sup>(11)</sup>

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Name of Company	Description	Date of Announcement	Price-to-NTA (times)
<b><i>Privatisation of public unlisted companies</i></b>			
Hup Soon Global Corporation Limited	Distribution of industrial equipment and agriculture equipment	28 Sep 2015	1.0 <sup>(12)</sup>

<b>High</b>	<b>5.4</b>
<b>Mean</b>	<b>1.5</b>
<b>Median</b>	<b>1.1</b>
<b>Low</b>	<b>0.4</b>

<b>The Company</b>	<b>29 July 2016</b>
<b>– Price-to-NTA</b>	<b>2.17</b>
<b>– Price-to-NAV (implied by the Cash Consideration)</b>	<b>1.77</b>

*Sources: SGX-ST announcements and circulars to shareholders in relation to the respective Precedent Privatisation Transactions*

**Notes:**

- (1) Based on the revalued NTA per share as adjusted for the net revaluation surplus on the properties of Lizhong Wheel Group Limited as at 30 June 2015.
- (2) Based on the revalued NAV per share as adjusted for the net revaluation surplus on certain properties of Chosen Holdings Limited as at 30 June 2015.
- (3) Based on the revalued NTA per share as adjusted for the net revaluation surplus on the properties, as well as net revaluation surplus and gain on disposal from the available for sale financial assets of Eastern Holdings Ltd. as at 30 September 2015.
- (4) Based on the revalued NTA per share as adjusted for the net revaluation surplus on the property assets of Zagro Asia Limited as at 30 June 2015.
- (5) Based on the unaudited NAV per share of Tiger Airways Holdings Limited as at 30 September 2015.
- (6) Based on the revalued NAV per share as adjusted for the net revaluation write-down of property, plant and equipment of Li Heng Chemical Fibre Technologies Limited as at 30 September 2015.
- (7) Based on the revalued NAV per share as adjusted for the net revaluation surplus on the facilities as well as the machinery and equipment of China Dairy Group Ltd. as at 30 December 2015.
- (8) Based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of China Yongsheng Limited as at 31 December 2015.
- (9) Based on the revalued NAV per share as adjusted for the net revaluation surplus on the building, machinery, equipment and land use rights of Xinren Aluminum Holdings Limited as at 31 December 2015.
- (10) Based on the revalued NAV per share as adjusted for the deficit arising from the revalued toll rights of China Merchants Holdings (Pacific) Limited as at 31 March 2016.
- (11) Based on the revalued NAV per share as adjusted for the net revaluation surplus of certain properties of Eu Yan Sang International Ltd as at 31 March 2016.
- (12) Based on the revalued NTA per share as adjusted for potential liabilities and changes in cash balance arising from the disposal of certain investments held by Hup Soon Global Corporation Limited as at 31 July 2015.

Based on the above, we note that the price-to-NTA implied by the Cash Consideration of 2.17 times and the price-to-NAV implied by the Cash Consideration of 1.77 times are within the range of the price-to-NTA ratios of the Precedent Privatisation Transactions and higher than the mean and median of the price-to-NTA ratios of the Precedent Privatisation Transactions.

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## APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 7.6 Cash distribution to Shareholders since the delisting of the Company from Catalyst

Following the delisting of the Company in March 2015, the Company has not made any dividend payment, return of capital or any cash distribution to its Shareholders. If Shareholders accept the Cash Consideration and exit from their investments in the Shares, it would be at the same offer price of S\$1.16 for each Share made by the 2014 Offeror.

The Directors have confirmed that the Company does not have a fixed dividend policy and that they will recommend future dividends after taking into consideration the Company's cash and financial position, the Group's financial performance, working capital requirements and projected capital expenditure and other investment plans.

We wish to highlight that the above analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend or distribution policy. There is no assurance that the Company will continue to pay dividends or carry out any capital distribution in future and/or to maintain the level of dividends or capital distribution paid in the past periods.

## 8. OTHER RELEVANT CONSIDERATIONS

### 8.1 Likelihood of competing offers

As at the Latest Practicable Date, the Offeror and its concert parties already own approximately 70.20% of the total number of issued Shares. In addition, in view of the Irrevocable Undertakings, representing 92.54% of the total number of issued Shares held by the Scheme Shareholders as at the Latest Practicable Date, the Company would have achieved the requisite minimum 75% of votes to approve the Scheme, although the passing of the Scheme is still subject to a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting. Accordingly, the likelihood of a competing offer from any third party is low.

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Acquisition by the Offeror to be effected by way of the Scheme, no alternative offer or proposal from any third party has been received.

Apart from the above, any potential third party may also be discouraged from making a competing offer from the Company at a price higher than the Cash Consideration in view of the Irrevocable Undertakings.

### 8.2 No public trading platform

The Company is a public unlisted company and its Shares are not quoted or traded on the SGX-ST or on any other stock exchange. There is therefore no public platform to facilitate the trading on the Shares. Scheme Shareholders will face difficulties in selling their Shares due to the absence of a public market if they wish to exit from their investments in the Company.

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## APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 8.3 Effect of the Scheme

The Acquisition is presently being proposed to be effected by way of the Scheme. Upon the Scheme becoming effective and binding, and pursuant to the Internal Transfer, the Company will become a wholly-owned subsidiary of the Offeror.

Upon the Scheme becoming effective, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting, and if they were present, whether or not they had voted, and if they had voted, whether or not they had voted in favour of the Scheme.

### 8.4 Irrevocable Undertakings

The Scheme is subject to Scheme Shareholders' approval at the Court Meeting, constituting a majority in number of Scheme Shareholders representing at least 75% in value of the Shares, present and voting, either in person or by proxy, at the Court Meeting. The Offeror, the Partnership and their concert parties will abstain from voting on the Scheme in respect of their Shares (if any). For the avoidance of doubt, as the Shares held by the Partnership are not subject to the Scheme, the Partnership will in any case not be eligible to vote on the Scheme.

In this regard, the Undertaking Shareholders holding 120,658,314 Shares, representing 27.58% of the total issued Shares (excluding treasury shares) and 92.54% of the total number of issued Shares held by the Scheme Shareholders as at the Latest Practicable Date, have given their undertakings to the Offeror to, *inter alia*, (i) exercise, or procure the exercise of, the voting rights in respect of the Relevant Shares in favour of the Scheme and any other matter necessary or proposed to implement the Scheme at the Court Meeting; and (ii) elect, or procure an election to receive the Equity Consideration in respect of all of the Relevant Shares pursuant to the Scheme, in place of the Cash Consideration, during the election period and to deliver the duly completed Election Forms, in accordance with the terms of the Scheme and the Scheme Document, on and subject to the terms set out in their respective Irrevocable Undertakings.

In view of the Irrevocable Undertakings, the Company would have achieved the requisite minimum 75% votes to approve the Scheme, although the passing of the Scheme is still subject to a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting.

Further, in the absence of a competing offer, all of the Directors who hold Shares (including Mr. Daniel Simon Aegerter who has provided Irrevocable Undertaking in relation to the Shares owned by him), as set out in paragraph 6.7 of Appendix 3 to the Scheme Document, have informed the Company that they will vote in favour of the Scheme, save for Mr. Kai-Uwe Ricke who will abstain from voting at the Court Meeting. All of the Directors who hold Shares have informed the Company that they will make the Partnership Interest Election in respect of their Shares.

### 8.5 Cash Consideration is the same as the offer price made by the 2014 Offeror

We noted that the Cash Consideration is the same as the offer price made by the 2014 Offeror in respect of the 2014 Offer and the Delisting Proposal.

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**APPENDIX 1**  
**LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS**

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**9. EQUITY CONSIDERATION OF THE SCHEME**

Pursuant to the Scheme, Entitled Scheme Shareholders will be entitled to (i) the Cash Consideration; or (ii) the Equity Consideration. Entitled Scheme Shareholders who elect the Equity Consideration will own Stapled Partnership Interests (as defined below) in the Partnership, which are not listed on any stock exchanges.

In this section of our Letter, we address what we consider to be pertinent matters in relation to the Equity Consideration.

**9.1 Shareholdings in the Partnership**

The Partnership is a limited liability partnership formed under the laws of the State of Delaware, US, and was established by Columbia V and Columbia LP as a bid consortium for the Columbia Shareholders, Columbia Warranholders and New Investors to invest in the Company in the 2014 Offer. As at the Latest Practicable Date, the Partnership holds in aggregate 307,125,438 Shares, representing approximately 70.20% of the Shares (excluding treasury shares).

As at the Latest Practicable Date, the partners and their respective interests in the Partnership were as follows:

<b>Name</b>	<b>Preferred Interests</b>	<b>Preferred Interests Ownership Percentage</b>	<b>Common A Interests</b>	<b>Common A Interests Ownership Percentage</b>
<b>Columbia Shareholders</b>				
Columbia EUN Partners V, LLC	4,075,384	12.78%	3,518,277	11.03%
EUN Partners V, LLC	13,107,813	41.10%	11,315,969	35.48%
<b>Columbia Warranholders</b>				
Columbia Capital Equity Partners V (QP), L.P.	13,024	0.04%	13,024	0.04%
Columbia Capital Equity Partners V (NON-US), L.P.	4,538	0.01%	4,538	0.01%
Columbia Capital Equity Partners V (Co-Invest), L.P.	3,251	0.01%	3,251	0.01%
Columbia Capital Equity Partners IV (QP), L.P.	8,153	0.03%	8,153	0.03%

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Name	Preferred Interests	Preferred Interests Ownership Percentage	Common A Interests	Common A Interests Ownership Percentage
<b>New Investors</b>				
Greenspring Global Partners VI-A, L.P., Greenspring Global Partners VI-C L.P., Greenspring Opportunities II, L.P., Greenspring Opportunities II-A, L.P., Greenspring Global Partners V-A, L.P., Greenspring Global Partners V-C, L.P., and Greenspring Opportunities III, L.P. (collectively, " <b>Greenspring</b> ")	4,694,587	14.72%	5,445,720	17.07%
QIC Private Capital Pty Ltd as trustee for the QIC Private Equity Fund No. 2 and QIC Investments No. 1 Pty Ltd as trustee for the QIC Direct Opportunities Fund (collectively, " <b>QIC</b> ")	4,062,153	12.74%	4,712,098	14.77%
CNF Investments III, LLC	447,103	1.40%	518,640	1.63%
Telcom CEE Landline, LLC	2,123,771	6.66%	2,463,574	7.72%
The Bunting Family Private Fund Limited Liability Company and The Bunting Family Tax-Exempt Private Fund Limited Liability Company	1,117,788	3.50%	1,296,636	4.07%
D. Canale & Co., Canale Family Limited Partnership, Canale Enterprise, LLC, JDC Investments, LP and CWC Family, LP	279,440	0.88%	324,151	1.02%
Pittco Capital Partners IV, LP	223,557	0.70%	259,327	0.81%
Middleland Endowment I LLC	558,879	1.75%	648,300	2.03%



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Name	Preferred Interests	Preferred Interests Ownership Percentage	Common A Interests	Common A Interests Ownership Percentage
Global Undervalued Securities Master Fund, LP	1,117,759	3.50%	1,296,600	4.07%
Ram Pasture LLC	55,888	0.18%	64,830	0.20%
<b>Total:</b>	<b>31,893,088</b>	<b>100%</b>	<b>31,893,088</b>	<b>100%</b>

We noted that apart from the Preferred Interests and Common A Interests, there are also Common B Interests issued to certain employees and management of the Company. As at the Latest Practicable Date, the Common B Interests are held by Mr. Kai-Uwe Ricke, and certain persons who are existing or former directors or employees of the Company. Mr. Kai-Uwe Ricke, a director of the Company, holds 54,363 Common B Interests as at the Latest Practicable Date.

Following the completion of the Scheme and the Acquisition, it is the intention of the Partnership, the Offeror's Holdco and the Offeror to undertake the Internal Transfer. Consequently, on or after the Effective Date, the Offeror will hold 100% of the Shares after the Internal Transfer. Scheme Shareholders who elect the Equity Consideration will cease to own Shares but will instead own interests in the Partnership.

## 9.2 Historical Share transfers

### Columbia Shareholders

In the 2014 Offer announcement and at the close of the 2014 Offer, the Columbia Shareholders collectively held 171,831,969 Shares, representing approximately 39.27% of the issued Shares (excluding treasury shares). In December 2015, the Columbia Shareholders transferred all its Shares to the Partnership and were issued Preferred Interests and Common A Interests based on the exchange ratio of 0.10 Preferred Interests and 0.10 Common A Interests per Share. After a transfer of a portion of its Common A Interests to the New Investors, 17,183,197 Preferred Interests and 14,834,246 Common A Interests were issued to the Columbia Shareholders.

### New Investors

The New Investors subscribed for the stapled partnership interests (comprising 0.10 Preferred Interests and 0.10 Common A Interests) in the Partnership at S\$1.16 (the Preferred Interest and Common A Interest collectively referred to as the "**Stapled Partnership Interest**"). The New Investors were issued an aggregate of 14,680,925 Preferred Interests and 17,029,876 Common A Interests in the Partnership at the close of the 2014 Offer in accordance with their respective capital commitments, and taking into consideration the transferred portion of the Common A Interests by Columbia Shareholders to the New Investors as mentioned above. The proceeds received from the New Investors were used by the Partnership to fund the 2014 Offer, to retire the options held by some of the Company's optionholders, and to pay for transaction costs in relation to the 2014 Offer.

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Columbia Warranholders

In the 2014 Offer announcement and at the close of the 2014 Offer, the Columbia Warranholders held 2,100,000 warrants (“**Columbia Warrants**”) and each warrant entitled the warrant holder to subscribe for one new Share at an exercise price of S\$1.00 per warrant, subject to adjustment in certain circumstances pursuant to the terms and conditions on which the warrants are issued. In January 2016, the Columbia Warranholders were issued 28,966 Preferred Interests and 28,966 Common A Interests as consideration for the transfer of the Columbia Warrants to the Partnership, taking into consideration the exchange ratio of 0.10 Preferred Interests and 0.10 Common A Interests per Share and the see-through price of S\$0.16 per Columbia Warrant. On 8 August 2016, all the Columbia Warrants lapsed and ceased to be valid.

Based on the above, it is noted that the exchange ratio from Shares to Stapled Partnership Interests for the Columbia Shareholders, the New Investors and the Columbia Warranholders is the same as that offered by the Equity Consideration.

**9.3 Inferred Partnership value, percentage of Scheme Shareholders’ interest in Stapled Partnership Interest, financial leverage and distributions**

Inferred Partnership Value

As at the Latest Practicable Date, the Partnership does not have any other business, assets or liabilities, other than (i) its shareholdings in the Company; (ii) cash balances of US\$0.24 million; (iii) 100% interest in the Offeror’s Holdco; and (iv) 100% indirect interest in the Offeror. The Management has also confirmed that the net asset values of the Offeror’s Holdco and the Offeror as at the Latest Practicable date are not material.

Assuming all Scheme Shareholders elect to receive the Equity Consideration, we can infer that the value of the Partnership comprises mainly the value of the Company (as the Partnership is essentially a special purpose vehicle to make the 2014 Offer and the only material assets it owns are its shareholding interests in the Company) and the cash balance of US\$0.24 million. Purely for illustration purpose, the value per Stapled Partnership Interest is as follows:

Value of the Company (as implied by the Cash Consideration) (S\$)	507,520,206
Cash balance in the Partnership (S\$) <sup>(1)</sup>	322,935
Inferred value of Partnership (S\$)	507,843,141
Inferred value of Partnership per Stapled Partnership Interest (S\$) <sup>(2)</sup>	11.30

**Notes:**

- (1) Based on the closing exchange rate of S\$1:US\$0.7464 as at the Latest Practicable Date.
- (2) Based on 44,932,286 Stapled Partnership Interests assuming all Scheme Shareholders elect to receive the Equity Consideration, taking into account the effect of the Irrevocable Undertakings and the outstanding Stapled Partnership Interests as at the Latest Practicable Date.

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## APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### Percentage of Scheme Shareholders' Interest in Stapled Partnership Interest and Financial Leverage

The Partnership, the Offeror's Holdco and the Offeror entered into the Implementation Agreement with the Company to implement the Scheme, and accordingly have obligations and liabilities incurred in connection with the implementation of the Scheme, including costs and expenses. The Offeror will also raise debt of up to EUR15.0 million (the "**Loan**") to finance the Scheme. This will also entail the Partnership, the Offeror's Holdco and the Offeror granting security over shares in the Company to secure the Loan.

Assuming all of the Scheme Shareholders elect the Equity Consideration, and no Loan is required to be raised to fund the Acquisition, the shareholding percentage of the Scheme Shareholders of 29.80% in the Company will decrease to 29.02% Stapled Partnership Interest.

In the scenario where some of the Scheme Shareholders elect the Cash Consideration, the remaining shareholders who elect the Equity Consideration will own a larger proportion of the Partnership than they otherwise would in the event that all the Scheme Shareholders elect the Equity Consideration and the gearing of the Partnership would increase by the amount of Loan taken.

We also note that the Undertaking Shareholders holding, in aggregate, 120,658,314 shares and representing 27.58% of the total issued Shares, have pursuant to the Irrevocable Undertakings, undertaken to elect the Equity Consideration for which the Undertaking Shareholders will receive 0.1 Stapled Partnership Interest for each Share.

Based on the above, assuming all Scheme Shareholders elect the Equity Consideration, it is noted that the inferred value of the Partnership of S\$1.13 per 0.1 Stapled Partnership Interest is 2.6% lower than the value per Share implied by the Cash Consideration. Also, it is noted that the Scheme Shareholders interest in the Partnership Stapled Interest would reduce to 29.02% compared to 29.80% interest in the Shares. In the event that all Scheme Shareholders elect the Cash Consideration (other than the Undertaking Shareholders), it is noted that the inferred value of the Partnership will be S\$1.155 per 0.1 Stapled Partnership Interest and is 0.4% lower than the value per Share implied by the Cash Consideration. Also, it is noted that the Undertaking Shareholders interest in the Partnership Stapled Interest would reduce marginally to 27.45% compared to 27.58% interest in the Shares.

### Distributions

We note that the Scheme Shareholders who elect the Equity Consideration shall be deemed to have contributed capital for their Preferred Interests at S\$1.16 per Share (equivalent to 0.1 Preferred Interests) (contributions for Preferred Interests will be referred to as "**Capital Contributions**").

In the event of a non-liquidation distribution of the Partnership, Preferred Interests holders shall have priority in receiving distributions, *inter alia*, up to their Capital Contributions, over the holders of Common A Interests and Common B Interests.

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## APPENDIX 1

### LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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Scheme Shareholders should note that there is no assurance of the certainty of any return of Capital Contributions or the amount of distributions. Any such distributions will be subject to, *inter alia*, the Partnership and its subsidiaries achieving their business plans, applicable rules and regulations and adjustments by the Partnership's Board of Managers (as defined below).

#### 9.4 Lack of liquidity and marketability of an unlisted private entity

The Partnership, the vehicle that Scheme Shareholders are being offered the Equity Consideration, is a privately held limited liability partnership and is not listed on any regulated stock exchange. As a consequence, it may be difficult for the owners of the Partnership to sell their shares in the absence of a public market. In addition, unlisted shares (including the Stapled Partnership Interests) are generally valued at a discount to the shares of selected public listed companies as a result of a lack of liquidity and marketability.

We also note that the Offeror believes the Company has yet to realise its potential as the Management's business plan has not been fully implemented. The Offeror also believes it may take up to several years for the Management to fully implement the business plan. The Offeror plans to remain invested in the Company at least for such duration and support the Management in the implementation of their business plan. However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interest of the Offeror, the Offeror's Holdco, the Partnership and/or the Company. The Independent Directors may wish to advise Scheme Shareholders that any opportunity for future liquidity is not certain.

#### 9.5 Board of Managers

Except for situations in which the approval of any of the partners is expressly required by the Partnership Agreement or by nonwaivable provisions of applicable law, (i) the powers of the Partnership shall be exercised by or under the authority of, and the business and affairs of the Partnership shall be managed under the direction of a board of managers ("**Board of Managers**") and (ii) the Board of Managers may make all decisions and take all actions for the Partnership not otherwise provided in the Partnership Agreement.

Each holder who holds (together with its affiliates) 10% or more of the Preferred Interests will have the right to appoint one manager to the Board of Managers for every full 10% of Preferred Interests held by such person (together with its affiliates). The remainder of the Board of Managers will include at least a manager collectively designated by Columbia Shareholders and Columbia Warranholders, a manager designated by QIC, a manager designated by Greenspring, the chief executive officer, the chief financial officer, a chairman designated by the holders of 55% or more of the Preferred Interests and an independent manager designated by the holders of 55% or more of the Preferred Interests.

The Partnership Agreement restricts the Board of Managers from taking certain actions without the consent of the holders of 55% or more of the Preferred Interests and certain other actions without the consent of the holders of 80% or more of the Preferred Interests. A list of those restricted actions is set out in section 6.5 of the Partnership Agreement in Schedule 2 to the Offeror Letter to Shareholders.

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## APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### 9.6 Transfer restrictions, tag along right and drag along obligation

No holder of Preferred Interests, Common A Interests and Common B Interests (collectively, “**Interests**”) is permitted to transfer except in compliance with the Partnership Agreement.

Until 10 April 2020, any proposed transfer by a holder of Interests will be subject to a right of first refusal in favour of the Partnership.

If any holder of 10% or more of the Preferred Interests or any holder of Common B Interests proposes to transfer their Interests to a third party, such transfer shall be subject to tag along right of other holders of Preferred Interests to sell a portion of the same type of Interests proposed to be sold by the transferring holder.

Every holder of Interests is subject to a drag along obligation to consent to any sale of the Partnership or reorganisation transaction that is approved by the holders of 55% of the Preferred Interests or the holders of 80% of the Preferred Interests, as applicable.

The details of these transfer restrictions are set out in sections 7.1 to 7.4 of the Partnership Agreement in Schedule 2 to the Offeror Letter to Shareholders.

## 10. SUMMARY OF ANALYSIS AND RECOMMENDATION TO THE INDEPENDENT DIRECTORS

### Cash Consideration

In arriving at our recommendation in respect of the Cash Consideration, we have taken into consideration, *inter alia*, the following factors summarised below. The factors set out herein should be considered in the context of the entirety of this IFA Letter and the Scheme Document:

- (a) No market quotation for the Shares;
- (b) Financial performance and position of the Group;
- (c) Asset-based valuation of the Group;
- (d) Comparison with the valuation statistics of selected companies broadly comparable to the Group;
- (e) Comparison with recently completed privatisation of companies listed on the SGX-ST as well as the privatisation of a public unlisted company;
- (f) Cash distribution to Shareholders since the delisting of the Company from Catalist; and
- (g) Other relevant considerations.

**Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Cash Consideration are fair and reasonable.**

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## APPENDIX 1 LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

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### Equity Consideration

In arriving at our recommendation in respect of the Equity Consideration, we have taken into consideration, *inter alia*, the following factors summarised below. The factors set out herein should be considered in the context of the entirety of this IFA Letter and the Scheme Document:

- (a) Shareholdings in the Partnership;
- (b) Historical share transfers;
- (c) Inferred Partnership value, percentage of Scheme Shareholders' interest in Stapled Partnership Interest, financial leverage and distributions;
- (d) Lack of liquidity and marketability of an unlisted private entity; and
- (e) Voting rights, transfer restrictions, tag along rights and drag along obligation in the Partnership.

**Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Equity Consideration are fair and reasonable.**

**Accordingly, we advise the Independent Directors to recommend to the Scheme Shareholders to vote in favour of the Scheme. Further, we also advise the Independent Directors to recommend to:**

- (i) Scheme Shareholders who wish to realise their investments in the Company and/or do not wish to maintain ongoing equity investment in the Company that they should elect for the Cash Consideration; and**
- (ii) Scheme Shareholders who wish to maintain their equity investment in the Company that they may opt for the Equity Consideration.**

**In view of the Irrevocable Undertakings, the Company would have achieved the requisite minimum 75% votes to approve the Scheme, although the passing of the Scheme is still subject to a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting. The Scheme, when effective, will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Court Meeting, and if they were present, whether or not they had voted, and if they had voted, whether or not they had voted in favour of the Scheme.**

**Scheme Shareholders should also take note that the Company is a public unlisted company and the Shares are not quoted or traded on the SGX-ST or on any other stock exchanges. Hence, the Scheme Shareholders may face difficulties in selling their Shares due to the absence of a public market. The Scheme (in particular, the Cash Consideration) therefore provides the Scheme Shareholders with an opportunity to exit from the investments in the Company.**

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**APPENDIX 1**  
**LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS**

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In rendering the above advice, SAC Advisors has not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any Shareholder. As each Scheme Shareholder would have different investment objectives and profiles, we would advise that any Scheme Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

We have prepared this IFA Letter for the sole use by the Independent Directors in connection with their consideration of the Scheme, but any recommendations made by the Independent Directors in respect of the Scheme shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Scheme Document, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Scheme) at any time and in any manner without the prior written consent of SAC Advisors.

The opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**SAC Advisors Private Limited**

Bernard Lim Aik Kwang  
Executive Director

Tee Chun Siang  
Senior Manager

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**EUN (UK) LIMITED**  
(Registration No.: 9203923)  
(Incorporated in the United Kingdom)

**EUN HOLDINGS, LLP**  
(Registered in Delaware,  
the United States of America)

**EUN HOLDINGS (UK) LIMITED**  
(Registration No.: 9203914)  
(Incorporated in the United Kingdom)

23 August 2016

To: Shareholders of euNetworks Group Limited

Dear Sir/Madam

**PROPOSED ACQUISITION BY EUN (UK) LIMITED AND EUN HOLDINGS, LLP OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF EUNETWORKS GROUP LIMITED BY WAY OF A SCHEME OF ARRANGEMENT**

**1. INTRODUCTION**

1.1 **Joint Announcement.** On 29 July 2016 (the “**Joint Announcement Date**”), the respective boards of directors of euNetworks Group Limited (the “**Company**”), EUN (UK) Limited (the “**Offeror**”) and EUN Holdings (UK) Limited (the “**Offeror’s Holdco**”), and the board of managers of EUN Holdings, LLP (the “**Partnership**”) made a joint announcement on the proposed acquisition by the Offeror and the Partnership of all the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”) (excluding treasury shares) other than those already held by the Partnership (the “**Acquisition**”) to be effected by way of a scheme of arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and such scheme of arrangement, the “**Scheme**”), and in accordance with the Singapore Code on Take-overs and Mergers (the “**Code**”).

1.2 **Implementation Agreement.** In connection with the Scheme, the respective boards of the Company, the Offeror and the Partnership (each a “**Party**” and collectively, the “**Parties**”) have approved the terms of the Scheme and on 29 July 2016 entered into a scheme implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Parties will implement the Scheme.

1.3 **Scheme Document.** On 23 August 2016 (the “**Despatch Date**”), the Company shall despatch a formal document (the “**Scheme Document**”) to the Scheme Shareholders containing, *inter alia*:

1.3.1 details of the Scheme; and

1.3.2 the views of the Directors who are considered independent for the purpose of making a recommendation to the Scheme Shareholders on the Scheme (the “**Independent Directors**”) and SAC Advisors Private Limited, the independent financial adviser to the Independent Directors.

This Offeror Letter to Shareholders shall be attached as Appendix 2 to the Scheme Document to be despatched to the Scheme Shareholders on the Despatch Date.

1.4 **Terms and References.** This Offeror Letter to Shareholders should be read and construed together with, and in the context of, the Scheme Document. Unless otherwise stated, the terms used but not defined in this Offeror Letter to Shareholders shall have the same meanings given to them in the Scheme Document.



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## APPENDIX 2 OFFEROR LETTER TO SHAREHOLDERS

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- 1.5 **Forward-Looking Statements.** All statements other than statements of historical facts included in this Offeror Letter to Shareholders are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “potential”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Partnership, the Offeror’s Holdco, the Offeror and Ernst & Young Corporate Finance Pte Ltd (the “**Offeror Financial Adviser**”) undertakes any obligation to update publicly or revise any forward-looking statements.

**If you are in any doubt on the contents of this Offeror Letter to Shareholders or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

## 2. THE SCHEME

- 2.1 **Terms of the Scheme.** As stated in the Scheme Document, under the Scheme:

2.1.1 all the Shares (excluding treasury shares) held by Entitled Scheme Shareholders that are acquired for the Equity Consideration will be transferred to the Partnership, and all the Shares (excluding treasury shares) held by the Entitled Scheme Shareholders that are acquired for the Cash Consideration will be transferred to the Offeror, in each case, as follows:

- (a) fully paid;
- (b) free from all Encumbrances; and
- (c) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared by the Company on or after the Joint Announcement Date; and

2.1.2 in consideration for such transfer, each of the Entitled Scheme Shareholders will be entitled to receive a sum in cash or, in lieu thereof, Preferred Interests and Common A Interests as follows:

- (a) **the Cash Consideration, being S\$1.16 to be paid by the Offeror for each Share;** or
- (b) where such Entitled Scheme Shareholder has made a valid Partnership Interest Election, **the Equity Consideration, being 0.10 Preferred Interest and 0.10 Common A Interest to be issued by the Partnership for each Share.**

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Certain of the key terms of the Preferred Interests and Common A Interests in the Partnership are summarised in the summary of the key terms in the Partnership Agreement and the Registration Rights Agreement, as set out in Schedule 1 to this Offeror Letter to Shareholders. Such summary of the key terms in the Partnership Agreement and the Registration Rights Agreement does not purport to be exhaustive and should be read in conjunction with the Partnership Agreement as well as the Registration Rights Agreement in their entirety for accuracy and completeness, copies of which are set out respectively in Schedules 2 and 3 to this Offeror Letter to Shareholders. Copies of the Partnership Agreement and the Registration Rights Agreement have also been made available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

For the avoidance of doubt, with the exception of Entitled Depository Agents, each Entitled Scheme Shareholder is only entitled to receive the Cash Consideration or, in lieu thereof, the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder's name, but not a mixture of both.

In order to make a valid Partnership Interest Election, in addition to the Election Form, each Entitled Scheme Shareholder (or its nominee) is also required to submit the relevant supporting documents including the appropriate US Internal Revenue Service Form W-8 or W-9 and an accredited investor questionnaire for such Entitled Scheme Shareholder (or its nominee, provided that such nominee is the appropriate person for such forms) (the "**Accompanying Documents**"). For the avoidance of doubt, each Entitled Scheme Shareholder is only entitled to appoint one nominee (in place of the Entitled Scheme Shareholder) to receive the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder's name.

In the absence of any valid Partnership Interest Election made by such Entitled Scheme Shareholder or in the event of any failure by such Entitled Scheme Shareholder to make a valid Partnership Interest Election, the Entitled Scheme Shareholder shall only be entitled to receive the Cash Consideration for all the Shares registered in such Entitled Scheme Shareholder's name.

### ***Arrangements applicable to Entitled Scheme Shareholders that are Entitled Depository Agents***

An Election Form will be despatched to each Entitled Depository Agent to enable it to indicate the number of Shares it holds on behalf of each sub-account holder who has directed the Entitled Depository Agent to make the Partnership Interest Election. Entitled Depository Agents must not permit a sub-account holder to achieve a mixture of the Equity Consideration and the Cash Consideration for the Shares held on behalf of the sub-account holder. By submitting the completed Election Form, an Entitled Depository Agent confirms and represents to the Offeror, the Partnership and the Company that:

- (i) in relation to each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election, the Partnership Interest Election has been exercised in respect of all (but not some) of the Shares held by the Entitled Depository Agent for such sub-account holder;

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- (ii) each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election is a person to whom the Equity Consideration may be lawfully issued; and
- (iii) to the best of its knowledge and belief, since the Joint Announcement Date, it has not transferred any Shares held for a sub-account holder for the purposes of facilitating a mixture of the Equity Consideration and the Cash Consideration for such Shares.

In order to make a valid Partnership Interest Election in respect of any sub-account holder, in addition to the Election Form, each Entitled Depository Agent is also required to submit the relevant Accompanying Documents for each such sub-account holder.

In the absence of any valid Partnership Interest Election made by such an Entitled Depository Agent for a sub-account holder or in the event of any failure by such Entitled Depository Agent to make a valid Partnership Interest Election in respect of any sub-account holder, the Entitled Depository Agent shall only be entitled to receive the Cash Consideration for all the Shares it holds on behalf of such sub-account holder.

### ***Arrangements applicable to Entitled Scheme Shareholders generally***

The Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar will be authorised and entitled, at their sole and absolute discretion, to reject or treat as invalid any Election Form or Accompanying Document which is not entirely in order or which does not comply with the provisions and instructions set out in the Scheme Document, this Offeror Letter to Shareholders, the Election Form and/or the Accompanying Documents, or which is left blank, or otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents.

Any decision to reject any Election Form or Accompanying Document received by the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar on the grounds that it has been left blank or is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents will be final and binding, and none of the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and the Share Registrar accepts any responsibility or liability for the consequences of such a decision.

In respect of the Equity Consideration, the aggregate Preferred Interests and Common A Interests that are issuable to any Entitled Scheme Shareholder (or its nominee) in respect of the Shares held by such Entitled Scheme Shareholder will be rounded down, in each case, to the nearest whole number.

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The Equity Consideration to be issued pursuant to the Scheme becoming effective and binding in accordance with its terms will, when issued, be validly authorised, validly issued and outstanding, fully paid and non-assessable and free from Encumbrances (other than restrictions arising out of the Partnership Agreement or applicable securities laws) and all consents, authorisations, approvals or waivers from any Governmental Agencies or third parties necessary for such issuance have been or will, prior to such issuance, be obtained.

**The Equity Consideration will not be listed on any securities exchange. Before making a Partnership Interest Election, the Entitled Scheme Shareholders should also note the risk factors set out in this Offeror Letter to Shareholders at paragraph 7.5 below.**

- 2.2 **Scheme Conditions.** Pursuant to the terms of the Implementation Agreement, the Scheme is conditional upon the satisfaction or waiver (as the case may be) of all the Scheme Conditions by the Long-Stop Date, as more particularly described in paragraph 7 of the Explanatory Statement and which are set out in Appendix 9 to the Scheme Document.
- 2.3 **Termination of the Implementation Agreement.** The Implementation Agreement may be terminated in the manner and with the consequences, as more particularly described in paragraph 8 of the Explanatory Statement.
- 2.4 **Irrevocable Undertakings.** The Undertaking Shareholders have each given an irrevocable undertaking to the Offeror (the “**Deed of Undertaking**”) to, *inter alia*:
- 2.4.1 exercise, or procure the exercise of, the voting rights in respect of the Relevant Shares held by such Undertaking Shareholder in favour of the Scheme and any other matter necessary or proposed to implement the Scheme at the Court Meeting; and
- 2.4.2 elect, or procure an election to receive the Equity Consideration in respect of the Relevant Shares pursuant to the Scheme, in place of the Cash Consideration, during the election period and to deliver the duly completed Election Forms, in accordance with the terms of the Scheme and this Scheme Document,

on and subject to the terms set out in their respective Deeds of Undertaking. Further details on such Deeds of Undertakings are set out in paragraph 4 of the Explanatory Statement. Copies of the Deeds of Undertaking are also available for inspection at the Company’s registered office during normal business hours from the date of this Offeror Letter to Shareholders up to the Effective Date.

### 3. RATIONALE FOR THE ACQUISITION AND FUTURE PLANS FOR THE COMPANY

- 3.1 **Rationale.** The purpose of the Scheme is (a) to privatise the Company; (b) to move the Entitled Scheme Shareholders, who wish to remain invested in the business of the Company, into the Partnership for the purposes of achieving tax, corporate and financing efficiencies; and (c) to give the Entitled Scheme Shareholders who wish to exit the Company an opportunity to realise their investments in the Shares.

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3.2 **Shareholding after the Scheme and the Acquisition.** Following the completion of the Scheme and the Acquisition, the Partnership, the Offeror's Holdco and the Offeror will undertake the following internal corporate exercise (the "**Internal Transfer**"):

3.2.1 the Partnership will contribute the Shares acquired for the Equity Consideration and the other Shares it holds to the Offeror's Holdco; and

3.2.2 in turn, the Partnership will procure that the Offeror's Holdco contributes all such Shares received from the Partnership to the Offeror,

such that following the completion of the Internal Transfer, the Offeror will hold 100 per cent. of the Shares (excluding treasury shares).

3.3 **Future plans for the Company.** Save as described in the foregoing, the Offeror, the Offeror's Holdco and the Partnership currently have no intention of making any material changes to the existing businesses, re-deploying the fixed assets, or discontinuing the employment of the existing employees of the Group. The Offeror believes the Company has yet to realise its potential as the management's business plan has not been fully implemented. The Offeror also believes it may take up to several years for the management to fully implement the business plan. The Offeror plans to remain invested in the Company at least for such duration, and support the management in the implementation of their business plan. However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interest of the Offeror, the Offeror's Holdco, the Partnership and/or the Company.

#### 4. FINANCIAL EVALUATION OF THE CASH CONSIDERATION FOR THE SHARES

The Cash Consideration represents the following **premia or discount** over the historical traded prices of the Shares:

	Benchmark Price	Premium/ (Discount)
	(S\$)	(%)
Last transacted price per Share as quoted on the SGX-ST on 14 November 2014 (the " <b>Last Trading Day</b> ") <sup>(1)</sup>	0.875	32.6
VWAP <sup>(2)</sup> of the Shares for the 1-month period up to and including the Last Trading Day	0.721	60.9
VWAP of the Shares for the 3-month period up to and including the Last Trading Day	0.672	72.7
VWAP of the Shares for the 6-month period up to and including the Last Trading Day	0.577	101.1
VWAP of the Shares for the 12-month period up to and including the Last Trading Day	0.593	95.6
Closing price per Share as quoted on Catalist on 13 March 2015 <sup>(3)</sup> (the " <b>Delisting Suspension Day</b> ")	1.160	0.0
VWAP of the Shares for the 1-month period up to and including the Delisting Suspension Day	1.161	(0.1)
VWAP of the Shares for the 6-month period up to and including the Delisting Suspension Day	1.140	1.8

Source: Based on data extracted from S&P Capital IQ and the announcement dated 17 November 2014 by the Partnership in relation to the MGO.

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**Notes:**

- (1) Being the last trading day prior to the announcement dated 17 November 2014 being the date on which the MGO was announced.
- (2) “**VWAP**” means volume-weighted average price of the Shares.
- (3) Being the last full day of trading in the Shares on Catalist before the suspension in trading of the Shares requested after market closing on 13 March 2015.

**5. INFORMATION RELATING TO THE OFFEROR**

- 5.1 **Principal Activities.** The Offeror is a special purpose vehicle incorporated under the laws of the United Kingdom on 4 September 2014 for the purposes of the Acquisition and is a subsidiary indirectly wholly-owned by the Partnership. The registered office of the Offeror is at 90 High Holborn, London WC1V 6XX, United Kingdom. As of the Latest Practicable Date, the Offeror does not have any other business.
- 5.2 **Share Capital of the Offeror.** As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of £1.00 comprising one issued ordinary share. The sole shareholder of the Offeror is the Offeror’s Holdco.
- 5.3 **Sole Director of the Offeror.** The name, address and description of the sole director of the Offeror as at the Latest Practicable Date is set out below:

Name	Address	Designation
Mr. John Tyler Siegel Jr.	c/o Columbia Capital 204 South Union Street Alexandria Virginia 22314, US	Director

- 5.4 **Financial Information on the Offeror.** As at the Latest Practicable Date, the Offeror is an investment holding company which has not carried out any business since its incorporation, except to participate in the Scheme and to enter into financing arrangements described in paragraph 5.5 for the purpose of the Scheme. Accordingly, no audited or unaudited financial statements of the Offeror have been prepared as at the Latest Practicable Date except for the unaudited and unconsolidated financial statements set out in paragraph 7.4.

As at the Latest Practicable Date, the Offeror has no material assets other than its interest in the Company as described in paragraph 10.1(a) and no material liabilities other than in connection with the Acquisition Facility Agreement (as defined below), the Debenture (as defined below) and the Share Security Agreements (as defined below).

As at the Latest Practicable Date and save as disclosed by the Company, the Offeror is not aware of any material change in the financial position or prospects of the Company since 31 December 2015, being the date of the last balance sheet laid before the Shareholders in general meeting.

As at the Latest Practicable Date, save as a result of participation in, and obtaining financing described in paragraph 5.5 for, the Scheme, there has been no known material change in the financial position of the Offeror since its incorporation.

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- 5.5 **Indebtedness.** As at the Latest Practicable Date, the Offeror (as borrower) has entered into an acquisition facility agreement dated 28 July 2016 with Barclays Bank plc (as agent and joint lead arranger) and Royal Bank of Canada (as joint lead arranger) (the “**Acquisition Facility Agreement**”) under which, *inter alia*, the Lenders (as defined therein) have agreed to make available to the Offeror a term loan facility of up to €15,000,000 to be applied towards settlement or payment of the Cash Consideration in respect of the Scheme.

The interest rate on the term loan facility for each interest period relating thereto is the percentage rate per annum which is the aggregate of (i) a margin of 4.25 per cent. per annum; and (ii) the Euro Interbank Offered Rate for such loan and such interest period.

The termination date of the Acquisition Facility Agreement is the date falling 60 days after the first utilisation date or, if earlier, 31 January 2017.

As security for the financing of the Acquisition, the Offeror and the Offeror’s Holdco have entered into a share security agreement dated 29 July 2016 with Barclays Bank plc (as security agent) and, immediately prior to the Acquisition, the Partnership shall enter into a share security agreement with Barclays Bank plc (as security agent) (collectively, the “**Share Security Agreements**”) and agree to charge (i) 307,125,438 Shares, which represents 70.20 per cent. of the issued Shares (excluding treasury shares) held by the Partnership as at the Joint Announcement Date, and which will be contributed to the Offeror pursuant to the Internal Transfer; (ii) all the Shares to be acquired by the Partnership pursuant to the Scheme, and which are to be contributed to the Offeror pursuant to the Internal Transfer; (iii) all the Shares to be acquired by the Offeror pursuant to the Scheme; and (iv) the related rights to such Shares, in favour of Barclays Bank plc. In addition, the Offeror and the Offeror’s Holdco have entered into an English law security agreement in respect of their assets and undertaking (the “**Debenture**”) as security for the financing of the Acquisition.

Save as disclosed above, as at the Latest Practicable Date, the Offeror does not have any outstanding loan capital (whether issued or created but unissued), nor any term loans, nor any other bank borrowings or indebtedness in the nature of borrowing, including bank overdrafts or loans, and liabilities under acceptances, or similar indebtedness, acceptance credits, mortgages charges, hire purchase commitments and obligations under finance leases nor any material contingent liabilities or guarantees.

- 5.6 **Material Litigation.** As at the Latest Practicable Date:

- (a) the Offeror is not engaged in any material litigation, either as plaintiff or defendant, which might materially or adversely affect the financial position of the Offeror; and
- (b) the directors of the Offeror are not aware of any litigation, claims or proceedings pending or threatened against the Offeror, or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Offeror.

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### 6. INFORMATION RELATING TO THE OFFEROR'S HOLDCO

- 6.1 **Principal Activities.** The Offeror's Holdco is a special purpose vehicle incorporated under the laws of the United Kingdom on 4 September 2014 for the purposes of the Acquisition and is a subsidiary directly owned by the Partnership. The registered office of the Offeror's Holdco is at 90 High Holborn, London WC1V 6XX, United Kingdom. As of the Latest Practicable Date, the Offeror's Holdco does not have any other business.
- 6.2 **Share Capital of the Offeror's Holdco.** As at the Latest Practicable Date, the Offeror's Holdco has an issued and paid-up share capital of £100.00 comprising one hundred issued ordinary shares, and the sole shareholder of the Offeror's Holdco is the Partnership.
- 6.3 **Sole Director of the Offeror's Holdco.** As at the Latest Practicable Date, the sole director of the Offeror's Holdco is Mr. John Tyler Siegel Jr. His details are set out in paragraph 5.3 above.
- 6.4 **Financial Information on the Offeror's Holdco.** As at the Latest Practicable Date, the Offeror's Holdco is an investment holding company which has not carried out any business since its incorporation, except to participate in the Scheme and to enter into financing arrangements described in paragraph 5.5 for the purpose of the Scheme. Accordingly, no audited or unaudited financial statements of the Offeror's Holdco have been prepared as at the Latest Practicable Date except for the unaudited and unconsolidated financial statements set out in paragraph 7.4.

As at the Latest Practicable Date, the Offeror's Holdco has no material assets other than its shares in the Offeror as described in paragraph 5.2 and its interest in the Company as described in paragraph 10.1(a) and no material liabilities other than in connection with the Acquisition Facility Agreement, the Debenture and the Share Security Agreements.

As at the Latest Practicable Date and save as disclosed by the Company, the Offeror's Holdco is not aware of any material change in the financial position or prospects of the Company since 31 December 2015, being the date of the last balance sheet laid before the Shareholders in general meeting.

As at the Latest Practicable Date, save as a result of participation in, and obtaining financing for, the Scheme, there has been no known material change in the financial position of the Offeror's Holdco since its incorporation.

- 6.5 **Indebtedness.** Save as disclosed in paragraph 5.5, as at the Latest Practicable Date, the Offeror's Holdco does not have any outstanding loan capital (whether issued or created but unissued), nor any term loans, nor any other bank borrowings or indebtedness in the nature of borrowing, including bank overdrafts or loans, and liabilities under acceptances, or similar indebtedness, acceptance credits, mortgages, charges, hire purchase commitments and obligations under finance leases nor any material contingent liabilities or guarantees.



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6.6 **Material Litigation.** As at the Latest Practicable Date:

- (a) the Offeror's Holdco is not engaged in any material litigation, either as plaintiff or defendant, which might materially or adversely affect the financial position of the Offeror's Holdco; and
- (b) the directors of the Offeror's Holdco are not aware of any litigation, claims or proceedings pending or threatened against the Offeror's Holdco, or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Offeror's Holdco.

7. **INFORMATION RELATING TO THE PARTNERSHIP**

7.1 **Date and Country of Formation.** The Partnership is a limited liability partnership formed under the laws of the State of Delaware, US, on 29 August 2014.

7.2 **Principal Activities.** The Partnership was established by Columbia V and Columbia LP as a bid consortium for the Columbia Shareholders, the Columbia Warranholders and certain private equity investors to invest in the Company. The Partnership has not carried on any activity since its formation, except (a) to acquire 75,765,004 Shares from Fortress Partners Offshore Securities LLC, Fortress Partners Securities LLC and Mackenzie Cundill Recovery Fund at a price no more than the Cash Consideration and consequently to implement the MGO; (b) to acquire the Shares held by the Columbia Shareholders in consideration of an issue of interests in the Partnership ("**Partnership Interests**") to the Columbia Shareholders at no more than the Equity Consideration; (c) to acquire the Columbia Warrants held by the Columbia Warranholders in consideration of an issue of Partnership Interests to the Columbia Warranholders at no more than the "see-through" price calculated based on the Cash Consideration; (d) to participate in the Scheme; and (e) to enter into financing arrangements described in paragraph 5.5 for the purpose of the Scheme.

7.3 **Registered Office.** The address of the registered office of the Partnership is 850 New Burton Road, Suite 201, Dover, Delaware 19904, US. The Partnership does not have a principal office in Singapore.

7.4 **Financial Information on the Partnership.** As a limited liability partnership formed under the laws of the State of Delaware, US, no audited or unaudited financial statements of the Partnership have been prepared as at the Latest Practicable Date except for the unaudited and unconsolidated financial statements set out below.

Save as a result of the activities described in paragraph 7.2 above and any circumstances relating to the financial position of the Company, as at the Latest Practicable Date, there has been no known material change in the financial position of the Partnership since its formation.

As at the Latest Practicable Date, the Partnership has no material assets other than its shares in the Offeror's Holdco as described in paragraph 6.2 and its interest in the Company as described in paragraph 10.1(a) and no material liabilities other than in connection with the Acquisition Facility Agreement and the Share Security Agreements.

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As at the Latest Practicable Date and save as disclosed by the Company, the Partnership is not aware of any material change in the financial position or prospects of the Company since 31 December 2015, being the date of the last balance sheet laid before the Shareholders in general meeting.

The unaudited and unconsolidated financial statements of each of the Partnership, the Offeror's Holdco and the Offeror in respect of the period commencing on the formation of the Partnership until 31 December 2015 is set out as follows.

**(a) For FY2014**

<b>Income statement</b>	<b>Partnership US\$</b>	<b>Partnership US\$</b>
<b>Revenue</b>		
Other administration expenses		0
Legal Expense	(221,309)	
Other Expense	(1,531)	
Options payouts	(3,650,679)	
	<hr/>	<hr/>
		(3,873,519)
<b>Operating profit/(loss)</b>		(3,873,519)
Financial expenses		
Bank fees (hedge cost)	(219,366)	
Unrealised gain/(loss)	-	
	<hr/>	<hr/>
		(219,366)
<b>Loss before income tax</b>		(4,092,885)
<b>Income tax</b>		0
		<hr/>
<b>Loss for the year after income tax and total comprehensive loss</b>		<hr/> (4,092,885) <hr/>

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<b>Balance sheet</b>	<b>Partnership US\$</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Investments in subsidiaries	89,863,440
Total non-current assets	<u>89,863,440</u>
<b>Current assets</b>	
Cash and cash equivalents	50,894,259
Total current assets	<u>50,894,259</u>
<b>Total assets</b>	<u>140,757,699</u>
<b>Equity and liabilities</b>	
<b>Capital and reserves</b>	
Share capital/Net partner contributions	(144,850,584)
Accumulated losses b/fwd	0
Current year losses	<u>4,092,885</u>
Total equity	<u>(140,757,699)</u>

**Notes:**

- (1) There are no exceptional items, minority interests or net earnings per share to report for the Partnership.
- (2) There have been no dividends paid or proposed by the Partnership.

**(b) For FY2015**

<b>Income statement</b>	<b>Partnership US\$</b>	<b>Partnership US\$</b>	<b>Offeror's Holdco £</b>	<b>Offeror £</b>
<b>Revenue</b>				
Other administration expenses		0	0	0
Legal Expense	(2,248,392)			
Other Expense	(2,418,539)			
Options payouts	<u>(2,851,821)</u>			
		<u>(7,518,752)</u>	0	0
<b>Operating profit/(loss)</b>		<u>(7,518,752)</u>	0	0
<b>Financial expenses</b>				
Bank fees (hedge cost)	(2,233)			
Unrealised gain/(loss)	<u>(20,373,197)</u>			
		<u>(20,375,430)</u>	0	0
<b>Loss before income tax</b>		<u>(27,894,182)</u>	0	0

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Income statement	Partnership US\$	Partnership US\$	Offeror's Holdco £	Offeror £
Income tax		0	0	0
<b>Loss for the year after income tax and total comprehensive loss</b>		(27,894,182)	0	0
<b>Balance sheet</b>		Partnership US\$	Offeror's Holdco £	Offeror £
<b>Assets</b>				
<b>Non-current assets</b>				
Investments in subsidiaries		239,716,723	1	0
Total non-current assets		239,716,723	1	0
<b>Current assets</b>				
Cash and cash equivalents		360,932	99	1
Total current assets		360,932	99	1
<b>Total assets</b>		240,077,655	100	1
<b>Equity and liabilities</b>				
<b>Capital and reserves</b>				
Share capital/Net partner contributions		(272,064,722)	100	1
Accumulated losses b/fwd		4,092,885		
Current year losses		27,894,182		
Total equity		(240,077,655)	100	1

**Notes:**

- (1) There are no exceptional items, minority interests or net earnings per share to report for each of the Partnership, the Offeror's Holdco or the Offeror.
- (2) There have been no dividends paid or proposed by the Partnership, the Offeror's Holdco or the Offeror.

**7.5 Risk Factors**

The risk factors below may contain statements relating to or interpretations of US laws and regulations. Such statements are not to be regarded as advice on US laws and regulations and/or the differences between these laws and the laws of any jurisdiction. The risk factors do not purport to be a comprehensive analysis of all consequences, whether legal, tax or otherwise, relating to the ownership of Preferred Interests and Common A Interests. In addition, Entitled Scheme Shareholders should note that the laws and regulations applicable to the Partnership may change and any change may be retroactive to the date of issuance of the Preferred Interests and Common A Interests. The laws and regulations

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are also subject to various interpretations and the relevant authorities or the courts may disagree with the interpretations, explanations or conclusions set out below, if any. Entitled Scheme Shareholders should also note that the risk factors described below are not intended to be exhaustive. Entitled Scheme Shareholders are advised to seek independent legal, financial, tax or business advice concerning their individual situations before making the Partnership Interest Election.

**7.5.1 Transfer Restrictions.** The Preferred Interests and Common A Interests to be issued as Equity Consideration are neither freely tradable nor transferable, and are subject to various transfer restrictions set forth in Article 7 of the Partnership Agreement. Accordingly, Entitled Scheme Shareholders who make the Partnership Interest Election may face difficulty in transferring or selling the Preferred Interests and Common A Interests.

**7.5.2 Tax Matters.** The Partnership may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by an applicable taxing authority, a partner of the Partnership might be found to have a different tax liability for that year than as reported on a tax return. In addition, an audit of the Partnership may result in an audit of the tax returns of some or all of the partners, which examination could result in adjustments to the tax consequences initially reported by the Partnership and affect items not related to a partner's interest in the Partnership. If such adjustments result in an increase in a partner's tax liability for any year, such partner may also be liable for interest and penalties with respect to the amount of underpayment. There are risks associated with the tax aspects of holding an interest in the Partnership that are complex and will not be the same for all partners. In addition, there may be special concerns for partners subject to specific regulations. Each Entitled Scheme Shareholder is advised to consult its own tax advisors before making the Partnership Interest Election to receive the Equity Consideration.

**7.5.3 Tax Classification of the Partnership.** It is intended that the Partnership be treated as a partnership for US federal income tax purposes where any income tax liability of the Partnership is owed by its partners instead of the Partnership (an income tax transparent entity). If the Partnership were to be treated for tax purposes as an association taxable as a corporation, or any other opaque entity for tax purposes, the tax benefits associated with holding an interest in the Partnership would not be available to the partners. The Partnership would, among other things, pay income tax on its earnings in the same manner and at the same rate as a corporation. Also, while the Partnership may be treated an income tax transparent entity for US federal income tax purposes, the applicable tax jurisdiction of a particular partner may not, which may change the tax characterization of any income or distributions from the Partnership to such partner.

**7.5.4 Phantom Income.** Each Entitled Scheme Shareholder who elects to receive the Equity Consideration will be required to take into account their allocable share of the Partnership's items of income, gain, loss, deduction and credit, without regard to whether they have received or will receive any distributions from the Partnership. Thus, each Entitled Scheme Shareholder who elects to receive the Equity Consideration may be taxed on its distributive share of the taxable income of the Partnership regardless of whether the Partnership makes any cash distributions.

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Accordingly, a partner's tax liability for any taxable year attributable to holding an interest in the Partnership may exceed (and perhaps to a substantial extent) the cash distributed to that partner during the taxable year. Consequently, each Entitled Scheme Shareholder who elects to receive the Equity Consideration should plan to satisfy any tax obligations arising from their holdings in the Partnership from sources other than distributions from the Partnership.

**7.5.5 Controlled Foreign Corporation.** Currently, the Partnership's interest in the Company and the Offeror's Holdco are each treated as a "controlled foreign corporation" for US federal income tax purposes pursuant to Section 957 of the US Internal Revenue Code of 1986, as amended (the "IRC") and subject to special US federal income tax rules applicable to partners (and their beneficial owners) who are treated as "United States persons" under the IRC. Such special rules may include requiring the applicable partners of the Partnership to recognise certain income of the Company, the Offeror, the Offeror's Holdco or any of their subsidiaries as their own regardless of any cash distributions to the Partnership or the partners of the Partnership with respect to such income and causing the treatment of some or all of the gain recognised on the disposition of the Offeror's Holdco as dividend income instead of capital gains depending on the circumstances. Each Entitled Scheme Shareholder (or any of its beneficial owners) who are treated as "United States persons" for US federal income tax purposes is advised to consult its own tax advisors regarding these special rules before making the Partnership Interest Election to receive the Equity Consideration.

### 7.6 Partnership Structure

**7.6.1 Share Capital.** As at the Latest Practicable Date, the Partnership has the following classes of Partnership Interests: (a) Preferred Interests, (b) Common A Interests and (c) Common B Interests:

Class	Preferred Interests	Common A Interests	Common B Interests
<b>Authorised</b>	50,000,000	50,000,000	Such number of Common B Interests equivalent to the difference between (i) twelve per cent. of the sum of the issued Common A Interests issued as of 18 January 2016, the total number of authorised Common B Interests and the total number of Award Interests awarded under the euNetworks Group Limited Deferred Compensation Plan dated 5 November 2015, minus (ii) the total number of issued Award Interests awarded under the Deferred Compensation Plan.
<b>Issued (%)</b>	63.79	63.79	91.82

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7.6.2 **Rights in respect of Capital, Dividends and Voting.** The rights of the holders of Partnership Interests in respect of capital, dividends and voting are set out in the Partnership Agreement, a copy of which is set out in Schedule 2 to this Offeror Letter to Shareholders.

7.6.3 **Status and Issuance of the Preferred Interests and Common A Interests.** The Preferred Interests and Common A Interests to be issued as Equity Consideration shall respectively rank *pari passu* and have identical rights in all respects with other issued Preferred Interests and Common A Interests. The Common B Interests are established for allocation to the employees and management of the Company.

Other than in a liquidation, distributions by the Partnership are made in accordance with the following order of priority:

- (a) first, to holders of Preferred Interests, in proportion to their unreturned capital contribution in respect of the Preferred Interests;
- (b) second, to the holders of Preferred Interests, in proportion to their unpaid prescribed priority return in the amount accruing at the rate of five per cent. per annum in respect of the Preferred Interests; and
- (c) third, based on a prescribed allocation amongst (i) the Common A Interests and (ii) the Common B Interests where the Common B Interests, together with interests issued under the Deferred Compensation Plan, are collectively allocated 12 per cent. to 17 per cent. of the amount distributed depending on the return on capital invested by the financial investors used to finance the MGO (i.e. a higher return to the financial investors results in a higher allocation to the holders of Common B Interests) and the remaining amount is allocated to the holders of Common A Interests. The amount allocated to each class generally will be distributed pro rata in accordance with the number of Common A Interests or Common B Interests held, as the case may be; provided, however, some Common B Interests may be distributed a lower amount depending on when such Common B Interests were issued and the participation thresholds of such Common B Interests. Notwithstanding the foregoing, the amounts to the holders of Common B Interests are subject to adjustment in the event of a sale of the Partnership occurring prior to 17 November 2017, as specifically set forth in the Partnership Agreement.

In a liquidation, distributions by the Partnership will follow the order of priority above subject to all liabilities of the Partnership having been settled (including the liquidation expenses) and the setting aside of such reserves as may be deemed by the board of managers of the Partnership to be necessary or advisable for any contingent or unforeseen liabilities of the Partnership.

Further details of the ranking of the Preferred Interests, the Common A Interests and the Common B Interests for dividends and capital (in particular, but without limitation, the order of priority for distributions described above) are set out in the Partnership Agreement.

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As of the Latest Practicable Date, the Preferred Interests and Common A Interests in the Partnership are held by the Columbia Shareholders together with the Existing Partners as follows:

<b>Name</b>	<b>Preferred Interests</b>	<b>Preferred Interests Ownership Percentage</b>	<b>Common A Interests</b>	<b>Common A Interests Ownership Percentage</b>
Columbia EUN Partners V, LLC	4,075,384	12.78%	3,518,277	11.03%
EUN Partners V, LLC	13,107,813	41.10%	11,315,969	35.48%
Columbia Capital Equity Partners V (QP), L.P.	13,024	0.04%	13,024	0.04%
Columbia Capital Equity Partners V (NON-US), L.P.	4,538	0.01%	4,538	0.01%
Columbia Capital Equity Partners V (Co-Invest), L.P.	3,251	0.01%	3,251	0.01%
Columbia Capital Equity Partners IV (QP), L.P.	8,153	0.03%	8,153	0.03%
Greenspring Global Partners VI-A, L.P., Greenspring Global Partners VI-C L.P., Greenspring Opportunities II, L.P., Greenspring Opportunities II-A, L.P., Greenspring Global Partners V-A, L.P., Greenspring Global Partners V-C, L.P., and Greenspring Opportunities III, L.P. (collectively, " <b>Greenspring</b> ")	4,694,587	14.72%	5,445,720	17.07%



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Name	Preferred Interests	Preferred Interests Ownership Percentage	Common A Interests	Common A Interests Ownership Percentage
QIC Private Capital Pty Ltd as trustee for the QIC Private Equity Fund No. 2 and QIC Investments No. 1 Pty Ltd as trustee for the QIC Direct Opportunities Fund (collectively, "QIC")	4,062,153	12.74%	4,712,098	14.77%
CNF Investments III, LLC	447,103	1.40%	518,640	1.63%
Telcom CEE Landline, LLC	2,123,771	6.66%	2,463,574	7.72%
The Bunting Family Private Fund Limited Liability Company and The Bunting Family Tax-Exempt Private Fund Limited Liability Company	1,117,788	3.50%	1,296,636	4.07%
D. Canale & Co., Canale Family Limited Partnership, Canale Enterprise, LLC, JDC Investments, LP and CWC Family, LP	279,440	0.88%	324,151	1.02%
Pittco Capital Partners IV, LP	223,557	0.70%	259,327	0.81%
Middleland Endowment I LLC	558,879	1.75%	648,300	2.03%
Global Undervalued Securities Master Fund, LP	1,117,759	3.50%	1,296,600	4.07%
Ram Pasture LLC	55,888	0.18%	64,830	0.20%
<b>Total:</b>	<b>31,893,088</b>	<b>100%</b>	<b>31,893,088</b>	<b>100%</b>

As at the Latest Practicable Date, the Common B Interests in the Partnership are held by certain persons who are existing or former directors or employees of the Company including Mr. Kai-Uwe Ricke who holds 54,363 Common B Interests.

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7.6.4 **Managers of the Partnership.** Under the Partnership Agreement, each of (a) the Columbia Shareholders, Columbia Capital Equity Partners V (QP), L.P., Columbia Capital Equity Partners V (NON-US), L.P., Columbia Capital Equity Partners V (Co-Invest), L.P., Columbia Capital Equity Partners IV (QPCO), L.P. and Columbia Capital Equity Partners IV (QP), L.P. (collectively, “**Columbia**”); (b) QIC; and (c) Greenspring has the right to appoint one manager.

The names, addresses and descriptions of the managers of the Partnership as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr. John Tyler Siegel Jr.	c/o Columbia Capital 204 South Union Street Alexandria, Virginia 22314, US	Manager
Mr. Kai-Uwe Ricke	Hinterbuchenegg 29, 8143 Stallikon, Switzerland	Manager
Mr. Frederic Grant Emry III	11422 Mays Chapel Road, Lutherville MD 21093, US	Manager

7.6.5 **Information on Preferred Interests and Common A Interests Sold.** As at the Latest Practicable Date, the Preferred Interests and Common A Interests are not listed on any securities exchange. No Partnership Interests were sold during the period between the start of six months preceding the Joint Announcement Date and the Latest Practicable Date.

7.6.6 **Convertible Securities.** As at the Latest Practicable Date, save as disclosed in this Offeror Letter to Shareholders and the Scheme Document, there are no outstanding instruments convertible into, rights to subscribe for or options in respect of securities which carry voting rights affecting any of the Preferred Interests, Common A Interests or Common B Interests.

7.6.7 **Re-organisation.** As at the Latest Practicable Date, the Partnership has not undergone any re-organisation of its share capital since the date of its formation.

7.7 **Material Liabilities.** Save as disclosed in paragraph 5.5, as at the Latest Practicable Date, the Partnership does not have any outstanding loan capital (whether issued or created but unissued), or any term loans, or any other bank borrowings or indebtedness in the nature of borrowing, including bank overdrafts or loans, and liabilities under acceptances, or similar indebtedness, acceptance credits, mortgages, charges, hire purchase commitments and obligations under finance leases or any material contingent liabilities or guarantees.

7.8 **Material Litigation.** As at the Latest Practicable Date:

- (a) the Partnership is not engaged in any material litigation, either as plaintiff or defendant, which might materially or adversely affect the financial position of the Partnership; and

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- (b) the managers of the Partnership are not aware of any litigation, claims or proceedings pending or threatened against the Partnership or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Partnership.

7.9 **Material Contracts with Interested Persons.** As at the Latest Practicable Date and save as disclosed in this Offeror Letter to Shareholders and the Scheme Document, there are no material contracts entered into between the Partnership and an interested person (within the meaning of Note 1 to Rule 23.12 of the Code), not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Partnership during the three years (taking into account the date of formation of the Partnership, being 29 August 2014) prior to the date of this Offeror Letter to Shareholders.

### 8. SPECIAL ARRANGEMENTS

8.1 **No Agreement having any Connection with or Dependence upon Scheme.** Save for the Implementation Agreement and the Deeds of Undertaking, as at the Latest Practicable Date, no agreement, arrangement or understanding exists between any of the Partnership, the Offeror's Holdco, the Offeror and any party acting in concert them, on the one hand, and any of the Directors, recent directors of the Company, Shareholders and recent shareholders of the Company, on the other hand, having any connection with or dependence upon the Scheme.

8.2 **Transfer of the Shares.** Save for the Internal Transfer, as at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Shares acquired by the Offeror and the Partnership pursuant to the Scheme will be transferred to any other persons. However, the Offeror and the Partnership reserve the right to direct or transfer any of the Shares to any of its related corporations (within the meaning of Section 6 of the Companies Act) or for the purpose of granting security in favour of any financial institutions or party which have or may extend credit facilities to it.

8.3 **No Payment or Benefit to Directors.** As at the Latest Practicable Date, save as disclosed in the Scheme Document, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Scheme.

8.4 **No Agreement Conditional upon Outcome of the Scheme.** Save as disclosed in the Scheme Document and this Offeror Letter to Shareholders, as at the Latest Practicable Date, there is no agreement, arrangement or understanding between the Partnership, the Offeror's Holdco or the Offeror, on the one hand, and any of the Directors or any other person, on the other hand, in connection with or conditional upon the outcome of the Scheme or otherwise connected with the Scheme.

8.5 **Directors' and Managers' Service Contracts.** The emoluments of the managers of the Partnership, and the respective directors of the Offeror's Holdco and the Offeror, will not be varied or affected by the implementation of the Scheme.

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**9. INFORMATION RELATING TO THE COMPANY**

**No Transfer Restrictions.** The Constitution of the Company does not contain any restrictions on the right to transfer the Shares in connection with the Acquisition or the Scheme.

**10. DISCLOSURE OF INTERESTS**

**10.1 Holdings.** As at the Latest Practicable Date:

- (a) the Partnership, the Offeror's Holdco, the Offeror and the parties acting in concert with them collectively own, control or have agreed to acquire an aggregate of 308,090,708 Shares, representing approximately 70.42% of the total number of issued Shares (excluding treasury shares), and 2,100,000 Columbia Warrants, the details of which are set out below:

*Shares*

Name	Number of Shares			
	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Partnership	307,125,438	70.20	–	–
Columbia EUN Partners V, LLC <sup>(1)</sup>	–	–	307,125,438	70.20
EUN Partners V, LLC <sup>(1)</sup>	–	–	307,125,438	70.20
Columbia LP <sup>(2)</sup>	–	–	307,125,438	70.20
Columbia V <sup>(2)</sup>	–	–	307,125,438	70.20
Mr. James B. Fleming Jr. <sup>(2)</sup>	–	–	307,125,438	70.20
Mr. John Tyler Siegel Jr. <sup>(2)</sup>	–	–	307,125,438	70.20
Columbia Capital Equity Partners V (QP) L.P. <sup>(1)</sup>	–	–	307,125,438	70.20
Columbia Capital Equity Partners V (NON-US) L.P. <sup>(1)</sup>	–	–	307,125,438	70.20
Columbia Capital Equity Partners V (Co-Invest) L.P. <sup>(1)</sup>	–	–	307,125,438	70.20
Columbia Capital Equity Partners IV (QP), L.P. <sup>(1)</sup>	–	–	307,125,438	70.20
Columbia Capital Equity Partners IV (QPCO), L.P. <sup>(3) (4)</sup>	–	–	307,125,438	70.20
Columbia Capital IV, LLC <sup>(4)</sup>	–	–	307,125,438	70.20
Columbia Capital Equity Partners IV, L.P. <sup>(4)</sup>	–	–	307,125,438	70.20
Mr. Kai-Uwe Ricke	965,270	0.22	–	–

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**Notes:**

- (1) The Columbia Shareholders, Columbia Capital Equity Partners V (QP) L.P., Columbia Capital Equity Partners V (NON-US) L.P., Columbia Capital Equity Partners V (Co-Invest) L.P. and Columbia Capital Equity Partners IV (QP), L.P. are deemed to be interested in the 307,125,438 Shares held by the Partnership because they are associates who respectively hold 12.78%, 41.10%, 0.04%, 0.01%, 0.01% and 0.03% of the Preferred Interests in the Partnership.
- (2) The Columbia Shareholders and the Relevant Columbia Warrantholders are under the management and control of Columbia LP. In turn, Columbia LP is under the management and control of Columbia V. Accordingly, both Columbia LP and Columbia V are deemed to be interested in the 307,125,438 Shares that the Columbia Shareholders and the Relevant Columbia Warrantholders are deemed to be interested in.  
  
Each of Mr. James B. Fleming Jr. and Mr. John Tyler Siegel Jr., is deemed to be interested in the 307,125,438 Shares because Columbia V is accustomed to act in accordance with their directions.
- (3) Columbia Capital Equity Partners IV (QPCO), L.P. is deemed interested in the 307,125,438 Shares that EUN Partners V, LLC is deemed interested in because it is an associate who holds 2% of the units in EUN Partners V, LLC.
- (4) Columbia Capital Equity Partners IV (QP), L.P. and Columbia Capital Equity Partners IV (QPCO), L.P. are under the management and control of Columbia Capital Equity Partners IV, L.P. In turn, Columbia Capital Equity Partners IV, L.P. is under the management and control of Columbia Capital IV, LLC. Accordingly, both Columbia Capital Equity Partners IV, L.P. and Columbia Capital IV, LLC are deemed to be interested in the 307,125,438 Shares that Columbia Capital Equity Partners IV (QP), L.P. and Columbia Capital Equity Partners IV (QPCO), L.P. are deemed to be interested in.

*Columbia Warrants*

Name	No. of Columbia Warrants	No. of Shares exercisable into	Exercise period	Exercise price (\$\$)
Partnership	2,100,000	2,100,000	Exercisable from various dates onwards (depending on the group of Columbia Warrants), in each case up to 8 August 2016 <sup>(1)</sup>	1.00

**Note:**

- (1) The Partnership did not exercise any of the Columbia Warrants and the Columbia Warrants have lapsed and ceased to be valid.
- (b) save as disclosed in the table above, none of the Partnership, the Offeror's Holdco, the Offeror and parties acting in concert with them owns, controls or has agreed (other than pursuant to the Implementation Agreement) to acquire any Company Securities;
  - (c) save as disclosed in this Offeror Letter to Shareholders, none of the Partnership, the Offeror's Holdco, the Offeror and the parties acting in concert with them owns, controls or has agreed to acquire any (i) equity share capital of the Partnership, the Offeror's Holdco or the Offeror; (ii) securities in the Partnership, the Offeror's Holdco or the Offeror which carry substantially the same rights as the Preferred Interests and Common A Interests; and (iii) convertible securities, warrants, options and derivatives in respect of (i) or (ii) (collectively, the "**Offeror Securities**");

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- (d) save as disclosed in this Offeror Letter to Shareholders, none of the managers of the Partnership and the respective directors of the Offeror's Holdco and the Offeror has any interest in Company Securities or Offeror Securities;
- (e) save as set out in the following table, none of the Undertaking Shareholders owns, controls or has agreed to acquire any Company Securities or Offeror Securities:

S/ No	Shareholder	Shares Owned	% <sup>(1)</sup>	Elected Consideration	
				% of Shares owned to which Cash Consideration applies	% of Shares owned to which Equity Consideration applies
1.	G.K. Goh Strategic Holdings Pte Ltd	33,067,424	7.56	0	100
2.	Mr. Aegerter Simon Daniel	32,693,128	7.47	0	100
3.	Alpha Securities Pte Ltd	15,092,742	3.45	0	100
4.	Mr. Goh Geok Khim	7,700,000	1.76	0	100
5.	Delta-v Capital 2011, LP	6,390,158	1.46	0	100
6.	Delta-v Capital Access Fund, LP	4,411,102	1.01	0	100
7.	WP SCF Select Co-Investment Fund, L.P.	4,073,276	0.93	0	100
8.	Delta-v Capital 2009, LP	3,673,113	0.84	0	100
9.	Washington Square Park Partners LLC	3,275,346	0.75	0	100
10.	Tasman Fund Trustee Limited	3,000,000	0.69	0	100
11.	Mr. Goh Yew Lin	2,849,782	0.65	0	100
12.	Mr. Ho Kam Yew	2,400,000	0.55	0	100
13.	Mr. Edward Thomas Jenne <sup>(2)</sup>	2,032,243	0.46	0	100

**Notes:**

- (1) Based on 437,517,419 Shares (excluding treasury shares) as at the Joint Announcement Date.
- (2) These Shares are held by HSBC (Singapore) Noms Pte Ltd on behalf of Mr. Edward Thomas Jenne.

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- (f) save as disclosed in this Offeror Letter to Shareholders and the Scheme Document, none of the Partnership, the Offeror's Holdco, the Offeror and any party acting in concert with them has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities or the Offeror Securities which may be an inducement to deal or refrain from dealing in the Company Securities or the Offeror Securities; and
- (g) save as disclosed in this Offeror Letter to Shareholders, none of the Partnership, the Offeror's Holdco, the Offeror and any party acting in concert with them has (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise; (ii) borrowed from another person any Company Securities (excluding borrowed securities which have been on-lent or sold); or (iii) lent to another person any Company Securities.

10.2 **Dealings.** None of (i) the Partnership, the Offeror's Holdco, the Offeror and any party acting in concert with them; (ii) the manager or directors (as the case may be) of the Partnership, the Offeror's Holdco and the Offeror; and (iii) the Undertaking Shareholders has, during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date, dealt for value in the Company Securities or the Offeror Securities.

### 11. CONFIRMATION OF FINANCIAL RESOURCES

The Offeror Financial Adviser confirms that the Offeror has sufficient financial resources to acquire, and satisfy the consideration to be paid for, all of the Shares to be acquired by it pursuant to the Scheme on the basis that all Scheme Shareholders (other than the Undertaking Shareholders who have, pursuant to the Deeds of Undertaking, undertaken to the Offeror to receive the Equity Consideration in lieu of the Cash Consideration) will receive the Cash Consideration.

### 12. PROCEDURES FOR ELECTION AND SETTLEMENT

12.1 **Procedures for Election.** The procedures for election are more particularly described in paragraph 12.2.1 of the Explanatory Statement.

12.2 **Settlement.** Upon the Scheme becoming effective and binding, the settlement will take place in the following manner:

#### (a) Transfer of Shares

- (i) The Shares held by Entitled Scheme Shareholders who have not made any valid Partnership Interest Election during the Election Period will be transferred to the Offeror for the Cash Consideration to be paid by the Offeror for each Share transferred.
- (ii) The Shares in respect of which a valid Partnership Interest Election has been made during the Election Period will be transferred to the Partnership for the Equity Consideration to be issued by the Partnership to the relevant Entitled Scheme Shareholder (or its nominee) or the relevant sub-account holder (at the direction of the Entitled Depository Agent to the Partnership).

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- (iii) To effect the transfers mentioned in sub-paragraphs (i) and (ii) above, the Company shall authorise any person to execute or effect on behalf of all such Entitled Scheme Shareholders instrument(s) or instruction(s) of transfer of all the Shares held by such Entitled Scheme Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Scheme Shareholder.
  - (iv) From the Effective Date, all existing share certificates representing a former holding of Shares by the Entitled Scheme Shareholders will cease to be evidence of title of the Shares represented thereby.
  - (v) The Entitled Scheme Shareholders are required to forward these existing share certificates representing their former holding of Shares to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven Singapore Business Days after the Effective Date for cancellation.
- (b) **Despatch of Consideration**
- (i) **Cash Consideration.** The Offeror shall, not later than seven Singapore Business Days after the Effective Date, and against the transfer of the Shares set out in paragraph 12.2(a) above, despatch the Cash Consideration to the Entitled Scheme Shareholders who have not made any valid Partnership Interest Election during the Election Period, by sending a cheque for the aggregate cash payment payable to and made out in favour of each Entitled Scheme Shareholder, or in the case of joint Entitled Scheme Shareholders, to and made out in favour of the first named Entitled Scheme Shareholder, in each case, by ordinary post to such Entitled Scheme Shareholder's address appearing in the Register of Members on the Books Closure Date, at the sole risk of such Entitled Scheme Shareholder.
  - (ii) **Equity Consideration.** The Partnership shall, not later than seven Singapore Business Days after the Effective Date, and against the transfer of the Shares set out in paragraph 12.2(a) above, issue the Equity Consideration to Entitled Scheme Shareholders who made valid Partnership Interest Election(s) during the Election Period. Immediately after the Equity Consideration is issued by the Partnership, the Partnership will credit the relevant amount of Partnership Interests to the Entitled Scheme Shareholder's (or its nominee's) or the relevant sub-account holder's account (at the direction of the Entitled Depository Agent to the Partnership) on the [esharesinc.com](http://esharesinc.com) platform (the "**Platform**"). Each Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder, will receive electronic mail from the Platform to such Entitled Scheme Shareholder's (or its nominee's) or relevant sub-account holder's electronic mailing address as provided in the Election Form, at the sole risk of such Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder, requiring them to register with the Platform after which such Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder will receive electronic certificates for the relevant amount of Partnership Interests.



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### 13. RESPONSIBILITY STATEMENTS

#### 13.1 The Offeror

The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this Offeror Letter to Shareholders) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offeror Letter to Shareholders and paragraphs 4, 12.2.1, 12.2.2 and 12.2.3 of the Explanatory Statement (excluding information relating to the Company or any opinion expressed by the Company) are fair and accurate and that, where appropriate, no material facts which relate to the Offeror have been omitted from this Offeror Letter to Shareholders and paragraphs 4, 12.2.1, 12.2.2 and 12.2.3 of the Explanatory Statement, and the directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offeror Letter to Shareholders and paragraphs 4, 12.2.1, 12.2.2 and 12.2.3 of the Explanatory Statement. The directors of the Offeror do not accept any responsibility for any information relating to or any opinion expressed by the Company.

#### 13.2 The Offeror's Holdco

The directors of the Offeror's Holdco (including any who may have delegated detailed supervision of the preparation of this Offeror Letter to Shareholders) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offeror Letter to Shareholders and paragraphs 4, 12.2.1, 12.2.2 and 12.2.3 of the Explanatory Statement (excluding information relating to the Company or any opinion expressed by the Company) are fair and accurate and that, where appropriate, no material facts which relate to the Offeror's Holdco have been omitted from this Offeror Letter to Shareholders and paragraphs 4, 12.2.1, 12.2.2 and 12.2.3 of the Explanatory Statement, and the directors of the Offeror's Holdco jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror's Holdco has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offeror Letter to Shareholders and paragraphs 4, 12.2.1, 12.2.2 and 12.2.3 of the Explanatory Statement. The directors of the Offeror's Holdco do not accept any responsibility for any information relating to or any opinion expressed by the Company.

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### 13.3 The Partnership

The managers of the Partnership (including any who may have delegated detailed supervision of the preparation of this Offeror Letter to Shareholders) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offeror Letter to Shareholders and paragraphs 4, 12.2.1, 12.2.2 and 12.2.3 of the Explanatory Statement (excluding information relating to the Company or any opinion expressed by the Company) are fair and accurate and that, where appropriate, no material facts which relate to the Partnership or the Offeror have been omitted from this Offeror Letter to Shareholders and paragraphs 4, 12.2.1, 12.2.2 and 12.2.3 of the Explanatory Statement, and the managers of the Partnership jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the managers of the Partnership has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offeror Letter to Shareholders and paragraphs 4, 12.2.1, 12.2.2 and 12.2.3 of the Explanatory Statement. The managers of the Partnership do not accept any responsibility for any information relating to or any opinion expressed by the Company.

Yours faithfully  
For and on behalf of

**EUN (UK) LIMITED**

Mr. John Tyler Siegel Jr.  
Director

**EUN HOLDINGS (UK) LIMITED**

Mr. John Tyler Siegel Jr.  
Director

**EUN HOLDINGS, LLP**

Mr. John Tyler Siegel Jr.  
Manager

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### SCHEDULE 1

#### SUMMARY OF THE KEY TERMS IN THE PARTNERSHIP AGREEMENT AND THE REGISTRATION RIGHTS AGREEMENT

Below is a high level summary of some of the key terms in the Partnership Agreement, including a brief description of the Registration Rights Agreement. This summary does not purport to be exhaustive and should be read in conjunction with the Partnership Agreement and Registration Rights Agreement (the final forms of which have been uploaded to and are accessible at the “Investor Relations” section on the Company’s website, <http://www.eunetworks.com>, and the copies of which are set out respectively in Schedules 2 and 3 to the Offeror Letter to Shareholders) in their entirety for accuracy and completeness. All capitalised terms used and not defined in this summary shall have the same meanings given to them in the Scheme Document.

This high level summary is for information only and has not been prepared based on any particular needs or constraints or other particular circumstances of any Shareholder. The Company, the Partnership, the Offeror’s Holdco, the Offeror and their respective advisers do not assume any responsibility to any person in connection with this high level summary. Shareholders may wish to consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser. In particular, Shareholders should consult their respective tax advisers regarding the applicable tax considerations particular to them if they wish to elect for, and be issued, the Equity Consideration comprising Preferred Interests and Common A Interests.

**Interests:** The partners’ interests in the Partnership are represented by limited liability partnership interests referred to as “Interests”. The Partnership Agreement is the constitutional document of the Partnership and establishes the following classes of Interests for issuance: (i) Preferred Interests, (ii) Common A Interests, and (iii) Common B Interests. Pursuant to the Scheme, the Preferred Interests and Common A Interests are issued to Shareholders who validly elect to receive the Interests. The Common B Interests are established for allocation to the employees and management of the Company. Each Shareholder who validly elects to receive the Interests will become party to the Partnership Agreement and the Registration Rights Agreement.

Each holder of Preferred Interests, Common A Interests and Common B Interests (each a “partner”) has various rights and obligations that are set forth in the Partnership Agreement.

**Anti-Dilution:** The Partnership has granted certain anti-dilution rights to the holders of Preferred Interests in the event that, among other things, Common A Interests or Common B Interests are issued in the future at a price per share less than S\$10.00. The holders of Common B Interests also have a similar anti-dilution right if the Partnership is operating on target or ahead of its five year operating plan. The details of the anti-dilution rights are set forth in the Section 4.2 of the Partnership Agreement.

**Allocations/Distributions:** The holders of Preferred Interests, Common A Interests and Common B Interests will be allocated profits and losses and will be entitled to liquidating and non-liquidating distributions in accordance with Article 5 of the Partnership Agreement.

**Board Composition and Matters:** Each holder who holds (together with its affiliates) 10% or more of the Preferred Interests will have the right to appoint one manager to the board of managers of the Partnership (“Management Board”) for every full 10% of Preferred Interests held by such person (together with its affiliates). The remainder of the Management Board will include at least one manager designated by Columbia, one manager designated by QIC, one manager designated by Greenspring, the Chief Executive Officer, the Chief Financial Officer, a chairman designated by the holders of 55% or more of the Preferred Interests and an independent manager designated by the holders of 55% or more of the Preferred Interests.

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## APPENDIX 2

### OFFEROR LETTER TO SHAREHOLDERS

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The Partnership Agreement restricts the Management Board from taking certain actions without the consent of the holders of 55% or more of the Preferred Interests and certain other actions without the consent of the holders of 80% or more of the Preferred Interests. A list of those restricted actions is set forth in Section 6.5 of the Partnership Agreement.

**Transfer Restrictions:**

No holder of Interests is permitted to transfer except in compliance with the Partnership Agreement.

Until April 10, 2020, any proposed transfer by a holder of Interests will be subject to a right of first refusal in favour of the Partnership.

If any holder of 10% or more of the Preferred Interests or any holder of Common B Interests proposes to transfer their Interests to a third party, such transfer shall be subject to tag along right of other holders of Preferred Interests to sell a portion of the same type of Interests proposed to be sold by the transferring holder.

Every holder of Interests is subject to a drag along obligation to consent to any sale of the Partnership or reorganisation transaction that is approved by the holders of 55% of the Preferred Interests or the holders of 80% of the Preferred Interests, as applicable.

The details of these transfer restrictions are set forth in Sections 7.1-7.4 of the Partnership Agreement.

**Preemptive Rights:** Each holder of Preferred Interests will have the right to participate in future offering of securities (other than certain excluded securities) by the Partnership based on its pro rata ownership of Preferred Interests. The mechanics of the preemptive rights provision are set forth in Section 7.5 of the Partnership Agreement.

**Information Rights:** Section 9.1(b) provides that the Partnership will provide any information reasonably requested by a partner in order for a partner to comply with applicable domestic or foreign income tax reporting obligations. This is in addition to information rights that a partner has under the Delaware Revised Uniform Partnership Act.

**Indemnification:** Under prescribed circumstances, the Partnership extends indemnification to "indemnified persons" in connection with losses by reason of any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Partnership or any of its subsidiaries in connection with the business of the Partnership or any of its subsidiaries; or the fact that such indemnified person is or was acting in connection with the business of the Partnership or any of its subsidiaries as a partner (or as officer, director, shareholder, partner, member, affiliate, employee, agent or representative of a partner), manager, officer, employee or agent of the Partnership or any of its subsidiaries, or that such indemnified person is or was serving at the request of the Partnership or any of its subsidiaries, subject to certain provisos as set forth in Section 10.3(a) of the Partnership Agreement.

**No Expansion of Duties; Confidentiality:** Each holder of Preferred Interests that has a representative serving on the Management Board has the right to make investments in businesses similar to and that may compete with the business of the Partnership and its subsidiaries. Such persons do not have any obligation to the Partnership, any subsidiary (or any other partner) to, among other things, (i) refrain from competing with the Partnership and any subsidiary, (ii) refrain from making investments in a competing business, and (iii) present any particular investment opportunity to the Partnership or any subsidiary. The details of this provision as well as the confidentiality obligations of the holders of Interests are set forth in Sections 13.1 and 13.2 of the Partnership Agreement.

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### OFFEROR LETTER TO SHAREHOLDERS

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**Amendments and Waivers of the Partnership Agreement:** The Partnership Agreement may be waived upon the written consent of the holders of 55% or more of the Preferred Interests, provided, however, that if any amendment or waiver of the provisions of the Partnership Agreement relate to the actions requiring the consent of the holders of 80% or more of the Preferred Interests, such amendment or waiver shall require the consent of the holders of 80% or more of the Preferred Interests. This provision, including the exceptions, is set forth in detail in Section 14.3 of the Partnership Agreement.

**Initial Public Offering:** In connection with an underwritten initial public offering of the Partnership's equity securities, the Management Board shall have the power and authority to effect a merger of the Partnership into a Delaware corporation having no assets or liabilities other than those associated with its formation and initial capitalisation, or the contribution of the assets and liabilities to such a Delaware corporation, with the Interests of the partners in each case converted into or exchanged for the Delaware corporation's common stock.

**Registration Rights:** Each holder of Preferred and Common A Interests will become party to the Registration Rights Agreement. The agreement provides that at any time after one hundred eighty (180) days following such an underwritten public offering, any holder of 10% or more of the Preferred Interests will be entitled to require the Partnership (or its corporate successor) to file a resale registration statement with the United States Securities and Exchange Commission covering the resale of such holder's (and any other participating holder's) common stock in the successor company, subject to certain limitations and conditions outlined in the Registration Rights Agreement. If the Partnership (or its successor) intends to file a registration statement on its own behalf or on behalf of other stockholders, following a qualifying initial public offering, the holders of Preferred Interests and Common A Interests will also have the right under the Registration Rights Agreement to have their shares of common stock registered for resale under that registration statement, subject to certain limitations.

The various rights and obligations of the holders are set forth in the Registration Rights Agreement.

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**SCHEDULE 2**  
**PARTNERSHIP AGREEMENT**

**EUN HOLDINGS, LLP**  
**SECOND AMENDED AND RESTATED LIMITED LIABILITY PARTNERSHIP**  
**AGREEMENT**

**July 29, 2016**

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**SECOND AMENDED AND RESTATED LIMITED LIABILITY PARTNERSHIP  
AGREEMENT  
OF  
EUN HOLDINGS, LLP**

THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY PARTNERSHIP AGREEMENT of EUN Holdings, LLP, a Delaware limited liability partnership (the “Company”), dated as of July 29, 2016, by and among the Company and the persons listed on Schedule “A” attached hereto, as amended from time to time in accordance with this Agreement. This Agreement will become effective as of the Effective Time.

**RECITALS**

WHEREAS, the Company was organized by the Initial Partners in accordance with the Act upon the filing of the Certificate. The Company entered into a Partnership Agreement dated as of August 29, 2014 (the “Initial Agreement”) with the Initial Partners.

WHEREAS, (i) on November 14, 2014, the Company entered into agreements with affiliated funds of Fortress and Mackenzie Cundill (the “Market Acquisitions”) to purchase shares of euNetworks Group Limited held by them at a purchase price equal to S\$1.16 per share (the “EU Offer Price”), and (ii) on November 17, 2014 (the “Offer Date”), the Company announced a mandatory unconditional general offer (the “Offer”) for all of the issued and outstanding shares of euNetworks Group Limited (excluding treasury shares) other than those already owned, controlled or agreed to be acquired by the Company and its concert parties as of the date of the Offer at the EU Offer Price.

WHEREAS, the Company and the New Investors entered into a letter agreement dated as of November 13, 2014 (the “Letter Agreement”) pursuant to which (i) the New Investors agreed to make a cash investment in the Company to be used to fund the Market Acquisitions, the Offer (including any shares of euNetworks Group Limited purchased by the Company in on market transactions at prices not to exceed the EU Offer Price) and Expenses, and (ii) the Company agreed to issue Preferred Interests and Common A Interests to the New Investors on the terms set forth therein.

WHEREAS, the Company effected a voluntary delisting of shares of euNetworks Group Limited (the “Delisting”) from the Official List of the Singapore Exchange Securities Trading Limited on March 20, 2015.

WHEREAS, the Company, the New Investors, the Columbia EU Entities, the Columbia Warranholders and Initial Partners entered into an Amended and Restated Limited Liability Partnership Agreement dated April 10, 2015 as amended by the First Amendment to EUN Holdings, LLP Amended and Restated Limited Liability Agreement dated as of November 5, 2015 (the “Amended Agreement”) that (i) authorized the issuance of Preferred Interests and Common A Interests to the New Investors for their cash investment in the Company, (ii) authorized the issuance of Preferred Interests and Common A Interests to the Columbia EU Entities and the Columbia Warranholders for their respective contributions of shares of euNetworks Group Limited and Columbia Warrants to the Company after receiving SIC

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confirmation that the transfer of the Columbia EU Entities' shares of euNetworks Group Limited to the Company pursuant to Section 4.1(b) will not trigger a mandatory general offer under Rule 14 of the Singapore Code on Take-Over and Mergers, and (iii) set forth the management of the Company and its affairs and the conduct of the Company's business.

WHEREAS, the Columbia EU Entities contributed their shares of euNetworks Group Limited to the Company on December 22, 2015, and the Columbia Warrantholders contributed Columbia Warrants to the Company on January 18, 2016, and received Preferred Interests and Common A Interests on the terms set forth in the Agreement.

WHEREAS, the Company's wholly-owned subsidiary, UK Subsidiary, and euNetworks Group Limited have entered into an Implementation Agreement (the "Implementation Agreement") dated as of July 29, 2016 that sets forth the terms of the proposed acquisition of euNetworks Group Limited by way of a scheme of arrangement in accordance with Section 210 of the Companies Act (Cap. 50) of Singapore (the "Scheme").

WHEREAS, as part of the Scheme,

(a) the shareholders of euNetworks Group Limited may elect to receive cash or limited liability partnership interests of the Company;

(b) the Rollover Investors and the shareholders of euNetworks Group Limited who elect to receive limited liability partnership interests in the Company shall transfer their shares of euNetworks Group Limited to the Company in exchange for Preferred Interests and Common A Interests;

(c) immediately after the Rollover Investors, the shareholders of euNetworks Group Limited who have elected to receive limited liability partnership interests contribute their shares of euNetworks Group Limited to the Company, the Company shall contribute such shares of euNetworks Group Limited to the UK Parent; and

(d) immediately after the Company contributes its shares of euNetworks Group Limited, the UK Parent shall contribute such shares of euNetworks Group Limited to the UK Subsidiary.

WHEREAS, the Company and the New Investors have entered into this Agreement (i) to authorize and issue Preferred Interests and Common A Interests to the Rollover Investors and those shareholders of euNetworks Group Limited who elect to receive limited liability partnership interests of the Company pursuant to the Scheme and (ii) set forth other amendments to the Amended Agreement on the terms set forth herein.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree, and the Amended Agreement is amended and restated in its entirety as of the Effective Time to read, as follows:

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**ARTICLE 1**  
**DEFINED TERMS**

**Section 1.1. Definitions.** Unless the context otherwise requires, the terms defined in this ARTICLE 1 shall, for the purposes of this Agreement, have the meanings herein specified.

“**Act**” means the Delaware Revised Uniform Partnership Act, as amended.

“**Actual Tax Distribution**” means a Tax Distribution made pursuant to Section 5.3(c) to the extent that such Tax Distribution is actually used by the relevant Partner (or its beneficial owners) to pay taxes owed to a taxing authority. For the avoidance of doubt, the defined term “Actual Tax Distribution” is intended to distinguish between any difference that may exist in the amount of (i) a Tax Distribution (which will be based on the highest combined federal, state and local individual tax rate of an assumed taxpayer paying taxes in the jurisdiction in which the Partners (if the Partner is not a tax paying Person for federal income tax purposes, its ultimate partners or owners that are taxpayers) are located and (ii) the taxes that are finally and actually paid by the relevant Partner (or its beneficial owners) to one or more taxing authorities. For purposes hereof, an “Actual Tax Distribution” shall be reasonably determined by the relevant Partner in its sole discretion.

“**Adjusted Capital Account Deficit**” means, with respect to the Capital Account of any Partner as of the end of any Fiscal Year, the amount by which the balance in such Capital Account is less than \$0.00, after giving effect to the following adjustments:

(a) Each Partner’s Capital Account shall be increased by the amount, if any, such Partner is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(c) or Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i); and

(b) Each Partner’s Capital Account shall be decreased by the amount of any of the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

“**Adjusted Issue Price**” has the meaning specified in Section 4.2(d).

“**Affiliate**” means, with respect to a specified Person, any other Person which, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person, and without limiting the generality of the foregoing, includes, with respect to the specified Person: (a) any other Person which beneficially owns or holds 10% or more of the outstanding voting securities or other securities convertible into voting securities of such Person, (b) any other Person of which the specified Person beneficially owns or holds 10% or more of the outstanding voting securities or other securities convertible into voting securities, or (c) any director, manager, officer or employee of such Person.

“**Agreement**” means this Second Amended and Restated Limited Liability Partnership Agreement, as amended, modified, supplemented or restated from time to time in accordance with the terms hereof.

“**Amended Agreement**” has the meaning specified in the Recitals.

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“**Amended Agreement Date**” means April 10, 2015.

“**Authorized Common B Interests**” Authorized Common B Interests” means the number of Common B Interests, which number will be equal to the difference between (i) twelve percent (12%) of the sum of (A) the issued Common A Interests issued to the New Investors, the Columbia EU Entities and the Columbia Warranholders as of January 18, 2016, (B) the total number of Authorized Common B Interests and (C) the total number of issued Award Interests awarded under the Deferred Compensation Plan, minus (ii) the total number of issued Award Interests awarded under the Deferred Compensation Plan. The number of Authorized Common B Interests will be decreased by the number of Award Interests issued under the Deferred Compensation Plan.

“**Award Interest**” has the meaning set forth in the Deferred Compensation Plan.

“**Basic Exchange Ratio**” means .10 Preferred Interests and .10 Common A Interests for each share of euNetworks Group Limited transferred to the Company pursuant to the Scheme.

“**Board**” has the meaning specified in Section 6.1(a).

“**Board Majority**” means a combination of the votes of Managers representing a majority of the total number of votes of all Managers assuming all Managers then in office were present at a meeting of the Board.

“**Budget**” means an annual plan for a Fiscal Year, which shall include monthly capital and operating expense budgets, capital expenditures, cash flow statements and profit and loss projections itemized in such detail as the Board may reasonably request.

“**Business**” has the meaning specified in Section 3.1.

“**Business Day**” means any day other than a Saturday, Sunday or day on which commercial banks in London, United Kingdom, are authorized or required by law to close.

“**Capital Account**” means, with respect to any Partner, the account maintained for such Partner in accordance with the provisions of Section 4.4.

“**Capital Contribution**” means, with respect to any Partner, the aggregate amount of money and the initial Gross Asset Value of any property (other than money) contributed (or deemed contributed) to the Company pursuant to Section 4.2.

“**Capital Securities**” means (a) as to any Person that is a corporation, the authorized shares of such Person’s capital securities, including all classes of common, preferred, voting and nonvoting capital securities, and, as to any Person that is not a corporation or an individual, the ownership or partnership interests in such Person, including, without limitation, the right to share in profits and losses, the right to receive distributions of cash and property, and the right to receive allocations of items of income, gain, loss, deduction and credit and similar items from

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such Person, whether or not such interests include voting or similar rights entitling the holder thereof to exercise control over such Person, and (b) warrants, options or other securities, evidences of indebtedness or other obligations of a Person that are, directly or indirectly, convertible into or exercisable or exchangeable for securities of or other interest in such Person as described in clause (a) of this definition.

“**CEO Manager**” has meaning specified in Section 6.1(b)(v).

“**Certificate**” means the statement of qualification of the Company as originally filed with the Secretary of State of the State of Delaware on August 29, 2014, and as amended from time to time.

“**CFO Manager**” has meaning specified in Section 6.1(b)(vi).

“**Change of Control**” means any direct or indirect sale, exchange, conveyance or other disposition of Interests of the Company (other than through the issuance of Interests by the Company as part of a financing transaction), in a transaction or series of related transactions, after giving effect to which more than fifty percent (50%) of the Interests are held, directly or indirectly, by holders of Interests who are not Partners (or Affiliates thereof) immediately prior to the first of such transactions.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

“**Columbia**” means collectively, Columbia EUN Partners V, LLC, EUN Partners V, LLC, Columbia Capital Equity Partners IV (QP), L.P., Columbia Capital Equity Partners IV (QPCO), L.P., Columbia Capital Equity Partners V (QP), L.P., Columbia Capital Equity Partners V (NON-US), L.P. and Columbia Capital Equity Partners V (CO-INVEST), L.P.) and their Permitted Transferees.

“**Columbia Affiliates**” means collectively, the members of Columbia EUN Partners V, LLC and of EUN Partners V, LLC.

“**Columbia Share Exchange Ratio**” means .10 Preferred Interests and 0.08633 Common A Interests for each share of euNetworks Group Limited contributed to the Company by the Columbia EU Entities.

“**Columbia EU Entities**” means collectively, Columbia EUN Partners V, LLC and EUN Partners V, LLC.

“**Columbia Warrant Basic Exchange Ratio**” means for each Columbia Warrant contributed to the Company, .10 Preferred Interests and .10 Common A Interests multiplied by a fraction, (x) the numerator is (S\$1.16 *minus* S\$1.00) and (y) the denominator is S\$1.16.

“**Columbia Warrantholders**” means Columbia Capital Equity Partners IV (QP), L.P., Columbia Capital Equity Partners V (QP), L.P., Columbia Capital Equity Partners V (NON-US), L.P. and Columbia Capital Equity Partners V (CO-INVEST), L.P.

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“**Columbia Warrants**” means the warrants of euNetworks Group Limited issued to the Columbia Warrantholders pursuant to the conditional subscription agreement dated as of June 30, 2011 in the aggregate amount of 2,100,000 warrants exercisable into 2,100,000 shares in euNetworks Group Limited for a subscription price of S\$1.00.

“**Common Economics**” means the rights to receive distributions from the Company in excess of the amount of all Capital Contributions made to the Company after deducting any preferred or priority return or other interest factor accrued or accruing on such Capital Contributions in accordance with the terms of the Agreement.

“**Common A Interests**” means the Partnership Rights in the Company having the economic and other rights set forth herein with respect to “Common A Interests.”

“**Common B Adjustment**” will be the quotient of (i)(A) the Common B Factor *minus* 1 *multiplied* by (B) the sum of the total number of Common B Interests issued and outstanding plus any Common B Interests deemed held by Common B Partners pursuant to Section 5.3(i), *divided* by (ii) the total number of issued and outstanding Common A Interests.

“**Common B Anti-Dilution Adjustment**” has the meaning set forth in Section 5.3(i).

“**Common B Committee**” means a committee of the Board comprised of the CEO Manager, the Manager designated by Columbia and the Chairman of the Company.

“**Common B Equity**” means any Common B Interests issued or available for future grant to such persons approved by the Board (and the Common B Committee) pursuant to a Common B Securities Purchase Agreement.

“**Common B Factor**” will initially be 1.00, provided the Common B Factor will be adjusted on a straight line basis up to a maximum of 1.416666667 based on the New Investors’ receipt of aggregate distributions (excluding Actual Tax Distributions) equal to or greater than two and a quarter times (2.25x) the aggregated amount of Capital Contributions by the New Investors. Once the New Investors have received aggregate distributions equal to the aggregate amount of their Capital Contributions and accrued Priority Return (excluding Actual Tax Distributions and including amounts that are available for distribution to the New Investors at the time that this calculation is made), the Common B Factor shall be increased by an amount equal to 0.416666667 multiplied by the quotient of (i)(A) the aggregate amount of distributions received by the New Investors (excluding Actual Tax Distributions and including amounts that are available for distribution to the New Investors at the time that this calculation is being made) minus (B) the aggregate amount of distributions received by the New Investors with respect to their Capital Contributions (excluding Actual Tax Distributions and including amounts that are available for distribution to the New Investors at the time that this calculation is made) divided by (ii)(A) an amount equal to two and a quarter (2.25) multiplied by the total amount of Capital Contributions made by the New Investors minus (B) the total amount of Capital Contributions made by the New Investors at the time that this calculation is made, until the Common B Factor equals 1.416666667.

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For illustrative purposes only, after the New Investors have received aggregate distributions equal to the aggregate amount of their Capital Contributions and accrued Priority Return (excluding Actual Tax Distributions and including amounts that are available for distribution to the New Investors at the time that this calculation is made), the formula for the Common B Factor is:

$X = 1 + (0.416666667 * ((A-B)/((2.25*C)-C)))$ , where:

X = The Common B Factor

A= the aggregate amount of distributions received by the New Investors (excluding Actual Tax Distributions including amounts that are available for distribution to the New Investors at the time that this calculation is being made)

B= the aggregate amount of distributions received by the New Investors with respect to their Capital Contributions (excluding Actual Tax Distributions and including amounts that are available for distribution to the New Investors at the time that this calculation is made)

C= the total amount of Capital Contributions made by the New Investors

Once the New Investors have received aggregate distributions equal to the aggregate amount of their Capital Contributions (excluding Actual Tax Distributions), it is intended that B will equal C in the above formula.

“**Common B Interests**” means Partnership Rights in the Company having the economic and other rights set forth herein with respect to “Common B Interests.”

“**Common B Partner**” means any individual, if any, hereafter admitted as a Partner of the Company as such in accordance with a Common B Securities Purchase Agreement between such individual and the Company.

“**Common B Securities Purchase Agreement**” means an agreement approved by the Board between such persons approved by the Board (and the Common B Committee) to be a holder of a Common B Interest and the Company with respect to a grant of Common B Interests.

“**Common Linked Securities**” means Common A Interests, Common B Interests and other Capital Securities issued by the Company that entitle the holder thereof to participate in the Common Economics.

“**Company**” has the meaning specified in the preamble of this Agreement.

“**Competing Businesses**” has the meaning specified in Section 13.1.

“**Confidential Information**” has the meaning specified Section 13.2(a).

“**Covered Person**” means (i) each Partner (solely in their capacity as Partners and not in any other capacity), (ii) each officer, director, shareholder, partner, member, Affiliate, employee,



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agent or representative of each Partner, (iii) the Tax Matters Partner, and (iv) each Manager and Officer (other than employees of the Company or any of its Subsidiaries).

“**Deferred Compensation Plan**” means the euNetworks Group Limited Deferred Compensation Plan, dated as of November 5, 2015, as amended.”

“**Delisting**” has the meaning specified in the Recitals of this Agreement.

“**Depreciation**” means, for each fiscal period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such fiscal period; provided, however, that if the Gross Asset Value of an asset differs from its adjusted tax basis at the beginning of such fiscal period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction with respect to such asset for such fiscal period bears to such beginning adjusted tax basis; and provided further, that if the federal income tax depreciation, amortization or other cost recovery deduction for such fiscal period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board. The depreciation method shall be a suitable method under the Code.

“**Designated Purchaser**” has the meaning specified in Section 7.3(a).

“**Dilutive Issuance**” has the meaning specified in the Section 4.2(d).

“**Dilutive Issuance Price**” has the meaning specified in the Section 4.2(d).

“**Disproportionately Treated Partner**” has the meaning specified in Section 14.3.

“**Disproportionately Treated Preferred Partner**” has the meaning specified in Section 14.3.

“**Effective Time**” means the Effective Date (as defined in the Implementation Agreement).

“**euNetworks Group Limited**” means euNetworks Group Limited, a Singapore registered company.

“**Excess New Securities**” has the meaning specified in Section 7.5(d).

“**Excluded Securities**” means (a) Capital Securities of the Company offered to the public pursuant to a registration statement filed under the Securities Act in connection with a public offering; (b) Capital Securities of the Company issued in consideration of the acquisition of another Person or business by the Company or any of its Subsidiaries by merger, consolidation, amalgamation, exchange of shares, the purchase of substantially all of the assets or otherwise which has been approved by the Board and the Requisite Partners; (c) Capital Securities of the Company issued upon any split, combination or other similar event with respect to the Company’s Capital Securities; (d) Capital Securities of the Company issued to managers, officers, employees or other service providers to the Company and its Subsidiaries pursuant to any form of incentive agreement approved by the Board and if applicable, the Requisite Partners

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or Super Majority Partners; (e) Common B Interests issued pursuant to Common B Securities Purchase Agreements; (f) Capital Securities of the Company issued as “equity kickers” in connection with a debt financing transaction or vendor financing approved by the Board and if applicable, the Requisite Partners or Super Majority Partners; (g) Capital Securities of the Company issued in connection with any strategic alliance, joint venture or similar arrangement; (h) Capital Securities issued pursuant to Sections 4.2(d) and 5.3(i); and (i) Preferred Interests and Common A Interests issued to the Rollover Investors and those shareholders of euNetworks Group Limited who elect to receive Preferred Interests and Common A Interests pursuant to the Scheme.

“**Expenses**” means expenses, obligations, expenditures or payments made or incurred by the Company (other than for the funding of any purchase of the shares of euNetworks in connection with the Market Acquisitions and the Offer), whether incurred prior to or after the Effective Time, including without limitation, expenses, obligations, expenditures or payments made or incurred by the Company in connection with the transactions contemplated by this Agreement, the Market Acquisitions, Offer, the Delisting, the Scheme and any restructuring or financing consummated prior to or after the Effective Time.

“**EU Offer Price**” has the meaning specified in the Recitals of this Agreement.

“**Family Member**” means, as applied to any individual, such individual’s spouse, domestic partner, child (including stepchild or an adopted child), grandchildren, parent, brother or sister thereof or any spouse of any of the foregoing, and each trust created for the exclusive benefit of any one or more of them.

“**Fifteen Day Period**” has the meaning specified in Section 7.5(b).

“**Fiscal Year**” means the fiscal year of the Company, which shall be the calendar year unless otherwise required by the Code.

“**Five Year Plan**” means the Company’s five year operating plan adopted by the Board on June 16, 2014, which shall be amended, with the approval of the Requisite Partners, to reflect adjusted Revenue, EBITDA and CapEx targets for acquisitions made by the Company and/or its Subsidiaries.

“**Greenspring**” means collectively, Greenspring Global Partners V-A, L.P., Greenspring Global Partners V-C, L.P., Greenspring Global Partners VI-A, L.P., Greenspring Global Partners VI-C, L.P., Greenspring Opportunities II, L.P., Greenspring Opportunities II-A, L.P. and Greenspring Opportunities III, L.P.

“**Gross Asset Value**” means, with respect to any asset, such asset’s adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any asset contributed by a Partner to the Company shall be the gross fair market value of such asset, as agreed to by the contributing Partner and the Board;

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(b) for purposes of “adjusting” the Capital Accounts of Partners to reflect changes in the value of the Company upon certain occasions, the Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Board, as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Partner in exchange for more than a de minimis Capital Contribution or for substantial services rendered to or on behalf of the Company; (ii) the distribution by the Company to a Partner of more than a de minimis amount of Company assets as consideration for an interest in the Company; and (iii) the liquidation of the Company within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (i) and (ii) of this sentence shall be made only if the Board reasonably determines such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Company.

(c) the Gross Asset Value of any Company asset distributed to any Partner shall be the gross fair market value of such asset on the date of distribution, as determined by the Partner receiving such distribution and the Board.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraphs (a) or (b) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“**IFRS**” means International Financial Reporting Standards.

“**Implementation Agreement**” has the meaning set forth in the Recitals.

“**Indemnified Person**” means (i) each Partner that has a Partner Representative serving as a Manager (solely in their capacity as Partners and not in any other capacity), (ii) each officer, director, shareholder, partner, member, Affiliate, employee, agent or representative of each Investor Partner, (iii) the Tax Matters Partner, (iv) each Manager and Officer (other than employees of the Company or any of its Subsidiaries), and (v) any employee or agent of the Company or any of its Subsidiaries designated as such by the Board.

“**Interests**” means, collectively, the Preferred Interests, Common A Interests, Common B Interests and any other Interests designated by the Board and authorized in accordance with the terms of this Agreement after the date hereof.

“**Initial Agreement**” has the meaning specified in the Recitals.

“**Initial Partners**” means collectively, Columbia Capital Equity Partners V, LP and Columbia Capital V, LLC.

“**Investment Company Act**” means the U.S. Investment Company Act of 1940, as amended from time to time.

“**Investor Manager**” has the meaning specified in Section 6.1(b)(iv).

“**Investor Parties**” has the meaning specified in Section 13.1.

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“**Investor Partners**” means collectively, the New Investors and Columbia.

“**Letter Agreement**” has the meaning specified in the Recitals.

“**Lien**” means (a) any encumbrance, mortgage, pledge, lien, charge or other security interest of any kind upon any property or assets of any character, or upon the income or profits therefrom; (b) any acquisition of or agreement to have an option to acquire any property or assets upon conditional sale or other title retention agreement, device or arrangement (including a capitalized lease); or (c) any sale, assignment, pledge or other transfer for security of any accounts, general intangibles or chattel paper, with or without recourse; excluding in each instance the lien of this Agreement.

“**Liquidating Trustee(s)**” has the meaning specified in Section 11.3.

“**Make Whole Interests**” has the meaning specified in Section 5.3(b).

“**Manager**” has the meaning specified in Section 6.1(a).

“**Minimum Price**” means the Offer Price *multiplied* by 10.

“**New Investor Share Exchange Ratio**” means .10 Preferred Interests and .116 Common A Interests for each S\$1.16 invested by such New Investor.

“**New Investors**” means the “New Investors” identified as such on **Schedule A** to this Agreement.

“**New Securities**” means any Capital Securities of the Company, whether or not authorized as of the date hereof; provided, however, that “New Securities” does not include Excluded Securities.

“**New Securities Closing**” has the meaning specified in Section 7.5(f).

“**Notice of Proposed Issuance**” has the meaning specified in Section 7.5(a).

“**Notice of Proposed Transfer**” has the meaning specified in Section 7.3(a).

“**Offered Interests**” has the meaning specified in Section 7.3(a).

“**Offered New Securities**” has the meaning specified in Section 7.5(a).

“**Offer Date**” has the meaning specified in the Recitals.

“**Offer Price**” means \$USD 0.8946 (the number of US dollars (\$) equivalent to S\$1.16 as of the Offer Date).

“**Officers**” has the meaning specified in Section 6.6(a).

“**Oversubscribing Preferred Partners**” has the meaning specified in Section 7.5(d).

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“**Partner**” means the persons listed on **Schedule A** hereto, and includes any Person admitted as an additional Partner (including the holders of Common B Interests) or a substitute Partner pursuant to the provisions of this Agreement, in such Person’s capacity as a Partner of the Company, and “**Partners**” means two (2) or more of such Persons when acting in their capacities as Partners of the Company.

“**Partner Representative**” means with respect to a Partner, any officer, director, partner, employee, member, equityholder or Affiliate of such Partner.

“**Partnership Rights**” means all legal and beneficial ownership interests in, and rights and duties as a Partner of, the Company, including, without limitation, the right to share in Profits and Losses, the right to receive distributions of cash and other property from the Company, and the right to receive allocations of items of income, gain, loss, deduction and credit and similar items from the Company.

“**Party**” or “**party**” means the Company and each Partner.

“**Permitted Transfer**” means with respect to a Transfer of Preferred Interests and Common A Interests by a Preferred Partner, (i) to a Preferred Partner Affiliate of such Preferred Partner (including to a Columbia Affiliate if such Preferred Partner is Columbia and to a QIC Affiliate if such Preferred Partner is QIC), (ii) to a Family Member of such Preferred Partner or otherwise in connection with such Preferred Partner’s bona fide estate planning purposes; provided that such Preferred Partner retains voting control over all of the Interests Transferred and such Interests are not thereafter Transferred to a Person other than a Family Member of such Preferred Partner, or (iii) to a Preferred Partner unless such Transfer would result in a Transfer of Control.

“**Permitted Transferee**” means a Person who receives a Transfer of Interests that is permitted under **Section 7.1**.

“**Person**” includes any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company or other legal entity or organization.

“**Points**” for any Common A Interest or Common B Interest will be as follows: (a) for any Common A Interest will be one (1) *minus* the Common B Adjustment and (b) for any Common B Interest will be (i) the sum of one (1) plus the Common B Anti-Dilution Adjustment (ii) *multiplied by* the Common B Factor.

“**Post Closing Restructuring**” means the restructuring of the Company and its Subsidiaries as contemplated by the Project Edam Structure Report dated December 21, 2015 prepared by Deloitte LLP.

“**Preferred Interests**” means the Partnership Rights in the Company having the economic and other rights set forth herein with respect to “Preferred Interests.”

“**Preferred Partner**” means each Partner holding Preferred Interests.

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“**Preferred Partner Affiliate**” means, with respect to a Preferred Partner, any other Person which, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Preferred Partner, and without limiting the generality of the foregoing, includes, with respect to such Preferred Partner: (a) any other Person which beneficially owns or holds 25% or more of the outstanding voting securities or other securities convertible into voting securities of such Preferred Partner or (b) any other Person of which the Preferred Partner beneficially owns or holds 25% or more of the outstanding voting securities or other securities convertible into voting securities.

“**Priority Return**” means as to each Partner holding Preferred Interests, an amount accruing on such Unreturned Capital Contributions and Unpaid Priority Return (to the extent it has compounded pursuant to the following sentence) in respect of such Preferred Interests at the rate of five percent (5%) per annum. Priority Return shall compound annually in arrears, accruing daily and calculated on the basis of the actual number of days elapsed over a 360-day year (and pro-rated for partial periods); provided, however, the Priority Return shall accrue on the Unreturned Capital Contributions in respect of the Preferred Interests issued to the Preferred Partners listed on Schedule A beginning on the Offer Date.

“**Profits**” and “**Losses**” means, for each Fiscal Year, an amount equal to the Company’s taxable income or loss for such fiscal period, determined in accordance with Section 703(a) of the Code (but including in taxable income or loss, for this purpose, all items of income, gain, loss, deduction or credit required to be stated separately pursuant to Section 703(a)(1) of the Code), with the following adjustments:

(a) any income of the Company exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as expenditures described in Section 705(a)(2)(B) of the Code pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any Company asset is adjusted in accordance with paragraphs (b) or (c) of the definition of “Gross Asset Value” above, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) gain or loss resulting from any disposition of any asset of the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Gross Asset Value; and

(e) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal period or other period, computed in accordance with the definition of “Depreciation” above.

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Notwithstanding the foregoing, all items of income, gain, loss, deduction or credit that are specifically allocated pursuant to Section 5.1(b) and Section 5.1(c) shall be excluded from the computation of Profits and Losses.

“**Proportionate Share**” has the meaning specified in Section 7.5(c).

“**Proposed Transferee(s)**” has the meaning specified in Section 7.3.

“**Public Vehicle**” has the meaning specified in Section 13.3.

“**Public Vehicle Merger**” has the meaning specified in Section 13.3.

“**QIC Affiliate**” means:

- (a) the ultimate beneficial owner or holding entity of a QIC Entity (the “**Investor**”);
- (b) any other entity within the Investor’s or QIC Entity’s wholly owned group of companies or entities;
- (c) any other person acting in its capacity as trustee or custodian of any person described in paragraph (a) or (b); and
- (d) any other entity or fund that is managed by QIC Limited or any of its wholly owned subsidiaries.

“**QIC Entity**” mean each or either of (as the context requires) QIC Private Capital Pty Ltd as trustee for the QIC Private Equity Fund No.2 and QIC Investments No.1 Pty Ltd as trustee for the QIC Direct Opportunities Fund.

“**Qualified Public Offering**” means the sale or distribution of the common stock of a Public Vehicle pursuant to an underwritten public offering registered under the Securities Act, following a Public Vehicle Merger.

“**Regulatory Allocations**” has the meaning specified in Section 5.1(c)(vii).

“**Reorganization**” means any of the following: (a) a merger, consolidation, Transfer of Interests, or reorganization, in any single transaction or series of related transactions in which the Partners of the Company or the members, partners or shareholders, as the case may be, of its Subsidiaries immediately preceding such transaction or the first of such series of transactions, directly or indirectly, possess a majority of the voting power of the Company’s or its Subsidiaries’, as applicable, or any successor entity’s issued and outstanding Capital Securities immediately after such transaction or series of transactions or (b) a single transaction or series of related transactions pursuant to which a Person or Persons who are direct or indirect wholly-owned Subsidiaries of the Company acquire all or substantially all of the Company’s or its Subsidiaries’ assets determined on a consolidated basis.

“**Represented Investor**” has the meaning specified in Section 6.1(b)(iv).

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“**Requisite Partners**” means the Partners who own, collectively, 55% or more of the outstanding Preferred Interests.

“**Reserved Pool**” has the meaning specified in Section 4.1(a).

“**Rollover Investors**” means those shareholders of euNetworks Group Limited who have executed irrevocable undertakings to receive Preferred Interests and Common A Interests pursuant to the Scheme and are identified as “Rollover Investors” on **Schedule A** to this Agreement.

“**Sale of the Company**” means any of the following: (a) a merger or consolidation of the Company or its Subsidiaries into or with any other Person or Persons, or a Transfer of Interests in a single transaction or a series of transactions, or any other transaction involving the Company or its Subsidiaries, whether by a single transaction or a series of related transactions, in each case that results in a Change of Control; or (b) a single transaction or series of related transactions, pursuant to which a Person or Persons who are not direct or indirect wholly-owned Subsidiaries of the Company acquire all or substantially all of the Company’s or its Subsidiaries’ assets determined on a consolidated basis. The contribution of shares of euNetworks Group Limited by the Columbia EU Entities or any other Person and the contribution of the Columbia Warrants by the Columbia Warrantheolders in exchange for Preferred Interests and Common A Interests on or prior to the Effective Date shall not be considered in determining whether a Sale of the Company has occurred.

“**Sale Documents**” has the meaning specified in Section 7.4(e).

“**Scheme**” has the meaning set forth in the Recitals.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended.

“**Securities Laws**” means the U.S. Securities Act of 1933, as amended, the U.S. Securities Exchange Act of 1934, as amended, and each and every other securities law of the United States and the states thereof, and all rules and regulations promulgated under all of such laws.

“**Subsidiary(ies)**” means any Person the majority of the Capital Securities of which, directly, or indirectly through one or more other Persons, (a) the Company has the right to acquire or (b) is owned or controlled by the Company.

“**Subsidiary Board**” has the meaning specified in Section 6.4.

“**Super Majority Partners**” means the Partners who own, collectively, 80% or more of the outstanding Preferred Interests.

“**Tax Distribution**” has the meaning specified in Section 5.3(e).

“**Tax Matters Partner**” has the meaning specified in Section 8.3.



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“**Ten Percent Partner**” means, at any time, any Partner who then owns (collectively with such Partner’s Affiliates) ten percent (10%) or more of the issued and outstanding Preferred Interests.

“**Ten Percent/Common B Transferring Partner**” has the meaning specified in Section 7.3(b).

“**Transfer**” means with respect to any Interests, any transfer, sale, gift, exchange, assignment, pledge or the creation of any Lien on or making any other disposition thereof.

“**Transfer of Control**” means a direct or indirect Transfer of Interests (in a transaction or series of related transactions) by one or more Preferred Partners to a Preferred Partner (and/or any of its Affiliates) that results in such Preferred Partner (collectively with its Affiliates) holding, directly or indirectly, more than fifty percent (50%) of the issued and outstanding Interests.

“**Transferring Partner**” has the meaning specified in Section 7.3.

“**Treasury Regulations**” means such regulations promulgated under the Code.

“**UK Parent**” means EUN Holdings (UK) Limited (Company Registration Number 920 3914), a company incorporated under the laws of United Kingdom.

“**UK Subsidiary**” means EUN(UK) Limited (Company Registration Number 920 3923), a company registered under the laws of United Kingdom.

“**Unpaid Priority Return**” shall mean, with respect to any Preferred Interest, the cumulative Priority Return with respect to such Interest less all distributions made pursuant to Section 5.3(a)(ii) with respect to such Interest.

“**Unreturned Capital Contributions**” shall mean, with respect to any Preferred Interest, the total Capital Contributions made with respect to such Preferred Interest less all distributions made pursuant to Section 5.3(a)(i).

**Section 1.2. Headings.** The headings and subheadings in this Agreement are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

**ARTICLE 2**  
**FORMATION AND ORGANIZATION**

**Section 2.1. Name and Formation.** The name of the Company is: EUN Holdings, LLP. All Company business shall be conducted in the name of “EUN Holdings, LLP” or such other name that complies with applicable law as the Board may select from time to time.

**Section 2.2. Registered Agent.** The Company’s initial registered agent in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808. The Company may change its registered agent as may be determined from time to time by the Board.

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**Section 2.3. Term.** The term of the Company shall be perpetual, unless the Company is dissolved in accordance with the provisions of this Agreement

**Section 2.4. Agreement to Qualify.** The Company shall be a limited liability partnership as the term is described in the Act, and the Officers are authorized to execute a statement of qualification of a limited liability partnership or such other documents as may be required in order to qualify the Company in any jurisdiction which the Officers deem appropriate.

**Section 2.5. Authorization to Execute Statements.** The Officers are authorized to execute any statement of authority, annual report, statement of qualification, revocation of a statement of qualification as a limited liability partnership, or other filing required or authorized to be filed by the Act, and pay appropriate fees therefore necessary or convenient to the Company's status as a limited liability partnership

**Section 2.6. U.S. Federal Income Tax Classification.** The Partners intend that the Company shall be taxed as a partnership for all applicable U.S., federal, state and local income tax purposes.

**ARTICLE 3**  
**PURPOSE AND POWERS OF THE COMPANY**

**Section 3.1. Purpose.** The Company is formed for the purpose of acquiring and holding, directly or indirectly, the equity interests of euNetworks Group Limited or its successor business (the "Business"), and subject to Section 3.3, the Company may engage in any other business activity permitted under the Act as the Board may determine from time to time.

**Section 3.2. Powers of the Company.** Subject to the provisions of this Agreement, the Company shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purposes set forth in Section 3.1.

**Section 3.3. Unrelated Business Taxable Income and Effectively Connected Income.** Notwithstanding any provision of this Agreement to the contrary, the Company shall not, and the Board shall not cause or permit the Company to undertake any activity, operate any trade or business, or take any action, including without limitation, the borrowing of money or the incurring of any other indebtedness, obligation or liability, that would cause any Partner or any Person owning, directly or indirectly, any interest in a Partner or the Company, whose income is generally exempt from U.S. federal income tax (a "Tax-Exempt Person") or who is treated as a non-U.S. person for U.S. federal income tax purposes (a "Non-U.S. Person"), to have or incur any unrelated business taxable income (as defined in Section 511 through 514 of the Code), in the case of a Tax-Exempt Person, or any income that is effectively connected with a U.S. trade or business (as defined in Section 864 of the Code) (including, for the avoidance of doubt, income treated as if it were effectively connected with a U.S. trade or business pursuant to Section 897 of the Code) or that is income from commercial activities (within the meaning of Section 892 of the Code), in the case of a Non-U.S. Person, on account of such activity or action, without the

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prior written consent of the Requisite Partners, which consent may be granted, withheld or conditioned in the Requisite Partners' respective sole and absolute discretion.

**ARTICLE 4**  
**INTERESTS, CAPITAL CONTRIBUTIONS, NATURE OF INTERESTS AND**  
**ESTABLISHMENT OF CAPITAL ACCOUNTS**

**Section 4.1. Interests.**

(a) The Partners' limited liability partnership interests in the Company shall be represented by Interests. There are hereby established for issuance the following classes of Interests: (i) Preferred Interests, (ii) Common A Interests; and (iii) Common B Interests. The authorized number of Preferred Interests, Common A Interests and Common B Interests will be as follows: (i) 50,000,000 Preferred Interests, (ii) 50,000,000 Common A Interests and (iii) the Authorized Common B Interests (the "Reserved Pool"). The authorized number of Interests may be increased at the sole discretion of the Board and, if applicable, the Requisite Partners.

(b) Each New Investor has been issued a number of Preferred Interests and Common A Interests for such New Investor's Capital Contributions based on the New Investor Exchange Ratio as set forth on Schedule A. Each Columbia Warrantholder has been issued a number of Preferred Interests and Common A Interests for each Columbia Warrant contributed to the Company based on the Columbia Warrant Basic Exchange Ratio as set forth on Schedule A. Each Columbia EU Entity has been issued a number of Preferred Interests and Common A Interests of the Company for each share of euNetworks Group Limited contributed to the Company based on the Columbia Exchange Ratio as set forth on Schedule A. Schedule A reflects the Preferred Interests and Common A Interests issued to and held by the Columbia Warrantholders, Columbia EU Entities and the New Investors as of the Effective Time. Each Rollover Investor and any shareholder of euNetworks Group Limited who elects to receive Preferred Interests and Common A Interests pursuant to the Scheme will be issued a number of Preferred Interests and Common A Interests based on the Basic Exchange Ratio. Schedule A reflects the Preferred Interests and the Common A Interests that will be issued and held by the Rollover Investors as of the Effective Time. Schedule A will be updated by the Company after the Effective Time to reflect the Preferred Interests and Common A Interests issued to the shareholders of euNetworks Group Limited who elect to receive Preferred Interests and Common A Interests pursuant to the Scheme.

(c) The Common B Interests are hereby reserved for issuance as Common B Equity from time to time as determined by the Common B Committee. No Interests or other interests purporting to confer Partnership Rights shall be issued unless they have been authorized for issuance by the Board, and if applicable, the Requisite Partners, and otherwise in accordance with the terms of this Agreement.

(d) All of the Common B Interests issued as Common B Equity hereunder shall be issued on terms and conditions specified in a form of Common B Securities Purchase Agreement approved by the Board. In the event any Common B Interests are forfeited or repurchased at, or at less than, the original purchase price pursuant to the terms and conditions specified in the applicable Common B Securities Purchase Agreement, such Common B Interests may be

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reissued by the Company as Common B Equity on terms and conditions specified in a form of Common B Securities Purchase Agreement approved by the Board. To the extent provided in the applicable Common B Securities Purchase Agreement of any Common B Interests, any distributions pursuant to ARTICLE 5 with respect to such Common B Interests shall be held by the Company until such time such Common B Interests are entitled to any such retained distributions and such retained distributions shall be released to the holder of such Common B Interests in accordance with Section 5.3(d). Any retained distributions pursuant to the foregoing sentence relating to any Common B Interests that are forfeited or fail to be entitled to such retained distributions for whatever reason shall be distributed to the other Common B Interests to the extent provided in Section 5.3(d) and Section 5.3(i). In the event that the U.S. Department of the Treasury issues any additional guidance concerning the U.S. federal income taxation of Interests issued pursuant to Common B Securities Purchase Agreements after the execution of this Agreement, the Board is hereby authorized (but not obligated) to take any action required or permitted by such guidance, including the filing of tax elections thereunder and the adoption of additional provisions to this Agreement that are binding on the Company under the Act, to achieve, as nearly as practicable, the same tax treatment for such Interests as is applicable on the date of execution of this Agreement.

(e) The Company may issue Common B Interests or other Interests from time to time that are to be treated as profits interests within the meaning of Revenue Procedure 93-27 as clarified by Revenue Procedure 2001-43 for federal income tax purposes (or pursuant to any subsequent authority). None of the Partners who are issued such profits interests shall make Capital Contributions in connection with the acquisition of such Interests and the Company shall treat such Partners as holding profits interests for all purposes of this Agreement. At the time any profits interests are issued that are intended to be treated as profits interests after the date hereof, the Board, or an advisor approved by the Board, shall make a good faith determination regarding the value of the Company as of the date of such issuance and, notwithstanding anything contained in ARTICLE 5 to the contrary, such profit interests shall only be entitled to share in the future distributions, allocations of income and value increases of the Company after the date of issuance of such Interests. In addition, the grant documentation shall designate that (i) such Interests are being issued as profits interests, (ii) such Interests shall only be entitled to future distributions, allocations of income and value increases of the Company after the date of issuance of such Interests and (iii) any allocations or distributions with respect to such Interests shall be adjusted as necessary to ensure that such Interests are treated as profits interests.

**Section 4.2. Partners' Capital Contributions; Adjustment upon Dilutive Issuances.**

(a) **Schedule A** reflects the Capital Contributions that have been made (or deemed made) by the New Investors, the Columbia EU Entities, the Columbia Warranholders. **Schedule A** will be updated by the Company after the Effective Time to reflect the Capital Contributions made (or deemed made) by each Rollover Investor and shareholder of euNetworks Group Limited who elects to receive Preferred Interests and Common A Interests pursuant to the Scheme.

(b) Except as contemplated by Section 4.1 and 4.2(a), no Partner shall be required to make any other Capital Contribution to the Company.

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(c) Each Partner (other than Common B Partners in connection with the issuance of Common B Equity, unless otherwise specified in writing by any such Common B Partner) hereby represents and warrants to the Company that as of each date such Partner makes a Capital Contribution to the Company (i) such Partner (to the extent such Partner is a New Investor, a Columbia EU Entity or a Rollover Investor) is an “accredited investor” as defined in Regulation D promulgated under the Securities Act of 1933, as amended, (ii) such Partner is making its investment in the Company for investment and not with a view to the distribution thereof, (iii) such Partner has sufficient knowledge in business and financial matters to evaluate the merits and risks of an investment in the Company, (iv) such Partner is able to bear the economic risk of such investment and at such time could afford a complete loss of such investment, (v) this Agreement, and each of the related documents, to which such Partner is a party, has been duly authorized, executed and delivered by such Partner and (vi) this Agreement, and any other related documents to which such Partner is a party, constitutes such Partner’s legal, valid and binding obligation enforceable in accordance with its terms.

(d) As additional consideration for the Capital Contributions made by the Preferred Partners, the Company shall issue (and for all purposes shall be deemed to have issued), subject to Section 4.2(d)(v), to each Preferred Partner an additional number of Common A Interests (determined as hereafter provided) for each Common A Interest held by a Preferred Partner (issued in connection with such Preferred Partner’s Preferred Interests) on the date of the issuance of any Common Linked Securities for a price per Common Linked Security which is less than the Adjusted Issue Price then in effect (any such transaction being referred to as a “Dilutive Issuance”). The calculation made by the Company under this Section 4.2(d) shall be approved by the Board. For purposes hereof, the price per Common Linked Security paid in respect thereof in any Dilutive Issuance shall equal the quotient of (x) the total consideration received or receivable by the Company as consideration for the issuance of such Common Linked Securities, as the case may be (including the cumulative minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange thereof, as the same is set forth in the instruments and agreements relating thereto and without regard to any provision contained therein for any subsequent adjustment of such consideration), divided by (y) the total number of Common Linked Securities issued (or issuable upon the exercise, conversion or exchange thereof) by the Company in such transaction (such quotient being referred to as the “Dilutive Issuance Price”).

(i) For each Common A Interest held by a Preferred Partner (issued in connection with such Preferred Partner’s Preferred Interests) immediately prior to the consummation of any of such Dilutive Issuance, the Company shall issue to such Preferred Partner on the date of such Dilutive Issuance in accordance with this Section 4.2(d) for no additional consideration the number of Common A Interests as shall equal the difference between (x) the quotient of the Adjusted Issue Price immediately before giving effect to such Dilutive Issuance divided by the Adjusted Issue Price immediately after giving effect to such Dilutive Issuance, less (y) one (1).

(ii) The “Adjusted Issue Price” per Common A Interest shall initially equal \$12.966 (a number of US dollars (\$) equivalent to S\$10.00 as of the Offer Date). Upon the occurrence of any Dilutive Issuance, the Adjusted Issue Price shall be reduced to the amount equal to the quotient of **(I)** the sum of **(A)** the product of (x) the Adjusted Issue

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Price immediately before giving effect to such Dilutive Issuance multiplied by (y) the number of Common Linked Securities of the Company issued and outstanding (including on an as converted, exercised or exchanged basis) immediately prior to such Dilutive Issuance, plus (B) the consideration, if any, received or receivable by the Company on account of the Common Linked Securities issued in such Dilutive Issuance (determined on an as converted, exercised or exchanged basis) **divided by (II)** the sum of (A) the number of Common Linked Securities issued and outstanding (including on an as converted, exercised or exchanged basis) immediately prior to such Dilutive Issuance plus (B) the number of Common Linked Securities issued or issuable in such Dilutive Issuance.

(iii) The Company shall have no obligation to issue Common A Interests to the Preferred Partners in accordance with this Section 4.2(d) with respect to the issuance of Excluded Securities;

(iv) The rights of the Preferred Partners with respect to Common A Interests (issued in connection with such Preferred Partner's Preferred Interests) pursuant to this Section 4.2(d) will apply to Common B Partners with respect to Common B Interests held by Common B Partners mutatis, mutandis (such that Common A Interests may be issued to such Common B Partners holding Common B Interests as described above), if at the time of such Dilutive Issuance, the Company and its Subsidiaries are operating on target or ahead of the Five Year Plan as determined by the Board. Any Common A Interests issued to an Common B Partner pursuant to this Section 4.2(d)(iv) will be subject to the provisions set forth in such Common B Partner's Common B Securities Purchase Agreement as if such Common A Interests were issued to such Common B Partner on the date the corresponding Common B Interests were issued to such Common B Partner under such Common B Partner's Common B Securities Purchase Agreement. The rights of the Common B Partners under this Section 4.2(d)(iv) shall terminate on the fifth anniversary of the Amended Agreement Date.

(v) The Requisite Partners (or the Super Majority Partners, if applicable) may waive either prospectively or retrospectively, any and all rights arising under this Section 4.2(d) in connection with a Dilutive Issuance (other than a Dilutive Issuance to one or more Partners included in the Requisite Partners or the Super Majority Partners, if applicable, effecting the waiver), and such waiver shall be effective as to Preferred Members and Common B Members having rights under this Section 4.2(d).

**Section 4.3. Nature Of Interests.** The Interests shall for all purposes be personal property. No Partner has any interest in specific Company property.

**Section 4.4. Capital Accounts.** An individual Capital Account shall be established and maintained for each Partner in accordance with the rules of Treasury Regulations Section 1.704-1(b)(2)(iv) (a "Capital Account"). Each Partner's initial Capital Account balance shall be increased by (a) the amount of money contributed by such Partner to the Company, (b) the fair market value of property contributed by such Partner to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under Section 752 of the Code), and (c) allocations to such Partner of Profit (or items

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thereof). Each Partner's Capital Account shall be decreased by (i) the amount of money distributed to such Partner by the Company, (ii) the fair market value of property distributed to such Partner by the Company (net of liabilities secured by the distributed property that the Partner is considered to assume or take subject to under Section 752 of the Code), (iii) allocations to such Partner of Loss (or items thereof). **Schedule A** will be updated by the Company as of the Effective Time to reflect the initial Capital Account balance of the New Investors, Columbia Warranholders, Columbia EU Entities, Rollover Investors and each shareholder of euNetworks Group Limited who elects to receive Preferred Interests and Common A Interests pursuant to the Scheme. The Capital Accounts also shall be maintained and adjusted as permitted by the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(f) and as required by the other provisions of Treasury Regulation Section 1.704-1(b)(2)(iv), Treasury Regulation Section 1.704-1(b)(4). On the Transfer of all or a portion of a Partner's Interests, the Capital Account of the transferor that is attributable to the transferred Interests shall carry over to the transferee Partner in accordance with the provisions of Treasury Regulation Section 1.704-1(b)(2)(iv)(1). For purposes hereof, the "fair market value" of any property shall be determined by the Board in good faith.

**Section 4.5. Negative Capital Accounts.** No Partner shall be required to pay to any other Partner or the Company any deficit or negative balance that may exist from time to time in such Partner's Capital Account (including upon and after dissolution of the Company).

**Section 4.6. No Withdrawal.** No Partner shall be entitled to withdraw all or any part of such Partner's Capital Contributions or Capital Account, or to receive any distribution from the Company, except as expressly provided herein.

**Section 4.7. Loans From Partners.** Loans by Partners to the Company shall not be considered Capital Contributions. If any Partner shall advance funds to the Company in excess of the amounts required hereunder to be contributed by such Partner to the capital of the Company, the making of such advances shall not result in any increase in the amount of the Capital Account of such Partner unless otherwise agreed by the Company and such Partner. The amount of any such advances that are not agreed to be additional Capital Contributions shall be a debt of the Company to such Partner and shall be payable or collectible in accordance with the terms and conditions upon which such advances are made.

**ARTICLE 5**  
**ALLOCATIONS AND DISTRIBUTIONS**

**Section 5.1. Allocations of Profits and Losses.**

(a) Subject to Section 5.1(b), (c) and (d), Profits and Losses for each Fiscal Year shall be allocated to the Partners in amounts that would result in Capital Account balances for each Partner, increased by such Partner's share of partnership minimum gain (as determined according to Treasury Regulation Section 1.704-2(g)) and such Partner's partner nonrecourse debt minimum gain (as defined in Treasury Regulation Section 1.704-2(i)(2)), equal to all amounts required to be distributed pursuant to Section 5.4(a) in the priority and manner provided therein on a hypothetical liquidation of the Company. In determining the amounts distributable to the Partners under Section 5.4(a) upon a hypothetical liquidation, it shall be presumed that (i)

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all of the Company's remaining assets are sold at their respective Gross Asset Values, (ii) all Company liabilities are satisfied (limited with respect to each nonrecourse liability to the Gross Asset Value securing that liability), (iii) all Interests are vested and (iv) the proceeds of such hypothetical sale are applied and distributed in accordance with Section 5.4(a) hereof.

(b) Losses allocated pursuant to Section 5.1(a) shall not exceed the maximum amount of Losses that can be so allocated without causing a Partner to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. All Losses in excess of such limitation shall be allocated to the Partners who would not have an Adjusted Capital Account Deficit as a result of such allocation, *pro rata*, in proportion to such Partners' relative positive Capital Account balances; provided, however, that such Losses will first be allocated to Partners owning the same class of Interests. Once all of the Partners have been allocated enough Losses that the allocation of any additional Losses would either create or increase an Adjusted Capital Account Deficit for all of the Partners, any additional Losses shall be allocated among the Partners owning Common A Interests, *pro rata*, in accordance with the number of Common A Interests owned by such Partners. Any Losses allocated pursuant to this Section 5.1(b) shall be reversed with an allocation of Profits of an equal amount prior to any allocations pursuant to Section 5.1(a), in the reverse order as such Losses were allocated.

(c) Special Allocations.

(i) Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulation Section 1.704-2(f) notwithstanding any other provision of this Agreement, if there is a net decrease in partnership minimum gain (as defined in the Code) during any Fiscal Year, each Partner shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Partner's share of the net decrease in partnership minimum gain, determined in accordance with Treasury Regulation Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulation Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 5.1(c)(i) is intended to comply with the minimum gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) Partner Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulation Section 1.704-2(i)(4), notwithstanding any other provision of this Section 5.1(c), if there is a net decrease in partner nonrecourse debt minimum gain (as defined in the Code) attributable to a partner nonrecourse debt during any Fiscal Year, each Partner who has a share of the partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Treasury Regulation Section 1.704-2(i)(5), shall be specially allocated items of income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Partner's share of the net decrease in partner nonrecourse debt minimum gain attributable to such partner nonrecourse debt, determined in accordance with Treasury Regulation Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant



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thereto. The items to be so allocated shall be determined in accordance with Treasury Regulation Section 1.704-2(i)(4) and 1.704-2(j)(2). This Section 5.1(c)(ii) is intended to comply with the minimum gain chargeback requirement in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) Qualified Income Offset. In the event any Partner unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (d)(5) or (d)(6), items of Company income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible, provided that an allocation pursuant to this Section 5.1(c)(iii) shall be made if and only to the extent that such Partner would have Adjusted Capital Account Deficit after all other allocations provided for in this ARTICLE 5 have been tentatively made as if this Section 5.1(c)(iii) were not a term of this Agreement. This Section 5.1(c)(iii) is intended to constitute a “qualified income offset” provision as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(iv) Gross Income Allocation. In the event any Partner has a deficit Capital Account at the end of any Fiscal Year which is in excess of the amount such Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Partner shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 5.1(c)(iv) shall be made if and only to the extent that such Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 5.1(c) have been tentatively made as if this Section 5.1(c)(iv) and Section 5.1(c)(iii) hereof were not in the Agreement.

(v) Partner Nonrecourse Deductions. Any partner nonrecourse deductions for any Fiscal Year shall be specially allocated to the Partner who bears the economic risk of loss with respect to the partner nonrecourse debt to which such partner nonrecourse deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(vi) Nonrecourse Deductions. Nonrecourse deductions (as defined in the Treasury Regulations) shall be specially allocated among the Partners *pro rata* in accordance with their relative holdings of Common A Interests and Common B Interests.

(vii) Curative Allocations. The allocations set forth in Section 5.1(b) and Section 5.1(c)(i),(ii),(iii),(iv),(v) and (vi) hereof (collectively, the “Regulatory Allocations”) are intended to comply with requirements of the Treasury Regulations. It is the intent of the parties hereto that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 5.1(c)(vii). Therefore, notwithstanding any other provision of ARTICLE 5 (other than the Regulatory Allocations), the Board shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that,

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after such offsetting allocations are made, each Partner's Capital Account balance is, to the extent possible, equal to the Capital Account such Partner would have had if the Regulatory Allocations were not terms of this Agreement and all Company items were allocated pursuant to Section 5.1. In exercising its discretion under this Section 5.1(c)(vii), the Board shall take into account future Regulatory Allocations under Section 5.1(c)(i) and (ii) that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 5.1(c)(v) and (vi).

(viii) Allocations of Withholding. To the extent the Company receives (or is deemed to receive) an amount of income that is net of any withholding tax, (A) such income shall be allocated among the Partners as if the Company received the gross amount of such income before giving effect to the payment of the withholding tax and (B) any resulting tax credit shall be allocated among the Partners in proportion to such Partner's allocated share of income (including income allocated pursuant to Section 704(c) of the Code) to which the credit relates.

(ix) Partner Loans. Any interest deductions with respect to loans to the Company by any Partner shall be specially allocated to the Partner making such loan to the extent that the interest owing under any such loan is not actually paid.

(x) Special Elections. If, during a Fiscal Year, the Company makes a distribution to any Partner of the proceeds of any nonrecourse liability of the Company that would otherwise be allocable to an increase in partnership minimum gain pursuant to Treasury Regulation Section 1.704-2(h), then the Company may elect, to the extent permitted by Treasury Regulation Section 1.704-2(h)(3), to treat such distribution as a distribution that is not allocable to an increase in partnership minimum gain.

(xi) Corrective Allocation. The Board shall make any corrective allocations necessary to comply with the Treasury Regulations promulgated under Section 704(b) of the Code regarding partnership non-compensatory options.

(d) Varying Interests. With respect to any Fiscal Year during which any Partner's interest in the Company changes, allocations under ARTICLE 5 shall be adjusted appropriately to take into account the varying interests of the Partners during such period.

**Section 5.2. Tax Allocations.**

(a) In General. Except as otherwise provided in this Section 5.2, taxable income and loss and all items thereof shall be allocated to the Partners to the greatest extent practicable in a manner consistent with the manner set forth in Section 5.1 and Sections 704(b) and (c) of the Code. Allocations pursuant to this Section 5.2 are solely for federal income tax purposes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Profits, Losses, other items or distributions pursuant to any provision of this Agreement.

(b) Section 704(c) of the Code. In accordance with Section 704(c) of the Code, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for income tax purposes, be allocated among the Partners so as to take

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account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value.

(c) Adjustments under Section 704(c) of the Code. In the event the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (b) of the definition of “Gross Asset Value,” subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted tax basis of such asset and its Gross Asset Value in the same manner as under Section 704(c) of the Code.

(d) Decisions Relating to Section 704(c) of the Code. Any elections or other decisions relating to allocations under this Section 5.2, including the selection of any allocation method permitted under Treasury Regulation Section 1.704-3, shall be made by the Board.

**Section 5.3. Nonliquidating Distributions.**

(a) Subject to the terms and conditions hereof, and subject to Section 5.5 and Section 6.5, the Company may, in the discretion of the Board, at any time other than upon liquidation of the Company, make distributions to the Partners in accordance with the following order of priority:

(i) First, to the Partners holding Preferred Interests, *pro rata* in proportion to their relative Unreturned Capital Contributions with respect to their Preferred Interests, until the Unreturned Capital Contributions of each such Partner with respect to its Preferred Interests has been reduced to zero;

(ii) Second, to the Partners holding Preferred Interests, *pro rata* in proportion to their relative Unpaid Priority Return with respect to their Preferred Interests, until the Unpaid Priority Return of each such Partner with respect to its Preferred Interests has been reduced to zero;

(iii) Third, to the Partners holding Common A Interests and Common B Interests, collectively, *pro rata* among such holders based on the aggregate number of Points represented by the Common A Interests and Common B Interests, respectively.

(b) Notwithstanding Section 5.3(a), in the event of a Sale of the Company or a dissolution of the Company in which the New Investors would receive aggregate distributions with respect to their Interests (including any prior distributions received by the New Investors with respect to their Interests but excluding any Actual Tax Distributions) in an amount less than their respective Capital Contributions, the Company shall, in connection with such Sale of the Company or dissolution of the Company make distributions to the Columbia EU Entities and the New Investors in a manner, to the extent possible, so that the Columbia Entities have received cumulative distributions with respect to their Preferred Interests as if the Columbia EU Entities owned their Preferred Interests less the amount of the Make Whole Interests (defined below) and the New Investors have received cumulative distributions with respect to their Preferred Interests as if the New Investors owned their Preferred Interests plus the amount of the Make Whole Interests. The “Make Whole Interests” shall be an amount of Preferred Interests equal to the difference between (x) the aggregate number of Common A Interests issued to the New Investors

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on the Amended Agreement Date and (y) the aggregate number of Preferred Interests issued to the New Investors on the Amended Agreement Date.

(c) Notwithstanding Section 5.3(a)(iii), but after distributions have been made pursuant to Section 5.3(a)(i) and (ii) above, in the event of a Sale of the Company on or prior to third anniversary of the Offer Date, and, provided that the Company and its Subsidiaries have achieved the Revenue, EBITDA and CapEx targets set forth in the Five Year Plan as determined by the Board through the Sale of the Company, an additional amount shall be distributed to certain holders of the Common B Interests, as determined by the Board, and the remaining proceeds after the distribution of such additional amount shall be distributed pursuant to Section 5.3(a)(iii). Such additional amount shall be a maximum of € 12 million if the New Investors' cash return is 1.50 times (1.50x) of their respective Capital Contributions scaling ratably down to € 0 once the New Investors cash return equals 2.25 times (2.25x) or more of their respective Capital Contributions. No such special distribution shall be made to the holders of the Common B Interests if the New Investors' cash return is less than 1.50 times (1.50x) their respective Capital Contributions or equal to or greater than 2.25 times (2.25x) their respective Capital Contributions. Each Common B Interest holder's share of such additional amount, if any, shall be determined by the Board in its sole discretion at the time at which Common B Interests are issued to the relevant holders. To the extent that any additional amounts are determined to be distributed pursuant to this Section 5.3(c) and the Board determines in its sole discretion that a portion of such amounts should be paid as a bonus to any holder of any Award Interests issued pursuant to the Deferred Compensation Plan, as an additional amount in excess of what such holder is entitled to under such holder's Award Interest, the amounts distributable under this Section 5.3(c) shall be reduced by the additional amounts to be paid such holders of Award Interests.

(d) Notwithstanding the foregoing and except as provided in Section 5.3(e), unless otherwise approved by the Board, no distributions shall be made pursuant to this Section 5.3 (or pursuant to Section 5.4) to any Interests held by a Partner to the extent that any applicable Common B Securities Purchase Agreement with respect to such Interests restricts the amount of distributions, or until certain terms and conditions are satisfied. To the extent that a Partner owns Interests which, while previously not entitled to such distributions, are now entitled to such distributions pursuant to the applicable terms and conditions of the applicable Common B Securities Purchase Agreement, and as to which distributions have been withheld pursuant to this Section 5.3(b), such Partner shall receive a distribution prior to distributions being made to the other Partners pursuant to Section 5.3 (or pursuant to Section 5.4) equal to the amount of distributions such Partner would have received with respect to such Interests if such restrictions had not applied to such Interests at the time of the relevant distributions.

(e) Notwithstanding the provisions of Section 5.3(a), to the extent that the Board, in its sole and absolute discretion, determines that the Company has sufficient current and projected cash flow to make such distributions, the Company may make Tax Distributions (as defined below) to the Partners no later than one hundred five (105) days following the end of each Fiscal Year (other than the Fiscal Year in which a Sale of the Company occurs). The amount of the distribution made to each Partner pursuant to this Section 5.3(e) (a "Tax Distribution") shall equal (i) the product of (A) the amount of taxable income allocated to such Partner pursuant to Section 5.1 for the applicable Fiscal Year, other than any income allocated to such Partner

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pursuant to Section 704(c) of the Code, and (B) an assumed tax rate equal to the highest combined federal, state and local individual tax rate of an assumed taxpayer paying taxes in the jurisdiction in which the Partners (or if the Partner is not a tax paying Person for federal income tax purposes, its ultimate partners or owners that are taxpayers) are located as reported to the Company by the Partner annually) less (ii) all distributions made to such Partner during the applicable Fiscal Year (other than Tax Distributions made in such applicable Fiscal Year for a different Fiscal Year). The amount of taxable income allocated to each Partner for any Fiscal Year shall be reduced by any Loss previously allocated to such Partner in a prior Fiscal Year provided that no such Loss (or partial Loss) shall be counted more than once for this purpose. For purposes of determining the distributions pursuant to Section 5.3(a) (including Section 5.4(a)(a)(iii)), Actual Tax Distributions shall be deemed to have made pursuant to Section 5.3(a)(iii) and credited against future distributions made pursuant to Section 5.3(a)(iii) (including Section 5.4(a)(iii)) and any Tax Distributions that are not Actual Tax Distributions shall be deemed to have made pursuant to Section 5.3(a) and credited against future distributions made pursuant to Section 5.3(a) (including Section 5.4(a)(iii)). For the avoidance of doubt, no Tax Distributions shall be made pursuant to this Section 5.3(e) in respect of any taxable income allocated to any Partner pursuant to Section 5.1 in connection with a Sale of the Company.

(f) Notwithstanding the foregoing, no distribution shall be made pursuant to this Section 5.3 if the making of such distribution would constitute a violation of the Act or any contract to which the Company is bound relating to or entered into in connection with the financing of the Company's business activities.

(g) Notwithstanding anything to the contrary in this Agreement, any distributions pursuant to Section 5.3 or Section 5.4 shall be adjusted by the Board as necessary to ensure that the issuance of Interests intended by the Company to be treated as "profits interests" for federal income tax purposes are so treated.

(h) For purposes of determining the priority of distributions pursuant to Section 5.3(a), the cash amount paid to a Partner in redemption of all or part of such Partner's Interests shall be treated as a distribution of such amount to such Partner.

(i) For purposes of determining the amount of distributions pursuant to Section 5.3(a) and Section 5.4(a), any authorized but unissued Common B Interests (including any forfeited or any repurchased Common B Interests, but only to the extent the repurchased Common B Interests have been repurchased at, or at less than, the original purchase price in the applicable Common B Securities Purchase Agreement, and any forfeited Award Interests issued under the Deferred Compensation Plan) shall be deemed to be held pro rata by the holders of all issued and outstanding Common B Interests and Award Interests. Any Common B Interests deemed held by any Common B Interests holder pursuant to this Section 5.3(i) shall be subject on a proportionate basis to the same restrictions, thresholds and other terms of the Common B Interests actually held by such Common B Interests holders. For example, if any Common B Interests are treated as profits interests to a Common B Interests holder and as a result, such Common B Interests are not entitled to distributions until a certain threshold is met, the Common B Interests deemed held by such Common B Interests holder will also be subject to such distribution threshold. Any holder of any Award Interests deemed to hold Common B Interests pursuant to this Section 5.3(i) shall not be entitled to any distributions or other rights pursuant to

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this Agreement and shall not be a Partner with respect to such deemed Common B Interests. Instead, any adjustment to the amounts payable to such holder of Award Interests shall be determined pursuant to the Deferred Compensation Plan or the applicable Award Interest.

(j) An example of the application of the provisions of Section 5.3(a) is set forth on Exhibit 1.

(k) In the event that the Company acquires more than 307,125,438 of the issued and outstanding shares of euNetworks Group Limited (the “Threshold”) and issues additional Common A Interests for cash to acquire such additional shares of euNetworks Group Limited or in exchange for such additional shares of euNetworks Group Limited directly, the Authorized Common B Interests (as adjusted for any prior Common B Anti-Dilution Adjustment) existing immediately prior to the time such additional Common A Interests were issued shall be entitled to a Common B Anti-Dilution Adjustment as determined pursuant to this Section 5.3(k). The Common B Anti-Dilution Adjustment shall be calculated for each such Authorized Common B Interest and shall equal the quotient of the Deemed Additional Common B Interests divided by the number of Authorized Common B Interests then entitled to the Common B Anti-Dilution Adjustment.

The Deemed Additional Common B Interests is determined pursuant to the following formula:

$$A/B = (A+X)/((B+X+Y))$$

A= The amount of Authorized Common B Interests (as adjusted for any prior Common B Anti-Dilution Adjustment) existing immediately prior to issuance of additional Common A Interests issued to acquire additional shares of euNetworks Group Limited above the Threshold.

B= The sum of the amount of issued and outstanding Common A Interests and Authorized Common B Interests (as adjusted for any prior Common B Anti-Dilution Adjustment) existing immediately prior to issuance of additional Common A Interests issued to acquire additional shares of euNetworks Group Limited above the Threshold.

X= The Deemed Additional Common B Interests.

Y= The amount of additional Common A Interests issued to acquire additional shares of euNetworks Group Limited above the Threshold.

The Common B Anti-Dilution Adjustment shall be made only to the Authorized Common B Interests existing immediately prior to each time additional Common A Interests are issued to acquire additional shares of euNetworks Group Limited above the Threshold until the Company holds 100% of euNetworks Group Limited directly or indirectly. Once the Company holds 100% of euNetworks Group Limited directly or indirectly, there will be no further Common B Anti-Dilution Adjustment to the Authorized Common B Interests. The Common B Anti-Dilution Adjustment used for the purpose of determining the Points of a Common B Interest

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shall be the sum of each Common B Anti-Dilution Adjustment made to the applicable Authorized Common B Interest each time additional Common A Interests were issued to acquire additional shares of euNetworks Group Limited above the Threshold pursuant to this Section 5.3(k). The sole purpose of this Section 5.3(k) is to avoid dilution of the Common B Interests while the Company increases its ownership in euNetworks Group Limited from 70.2% to 100% in connection with the Company's issuance of new Common A Interests (x) for cash to acquire additional shares euNetworks Group Limited from third parties or (y) in exchange for such additional shares of euNetworks Group Limited directly from third parties. The maximum amount of Deemed Additional Common B Interests that could result from the Common B Anti-Dilution Adjustment is 1,778,073.

**Section 5.4. Distributions Upon Liquidation.**

(a) Subject to Section 5.5 and Section 6.5, in the event of the dissolution and liquidation of the Company, the assets of the Company shall be liquidated and, after a final allocation pursuant to Section 5.1, such proceeds shall be distributed in the following order of priority:

(i) First, payment of all debts and liabilities owing to creditors including, if applicable, Partners in their capacity as creditors and the expenses of dissolution or liquidation;

(ii) Second, establishment of such reserves as are deemed by the Board to be necessary or advisable for any contingent or unforeseen liabilities or obligations of the Company; and

(iii) Third, to the Partners in accordance with the priority and provisions set forth in Section 5.3(a)(i), (ii) and (iii).

(b) Notwithstanding Section 5.4(a), upon the dissolution of the Company, the Company may, at the election of the Board and with the consent of the recipient, distribute a portion of the Company's assets to the Partners, or to one or more Partners, as determined by the Board, in kind in lieu of cash, provided that if any assets of the Company are to be distributed in kind, the Capital Accounts of the Partners shall be adjusted in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(e) and such assets shall be distributed on the basis of the fair market value thereof (without taking Section 7701(g) of the Code into account) in the priority set forth in Section 5.3. Except as provided otherwise in Section 10.2(a), for purposes of this Section 5.4, the "fair market value" of such assets shall be determined in good faith by the Board.

(c) Notwithstanding any provision of the Act, except as otherwise set forth in this Agreement, no Person that ceases to be a Partner of the Company shall be entitled to receive prior to the dissolution and winding up of the Company the fair value of such Person's interest in the Company.

(d) Unless waived by the Requisite Partners (or if applicable, the Super Majority Partners), in their sole and absolute discretion, in the event of a Sale of the Company of the type described in paragraph (a) of the definition of "Sale of the Company", the sale proceeds shall be

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treated as Company assets and distributed pursuant to Section 5.4 as if the Company dissolved and liquidated.

**Section 5.5. Withholding.** For purposes of Section 5.3 and Section 5.4, all amounts withheld pursuant to the Code or any provision of tax laws with respect to the allocation of any income or any payment or distribution to the Partners from the Company shall be treated as amounts distributed to the Partner or Partners subject to such withholding obligation in accordance with this Agreement.

**ARTICLE 6**  
**MANAGEMENT OF COMPANY**

**Section 6.1. Management by the Board of Managers.**

(a) Except for situations in which the approval of any of the Partners is expressly required by this Agreement or by nonwaivable provisions of applicable law, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of a Board of Managers (the “Board,” and each Partner thereof being referred to as a “Manager”) and (ii) the Board may make all decisions and take all actions for the Company not otherwise provided in this Agreement.

(b) At the Effective Time, the Board shall consist of Managers designated as follows:

(i) One Manager designated by Columbia who initially shall be John Siegel. In addition to Columbia’s right to designate at least one Manager, (i) if Columbia, together with its Affiliates, holds at least twenty percent (20%) of the Preferred Interests outstanding from time to time, Columbia shall have the right to designate one (1) additional Manager, and (ii) if Columbia, together with its Affiliates, holds at least thirty percent (30%) of the Preferred Interests outstanding from time to time, Columbia shall have the right to designate two (2) additional Managers.

(ii) One Manager designated by the QIC Entity who initially shall be Kai Uwe Ricke; and

(iii) One Manager designated by Greenspring who initially shall be Deric Emry.

(iv) Any Person who is the holder of Preferred Interests who holds, together with its Affiliates, at least ten percent (10%) of the Preferred Interests outstanding from time to time shall have the right to appoint one Manager for every full ten percent (10%) of the Preferred Interests in the Company held by such Person (together with its Affiliates), for so long as such Person (together with its Affiliates) continues to satisfy such ownership thresholds. For example, a Person who is the beneficial owner (together with such Person’s Affiliates) of nineteen percent (19%) of the outstanding Preferred Interests will be entitled to appoint one (1) Manager, and a Person who is the beneficial owner (together with such Person’s Affiliates) of twenty percent (20%) of the outstanding Preferred Interests will be entitled to appoint two (2) Managers. For purposes of this Section 6.1(b)(iv) only, a “Person” may include two or more holders of Preferred Interests acting together as a “group” (within the meaning of Section



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13(d)(3) under the Exchange Act) for purposes of appointing a Manager, *provided* that each such holder (together with its Affiliates) singly is the beneficial owner of at least three percent (3%) of the outstanding Preferred Interests, provided, however, for purposes of this Section 6.1(b)(iv), that in no event shall a “Person” include Columbia, Greenspring or QIC. Each Manager appointed pursuant to this Section 6.1(b)(iv) is referred to as an “Investor Manager”, and each Person holding the right to appoint one or more Investor Managers is called a “Represented Investor”).

(v) The Chief Executive Officer of the Company (the “CEO Manager”) who shall serve as a CEO Manager only for so long as such individual also serves the Company as Chief Executive Officer, and will cease to be the CEO Manager immediately upon ending such service as the Company’s Chief Executive Officer; and

(vi) The Chief Financial Officer of the Company (the “CFO Manager”) who shall serve as a CFO Manager only for so long as such individual also serves the Company as Chief Financial Officer, and will cease to be the CFO Manager immediately upon ending such service as the Company’s Chief Financial Officer;

(vii) The Chairman to be designated by the Requisite Partners who initially shall be Neil Hobbs;

(viii) One independent Manager designated by the Requisite Partners if the Requisite Partners so elect to designate an independent Manager.

(c) Any Manager designated hereunder shall be removed from the Board (and thereupon from all committees thereof) upon the written request of the Person or other Persons that have designated such Manager in accordance with Section 6.1(b), provided that such Person or Persons still have the right to designate a Manager pursuant to Section 6.1(b).

(d) In the event that any individual designated to serve on the Board is removed in accordance with Section 6.1(c) above or for any reason ceases to serve as a member of the Board during such person’s term of office, the resulting vacancy on the Board shall be filled by an individual designated by the Person or Persons who have designated such Manager pursuant to Section 6.1(b) provided that such Person or Persons still have the right to designate a Manager pursuant to Section 6.1(b).

(e) Each Manager shall hold office until such Manager’s successor is appointed as provided above or until such Manager’s earlier resignation, removal, death or disability. Any Manager may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein or, if no time is specified therein, at the time of its receipt by the Board. The acceptance of a resignation shall not be necessary to make it effective, unless so expressly provided in the resignation.

**Section 6.2. Compensation of Managers.** The Company shall reimburse each Manager for reasonable travel and other incidental expenses incurred by such Manager in connection with such Manager’s serving on the Board and on the board of managers/directors of each Subsidiary. The foregoing notwithstanding, nothing contained in this Agreement shall be

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construed to preclude any Manager from serving the Company in any other capacity and receiving compensation for such service.

**Section 6.3. Meetings of the Board of Managers; Consent of Partners.**

(a) Meetings of the Board may be held at any time and place designated by the Board Majority and of which all Managers are given not less than five (5) days' notice (which notice may be delivered by electronic mail); provided, that Managers may be given 48 hour notice in event of exigent circumstances. Notice of a meeting of the Board may be waived by the Board Majority. Meetings shall be held quarterly or as otherwise determined by the Board Majority. Managers may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other, and participation by such means shall constitute presence in person at such meeting. At any meeting of the Board, the affirmative vote of the Board Majority, whether or not present at such meetings, shall be necessary to take any action. Each Manager shall be entitled to one vote on any given matter, provided, however, (i) the Investor Manager(s) appointed by any Represented Investor shall have that number of votes, collectively, equal to the number of Investor Managers that the Represented Investor then has a right to appoint, divided equally among such appointed Investor Managers and (ii) the Managers appointed by Columbia shall have the number of votes, collectively, equal to the number of Managers that Columbia then has the right to appoint, divided equally among such appointed Managers. For example, if at the time in question a Represented Investor has a right to appoint three (3) Managers, and there is only one (1) Investor Manager then appointed by the Represented Investor in question, the Investor Manager appointed by the Represented Investor in question shall be entitled to three (3) votes on any given matter.

(b) A quorum for meetings of the Board shall require a Board Majority. If a quorum is not reached at any meeting, that meeting may be adjourned by the Managers attending to a Business Day that is no earlier than two (2) Business Days after the original meeting date, in which case the quorum required for the adjourned meeting shall be the Managers of the Company then in attendance; provided, such quorum shall only apply to matters that were to be acted upon at the original meeting, as evidenced by the agenda accompanying the notice of the original meeting.

(c) Any action required or permitted to be taken at any meeting of the Board or of any committee of the Board may be taken without a meeting, if a Board Majority or a majority of the Managers on the committee entitled to vote, as the case may be, consent to the action in writing, in which event the written consents shall be filed with the minutes of proceedings of the Board or such committee.

(d) Whenever the consent of Partners or any group thereof is required, such consent may be evidenced by a writing setting forth such consent and executed by the Partners holding the number of Interests necessary for such consent to be effected.

**Section 6.4. Committees of the Board.** The Board may, by resolution, designate from among the Managers one or more committees (including an audit committee and a compensation committee), each of which will be comprised of one or more Managers, and may designate one

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or more of the Managers as alternate Partners of any committee, who may, subject to any limitations imposed by the Board, replace absent or disqualified Managers at any meeting of that committee. The majority of the members of the audit and compensation committees shall be Partners who are not also officers or employers of the Company or its Subsidiaries. Any such committee, to the extent provided in such resolution, will have and may exercise all of the authority of the Board, subject to the limitations set forth in Section 6.5, the Delaware Act or in the establishment of the committee. Any members thereof may be removed by a Board Majority. Except as otherwise determined by the Company or required by applicable law, the provisions of this ARTICLE 6 relating to the Board and the Managers will apply to each committee and its members, *mutatis mutandi*.

**Section 6.5. Restrictions on Authority of the Board.**

(a) The Board shall not, and shall have no authority to, cause or authorize the Company or any of its Subsidiaries to take any of the following actions without the consent of the Requisite Partners:

- (i) authorize or effect a Sale of the Company;
- (ii) authorize or effect a liquidation, dissolution or winding up of the Company, or any of its Subsidiaries (in connection with a Sale of the Company, Reorganization or the Post Closing Restructuring);
- (iii) authorize or effect a Reorganization (other than the Post Closing Restructuring) or a disposition of the Company's or any of its Subsidiaries' business and assets (other than the disposition of assets in one or more transactions with a value less than €40 million in the aggregate);
- (iv) authorize or effect the acquisition of Capital Securities or all or a substantial portion of the business or assets of any other entity or any similar investment other than acquisition in one or more transactions with a value less than €5 million in the aggregate;
- (v) pay, make or declare any dividend or distribution upon any of the Company's outstanding Capital Securities that are junior in right to receive distributions to the Preferred Interests (other than Tax Distributions);
- (vi) agree to effect the redemption or repurchase of, any of the Company's outstanding Capital Securities (other than redemption of Common B Equity pursuant to the Common B Securities Purchase Agreement);
- (vii) incur or permit any indebtedness (including guaranties, letters of credit and capital leases), if after giving effect thereto the Company or any of its Subsidiaries would or would continue to have indebtedness in excess of €3 million in the aggregate (other than indebtedness incurred under the Debt Facilities), or the material amendment of the terms of any such indebtedness (including any material amendment to the terms of the Debt Facilities);

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(viii) consummate or permit any of its Subsidiaries to consummate an initial Qualified Public Offering or an initial public offering pursuant to the securities laws of a foreign jurisdiction;

(ix) authorize or effect the issuance of any Capital Securities (other than (a) the issuances out of the Reserved Pool; (b) Capital Securities of any Subsidiary issued to the Company or any of its Subsidiaries, and (c) Capital Securities issued pursuant to Section 4.2(d);

(x) amend this Agreement or the Company's or any of its Subsidiaries' governing or constituent documents (whether in connection with or incident to any merger, consolidation or otherwise);

(xi) adopt or approve the Company's or any of its Subsidiaries' Budget, including capital expenditures and other project spending in any year; and

(xii) employment and compensation arrangements of (and the termination of) any member of the senior management team and other key employees of the Company or any of its Subsidiaries (other than issuances out of the Reserved Pool).

(b) The Board shall not, and shall have no authority to, cause or authorize the Company or any of its Subsidiaries to take any of the following actions without the consent of the Super Majority Partners:

(i) authorize or effect the Sale of the Company within five years of the Amended Agreement Date at a valuation less than the sum of (a) the Minimum Price for each Preferred Interest (including the Common A Interests issued in connection with such Preferred Interest), (b) the Minimum Price for each Common Linked Security (other than Common A Interests issued in connection with Preferred Interests and already factored into this calculation under sub-section (a)), and (c) the Unpaid Priority Return.

(ii) authorize or effect the issuance of any Capital Securities (other than (A) issuance out of the Reserved Pool, (B) the Capital Securities of any Subsidiary issued to the Company or any of its Subsidiaries and (C) Capital Securities issued pursuant to Section 4.2(d)) (x) at a valuation less than the sum of (1) the Minimum Price for each Preferred Interest (including the Common A Interests issued in connection with such Preferred Interest), (2) the Minimum Price for each Common Linked Security (other than Common A Interests issued in connection with Preferred Interests and already factored into this calculation under sub-section (1)), and (3) the Unpaid Priority Return, or (y) prior to the second anniversary of the Amended Agreement Date, the effect of which (cumulatively with any other new Capital Securities issued after the Effective Time but excluding the Reserved Pool) is to dilute the Preferred Interests and the Common A Interests (issued in connection with the Preferred Interests) outstanding immediately following the Effective Time by 25% or more;

(iii) enter into lines of business not contemplated by the Five Year Plan;

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(iv) authorize or effect the liquidation, dissolution or winding up of the Company or any of its Subsidiaries (other than in connection with a Sale of the Company, Reorganization or the Post Closing Restructuring); and

(v) enter into transactions with Affiliates (which vote for this purpose shall exclude the Preferred Interests held by the Affiliate from both the numerator and denominator of determining the threshold for the “Super Majority Partners”) other than employment and compensation arrangements with employees of the Company or its Subsidiaries.

**Section 6.6. Officers.**

(a) The Board may appoint individuals as officers (“Officers”) of the Company which may include (i) a chief executive officer, (ii) president, (iii) a chief financial officer, (iv) a secretary, and (v) such other Officers (such as a treasurer or any number of vice presidents) as the Board deems advisable. No Officer need be a Partner or a Manager. An individual can be appointed to more than one office.

(b) The Officers will have such powers and duties as are prescribed by the Board or this Agreement or as set forth in any applicable employment agreement to which the Company or any of its Subsidiaries is a party.

(c) The Board may remove any Officer, for any reason or for no reason, at any time. Any Officer may resign at any time by giving written notice to the Company, and such resignation will take effect at the date of the receipt of that notice or any later time specified in that notice; provided, that unless otherwise specified in that notice, the acceptance of the resignation will not be necessary to make it effective. Any such resignation will be without prejudice to the rights, if any, of the Company or such Officer under this Agreement. A vacancy in any office because of death, resignation, removal or otherwise will be filled in the manner prescribed in this Agreement for regular appointments to that office.

(d) The Officers will be entitled to receive compensation from the Company if and as determined by the Board, subject to Section 6.5 and the terms of any applicable employment agreement.

**ARTICLE 7**  
**TRANSFER RESTRICTIONS**

**Section 7.1. Restrictions on Transfer of Interests.**

(a) No Partner may in any manner Transfer any Interests now or hereafter owned by such Person except (i) for Permitted Transfers and (ii) as permitted by this ARTICLE 7; provided, however, that no such Transfer shall be effective for any purpose unless and until the Company has received (x) a document executed by both the Partner effecting the Transfer (or, if the Transfer is on account of the death, incapacity, or liquidation of the transferor, its representative) and the Person to which the Interests are transferred, (A) including the notice address of any Person to be admitted to the Company as a Partner and its agreement to be bound by this Agreement in respect of the Interests being obtained in the same capacity as the Person

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making the Transfer as fully as if such transferee were originally named as a party hereto with respect to the Interests, (B) setting forth the number and class of Interests Transferred and the number of Interests being retained (which together shall total the number and class of Interests of the Partner effecting the Transfer before the Transfer), and (C) containing a representation and warranty that the Transfer was made in accordance with this Agreement, the Act and all applicable Securities Laws and (y) a legal opinion as may be required by applicable law or deemed advisable by the Company.

(b) Notwithstanding anything to the contrary in this Section 7.1,

(i) no Partner shall be permitted to Transfer any Interests to any Person (including to a Permitted Transferee in connection with a Permitted Transfer) without obtaining the written consent of the Board, which consent may be withheld only if the Board makes a good faith determination that: (A) the Transfer would violate the Securities Laws or the securities laws of any foreign jurisdiction; (B) as a result of such Transfer, the Company or one or more of its Partners would become subject to or would be classified differently under any other requirements of law (including the U.S. Investment Company Act of 1940, as amended) that would impede its operations or impose an unreasonable burden thereon; (C) the Transfer would cause the Company to become a “publicly-traded partnership,” as such term is defined in Section 7704 of the Code; or (D) the proposed transferee of the Transfer is a competitor (or an Affiliate of a competitor) of the Company or any of its Subsidiaries.

(ii) no Preferred Partner shall be permitted to Transfer to any Person (including to a Permitted Transferee in connection with a Permitted Transfer) (A) any Preferred Interests unless a proportionate amount of Common A Interests (issued in connection with such Preferred Interests or pursuant to Section 4.2(d)) are so Transferred to such Person and (B) any Common A Interests (issued in connection with Preferred Interests or pursuant to section 4.2(d)) unless a proportionate amount of such Preferred Interests are so Transferred to such Person.

(c) Any attempted Transfer by a Partner of any Interests, other than in accordance with this ARTICLE 7, shall be, and is hereby declared, null and void ab initio.

(d) The provisions of this ARTICLE 7 supersede, and shall be controlling with respect to, any conflicting provisions contained in any other agreement between or among the Company and any Partner.

(e) The transfer restrictions set forth in this ARTICLE 7 shall terminate upon an initial public offering of the Capital Securities of the Company.

**Section 7.2. Allocations Between Transferor and Transferee.** If a Partner’s Interests shall be Transferred in accordance with this ARTICLE 7, then the transferor and transferee shall each be entitled to distributions and allocations as hereafter provided in this Section 7.2. Unless the Company is otherwise instructed by the transferor and transferee or as otherwise required by applicable law, distributions shall be made to the Person owning the Interests at the date of

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distribution and all Profits and Losses shall be allocated based on an interim closing of books on the date of the Transfer.

**Section 7.3. Right of First Refusal; Tag Along Rights.**

(a) Subject to the Transfer being permitted by Section 7.1, if any Partner (for purposes of this Section 7.3(a), each such Partner, a “Transferring Partner”) shall propose to Transfer to any Person(s) (the “Proposed Transferee(s)”) any Interests (other than Permitted Transfers and Transfers pursuant to Section 7.4) prior to the fifth anniversary of the Amended Agreement Date, such Transferring Partner shall first offer to Transfer to the Person(s) designated by the Company as “Designated Purchaser” hereunder (the “Designated Purchaser”) the Interests that the Transferring Partner desires to Transfer (the “Offered Interests”), at the same price and on the terms and conditions identical in all material respects to those terms that the Transferring Member intends to Transfer the Offered Securities to the Proposed Transferee(s). The Transferring Partner’s offer shall be made by a written notice (the “Notice of Proposed Transfer”) delivered to the Designated Purchaser not less than thirty (30) days prior to the proposed Transfer. Such notice shall set forth the identity of the Proposed Transferee(s), the Offered Interests proposed to be Transferred, the terms and conditions of the proposed Transfer, including price per Interest and any other terms and conditions or material facts relating to the proposed Transfer. In addition, the Transferring Partner shall provide to the Designated Purchaser all such other information relating to the Offered Interests, the Proposed Transferee(s) and the proposed Transfer as the Designated Purchaser may reasonably request. The Designated Purchaser may elect to purchase all of the Offered Interests at the same price and on terms and conditions identical in all material respects to the terms that the Transferring Partner intends to sell the Offered Interests to the Proposed Transferees(s) by sending written notice to the Transferring Partner within thirty (30) days following the receipt of the Notice of Proposed Transfer. If the Designated Purchaser does not accept the offer made by the Transferring Partner with respect to all of the Offered Interests within the time period provided above, then, subject to compliance with the provisions of Section 7.3(a), the Transferring Partner shall have the right for a period of sixty (60) days following the receipt of the Notice of Proposed Transfer in accordance with Section 7.3(a), to sell all (but not less than all) of the Offered Interests at not less than the price, and upon terms and conditions not more favorable to the Proposed Transferee(s), than those that were contained in the Notice of Proposed Transfer. Any Offered Securities not sold within such sixty (60) day period shall continue to be subject to the requirements of this Section 7.3(a).

(b) Subject to the Transfer being permitted by Section 7.1 and subject to compliance with Section 7.3(a), if applicable, if any Ten Percent Partner or Common B Partner (for purposes of this Section 7.3(b), each such Partner, a “Ten Percent/Common B Transferring Partner”) shall propose to Transfer to any Proposed Transferee(s) any Interests (other than Permitted Transfers or Transfers pursuant to Section 7.4) such proposed Transfer shall be conditioned upon receipt by each Preferred Partner of a binding written offer (conditioned solely upon the consummation of such proposed sale) by the Proposed Transferee(s) to purchase, at the same price and upon terms and conditions identical in all material respects to the terms and conditions on which the Ten Percent/Common B Transferring Partner proposes to Transfer the Interests to the Proposed Transferee, a portion of each Preferred Partner’s Interests of the same type as the Interests proposed to be sold by Ten Percent/Common B Transferring Partner. Such portion shall be

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calculated with respect to each type of such Preferred Partner's Interests, provided that such type of Preferred Partner's Interests are of the same type of the Interests proposed to be sold by Ten Percent/Common B Transferring Partner. Such portion of each type of such Preferred Partner's Interests shall be determined by multiplying the total amount of such type of Preferred Partner's Interests by a fraction, the numerator of which fraction equals the number of such type of Interests that the Ten Percent/Common B Transferring Partner intends to sell, and the denominator of which fraction is the total number of such type of Interests held by the Ten Percent/Common B Transferring Partner and Persons to whom such Ten Percent/Common B Transferring Partner has Transferred Interests in accordance with Section 7.1. If the offer of the Proposed Transferee(s) states that the Proposed Transferee(s) is or are unwilling to purchase, in the aggregate, more than a specified amount of Interests, then the Interests being transferred by the Ten Percent/Common B Transferring Partner and those Preferred Partners accepting such offer under this Section 7.3(b) shall be reduced pro rata in accordance with their relative holdings of the Interests being sold (based on the same type of Interests being sold).

(c) Notwithstanding anything to the contrary herein, (a) any Transfer to another Preferred Partner which results in a Transfer of Control shall not be a Permitted Transfer and the provisions of this Section 7.3(a) and (b) shall apply to such Transfer, and (b) any Transfer by Columbia to another Preferred Partner at a time when Columbia is a Ten Percent Partner shall not be a Permitted Transfer if it relates to more than 10% of the Preferred Interests held by Columbia as of the Effective Time and the provisions of this Section 7.3(b) shall apply to such Transfer.

**Section 7.4. Drag Along Rights.**

(a) Each Partner will consent to and raise no objections against (i) any Sale of the Company, or (ii) any Reorganization, in each case approved by the Board (with the consent of the Requisite Partners, and if applicable, the Super Majority Partners). If such Sale of the Company or Reorganization is structured as a Transfer of Interests, each Partner shall Transfer the Interests held by such Partner on terms and conditions approved by the Requisite Partners, and if applicable, the Super Majority Partners, so long as the terms and conditions applicable to the Transfer by each of the Partners of each class, series and type of Interests are at the same price and on terms and conditions identical in all material respects to the price and terms and conditions applicable to the Transfer by all other Partners of such class, series and type of Interests.

(b) Each Partner agrees to cooperate with the Board and to take any and all actions reasonably requested by the Requisite Partners (and if applicable, the Super Majority Partners), and to execute any and all agreements and instruments, including, without limitation, agreements conveying their Interests, in connection with a Sale of the Company or Reorganization approved by the Requisite Partners (and if applicable, the Super Majority Partners) and satisfying the condition specified in Section 7.4(a). Without limitation of the foregoing, each Partner (i) waives any appraisal rights such Partner may have under applicable law in connection with any Sale of the Company or Reorganization that is approved by the Requisite Partners (and if applicable, the Super Majority Partners), and (ii) hereby irrevocably appoints the Requisite Partners (and if applicable, the Super Majority Partners), or any Person designated by Requisite Partners (and if applicable, the Super Majority Partners) for the purpose, as its agent and proxy to



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vote such Partner's Interests as the Requisite Partners (and if applicable, the Super Majority Partners) may deem necessary or appropriate in connection with a Sale of the Company or Reorganization satisfying the conditions set forth in Section 7.4(a) and approved by the Requisite Partners (and if applicable, the Super Majority Partners).

(c) Each Partner shall bear its *pro rata* share of (i) non-affiliate transaction costs and expenses associated with any Sale of the Company or Reorganization to the extent such costs are incurred for the benefit of all Partners and are not otherwise paid by the Company or the acquiring party and (ii) any indemnities required of all of the Partners in connection with such Sale of the Company or Reorganization (other than indemnities on account of such Partner's own Interests or such Partner's authority to effect the transaction, for which such Partner shall be solely responsible); provided that such indemnities shall be on a several, and not joint, basis. Costs and expenses incurred by Partners on a Partner's own behalf will not be considered costs of the transaction hereunder.

(d) Each Partner agrees to cooperate with the Requisite Partners (and if applicable, the Super Majority Partners) in connection with any Sale of the Company or Reorganization, including without limitation, providing access to and answering questions of the buyer and its representatives in connection with such Sale of the Company or Reorganization, and to execute any and all agreements and instruments reasonably requested by the Requisite Partners (and if applicable, the Super Majority Partners) in connection with such Sale of the Company or Reorganization. Without limiting the foregoing, each Partner shall obtain any releases or discharges of Liens on Interests requested by the Requisite Partners (and if applicable, the Super Majority Partners)(it being understood that no Partner shall be permitted to incur Liens on their Interests without the approval of the Board).

(e) The Requisite Partners (and if applicable, the Super Majority Partners) shall have full and plenary power and authority, as agent of the Partners, to cause the Company to enter into a transaction providing for a Sale of the Company or Reorganization and to take any and all such further action in connection therewith as the Requisite Partners (and if applicable, the Super Majority Partners) may deem necessary or appropriate in order to consummate any such Sale of the Company or Reorganization. The Requisite Partners (and if applicable, the Super Majority Partners) may authorize and cause the Company or any Subsidiary to execute (or execute on behalf of the Company or any Subsidiary) such agreements, documents, applications, authorizations, registration statements and instruments (collectively, "Sale Documents") as they shall deem necessary or appropriate in connection with any Sale of the Company or Reorganization, and each Person who is a third party to any such Sale Documents may rely on the authority vested in the Requisite Partners (and if applicable, the Super Majority Partners) under this Section 7.4.

**Section 7.5. Preemptive Rights.** The Company shall only issue New Securities in accordance with Section 6.5 and the following terms:

(a) The Company shall not issue any New Securities unless it first delivers to each Preferred Partner a written notice (the "Notice of Proposed Issuance") specifying the type and total number of such New Securities that the Company then intends to issue (the "Offered New Securities"), the material terms, including the price upon which the Company proposes to issue

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the Offered New Securities and stating that the Preferred Partners shall have the right to purchase the Offered New Securities in the manner specified in this Section 7.5 for the same price per Interest, or other division, however denominated, and in accordance with the same terms and conditions specified in such Notice of Proposed Issuance.

(b) For a period of fifteen (15) days commencing on the date the Company delivers to all of the Preferred Partners the Notice of Proposed Issuance (the “Fifteen Day Period”) in accordance with Section 7.5(a) hereof, the Preferred Partners shall have the option to purchase all of the Offered New Securities at the same price and upon the same terms and conditions specified in the Notice of Proposed Issuance. Each Preferred Partner electing to purchase Offered New Securities must give written notice of its election to the Company prior to the expiration of the Fifteen Day Period and if a Preferred Partner has not given written notice within the Fifteen Day Period, such Preferred Partner shall be deemed to have rejected its right to purchase the Offered New Securities.

(c) Each Preferred Partner shall have the right to purchase that number of the Offered New Securities as shall be equal to the number of the Offered New Securities multiplied by a fraction, the (i) numerator of which shall be the number of Preferred Interests held by such Preferred Partner and (ii) the denominator of which shall be the aggregate number of Preferred Interests held by all of the Partners. The amount of such Offered New Securities that each Preferred Partner is entitled to purchase under this Section 7.5(c) shall be referred to as such Preferred Partner’s “Proportionate Share.”

(d) Each Preferred Partner shall have a right of oversubscription such that if any other Preferred Partner fails to elect to purchase such Preferred Partner’s full Proportionate Share of the Offered New Securities, the other Preferred Partner(s) shall, among them, have the right to purchase up to the balance of such Offered New Securities not so purchased (the “Excess New Securities”). The Preferred Partners may exercise such right of oversubscription by electing to purchase more than their Proportionate Share of the Offered New Securities by so indicating in their written notice given during the Fifteen Day Period (the “Oversubscribing Preferred Partners”). If, as a result thereof, such oversubscription exceeds the Excess New Securities, the Oversubscribing Preferred Partners for such Excess New Securities shall be reduced on a *pro rata* basis in accordance with their respective Proportionate Share or as they may otherwise agree in writing among themselves.

(e) If some or all of the Offered New Securities have not been purchased by the Preferred Partners pursuant to paragraphs (a) to (d) hereof, then the Company shall have the right, until the expiration of one hundred eighty (180) days commencing on the first day immediately following the expiration of the Fifteen Day Period, to issue such remaining Offered New Securities to one or more third parties at not less than, and on terms no more favorable overall to the purchasers thereof than the price and terms specified in the Notice of Proposed Issuance. If for any reason the Offered New Securities are not issued within such period and at such price and on such terms, the right to issue in accordance with the Notice of Proposed Issuance shall expire and the provisions of this Agreement shall continue to be applicable to the Offered New Securities.

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(f) The Company shall set the place, time and date for the consummation of the purchase of the Offered New Securities (a “New Securities Closing”), which New Securities Closing shall occur not more than five (5) days after the first day immediately following the expiration of the Fifteen Day Period. The purchase price for the Offered New Securities shall, unless otherwise agreed in writing by the parties to such transaction, be paid in immediately available funds on the date of the New Securities Closing. At the New Securities Closing, the purchasers shall deliver the consideration required by Section 7.5(a) and the Company shall deliver any documents or instruments, if applicable, representing the Offered New Securities.

(g) Notwithstanding the foregoing, no Preferred Partner shall have any rights under this Section 7.5, if any time such Preferred Partner is not an “accredited investor” as defined in Regulation D under the Securities Act.

**ARTICLE 8**  
**BOOKS AND RECORDS**

**Section 8.1. Books, Records and Financial Statements.** The Company and each of its Subsidiaries will keep books of record and account in which full, true and correct entries are made of all of its and their respective dealings, business and affairs, in accordance with IFRS.

**Section 8.2. Accounting System.** At all times during the continuance of the Company, the Company shall maintain a system of accounting in accordance with IFRS and maintain Fiscal Year ending December 31 for the Company and each of the Subsidiaries.

**Section 8.3. Tax Matters Partner.** The Board shall designate the “Tax Matters Partner” of the Company for purposes of Section 6231(a)(7) of the Code. The Tax Matters Partner shall have the power and authority, subject to the review and control of the Board, to manage and control, on behalf of the Company, any administrative proceeding at the Company level with the Internal Revenue Service relating to the determination of any item of Company income, gain, loss, deduction or credit for federal income tax purposes.

**ARTICLE 9**  
**DELIVERY OF FINANCIAL INFORMATION; MANAGEMENT RIGHTS**

**Section 9.1. Delivery of Financial Information; Tax Information.**

(a) Upon an Investor Partner’s written request, the Company shall deliver information in compliance with the following provision, provided, however, that the Company may condition delivery of such information to any such Investor Partner on the execution by such Preferred Partner of a confidentiality agreement in form and substance acceptable to the Company.

(i) Within one hundred twenty (120) days after the close of each Fiscal Year of the Company (or such time period as required by the senior lenders of the Company or its Subsidiaries), the Company will deliver to such Investor Partner audited consolidated and consolidating balance sheets and statements of income and retained earnings and of cash flows of the Company and its Subsidiaries, if any, which annual financial statements shall show the financial condition of the Company and each of its Subsidiaries, as of the

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close of such Fiscal Year and the results of their respective operations during such Fiscal Year. Each of the financial statements delivered in accordance with this Section 9.1(a)(i) shall be signed by an authorized officer on behalf of the Company and certified without qualification by the accounting firm auditing the same to have been prepared in accordance with IFRS except as specifically disclosed therein. The Company shall also deliver to such Investor Partner simultaneously with the delivery of such annual financial statements a copy of the so called “management letter” issued by the auditors in connection with such annual financial statements.

(ii) Within forty-five (45) days after the end of each fiscal quarter, the Company will deliver to such Investor Partner consolidated and consolidating unaudited balance sheets and statements of income and retained earnings and of cash flows for the Company and each of its Subsidiaries as of the end of such fiscal quarter, for such quarter and for the year-to-day period, prepared in accordance with IFRS and comparing such financial position and results of operations against the same periods for the prior year and against the Budget for such year. Each of the financial statements delivered in accordance with this Section 9.1(a)(ii) shall be signed by an authorized officer on behalf of the Company.

(b) The Company shall provide information to the Partners (which information shall be estimated if final information is not available) for the preparation of the Partners US or foreign tax returns within sixty (60) days after the close of each Fiscal Year of the Company. The Company shall cause Schedule K-1s to be delivered to each Partner no later than the ninety (90) days after the close of each Fiscal Year of the Company. The Company shall also provide, or cause to be provided, any other information reasonably requested by such Partner in order for the Partner to comply with its or any of its beneficial owners’ U.S. federal or foreign income tax reporting obligations. Such information shall be provided to the Partner within 90 days of the receipt of a written request by such Partner.

**Section 9.2. Management Rights.** The Company covenants and agrees to deliver to each Investor Partner which intends to obtain or preserve the status of a “venture capital operating company” within the meaning of the regulations promulgated under the Employee Retirement Income Security Act of 1974, as amended, a management rights letter in customary form.

## ARTICLE 10

### LIABILITY, EXCULPATION AND INDEMNIFICATION

**Section 10.1. Liability.** Except as otherwise provided by the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

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**Section 10.2. Exculpation; Liability; Definition of Duties.**

(a) No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any action taken or omitted to be taken by such Covered Person in connection with the business of the Company and Subsidiaries in good-faith reliance on the provisions of this Agreement, so long as such action or omission does not constitute fraud or willful misconduct by such Covered Person.

(b) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Profits or Losses of the Company or any facts pertinent to the existence and amount of assets from which distributions might properly be paid) of the following Persons or groups: (i) another Manager; (ii) one or more Officers or employees of the Company; (iii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company; or (iv) any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person's professional or expert competence. The preceding sentence shall in no way limit any Person's right to rely on information to the extent provided in § 15-409 of the Act.

(c) This Agreement is not intended to, and does not, create or impose any fiduciary duty on any Covered Person. Furthermore, each of the Partners and the Company hereby waives any and all fiduciary duties that, absent such waiver, may be implied by applicable law, and in doing so, acknowledges and agrees that the duties and obligation of each Covered Person to each other and to the Company are only as expressly set forth in this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Covered Person.

(d) Whenever in this Agreement a Covered Person is permitted or required to make a decision (including a decision that is in such Covered Person's "discretion" or under a grant of similar authority or latitude), the Covered Person shall be entitled to consider only such interests and factors as such Covered Person desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Person. Whenever in this Agreement a Covered Person is permitted or required to make a decision in such Covered Person's "good faith," the Covered Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other applicable law.

**Section 10.3. Indemnification; Reimbursement.**

(a) To the fullest extent permitted by applicable, the Company shall indemnify, hold harmless, defend, pay and reimburse any Indemnified Person against any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating or defending against such losses, claims, damages, judgments, fines or

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liabilities, and any amounts expended in settlement of any claims (collectively, “Losses”) to which such Indemnified Person may become subject by reason of:

(i) Any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company or any of its Subsidiaries in connection with the business of the Company or any of its Subsidiaries; or

(ii) The fact that such Indemnified Person is or was acting in connection with the business of the Company or any of its Subsidiaries as a Partner (or as officer, director, shareholder, partner, member, Affiliate, employee, agent or representative of a Partner), Manager, Officer, employee or agent of the Company or any of its Subsidiaries, or that such Indemnified Person is or was serving at the request of the Company or any of its Subsidiaries;

*provided*, that (x) such Indemnified Person acted in good faith and in a manner believed by such Indemnified Person to be in, or not opposed to, the best interests of the Company or such Subsidiary and, with respect to any criminal proceeding, had no reasonable cause to believe his conduct was unlawful, and (y) such Indemnified Person’s conduct did not constitute fraud or willful misconduct, in either case as determined by a final, nonappealable order of a court of competent jurisdiction.

(b) The Company shall promptly reimburse (and/or advance to the extent reasonably required) each Indemnified Person for reasonable legal or other expenses (as incurred) of such Indemnified Person in connection with investigating, preparing to defend or defending any claim, lawsuit or other proceeding relating to any Losses for which such Indemnified Person may be indemnified pursuant to this Section 10.3; provided, that if it is finally judicially determined that such Indemnified Person is not entitled to the indemnification provided by this Section 10.3, then such Indemnified Person shall promptly reimburse the Company for any reimbursed or advanced expenses.

(c) Notwithstanding anything contained herein to the contrary, any indemnity by the Company relating to the matters covered in this Section 10.3 shall be provided out of and to the extent of Company assets only, and no Partner (unless such Partner otherwise agrees in writing) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity by the Company.

(d) The provisions of this Section 10.3 shall continue to afford protection to each Indemnified Person regardless of whether such Indemnified Person remains in the position or capacity pursuant to which such Indemnified Person became entitled to indemnification under this Section 10.3.

**ARTICLE 11**  
**DISSOLUTION, LIQUIDATION AND TERMINATION**

**Section 11.1. No Dissolution.** Only the events set forth in Section 11.2 hereof shall cause the dissolution of the Company. The Company shall not be dissolved by the admission of additional or substitute Partners in accordance with the terms of this Agreement.

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**Section 11.2. Events Causing Dissolution.** The Company shall be dissolved and its affairs shall be wound up as follows:

- (a) upon the determination of the Board (with the consent of the Requisite Partners or Super Majority Partners, as applicable); or
- (b) upon the entry of a decree of judicial dissolution under the Act.

**Section 11.3. Liquidation.** Upon dissolution of the Company, the Board, shall appoint one or more Persons to carry out the winding up of the Company (such person(s) being referred to as the “Liquidating Trustee(s)”), which Liquidating Trustee(s) shall immediately commence to wind up the Company’s affairs in an orderly fashion. The proceeds of liquidation shall be disbursed as provided in Section 5.4. The costs and expenses of liquidation shall be borne as a Company expense.

**Section 11.4. Termination.** The Company shall cancel the Certificate by filing a certificate in respect thereof with the Delaware Secretary of State at such time as all of the assets of the Company, after payment of or due provision for all debts, liabilities and obligations of the Company, shall have been distributed as provided in Section 5.4. The Company, Liquidating Trustee and the Partners shall take all other actions and shall execute, acknowledge and file and any and all instruments, as may be necessary or appropriate to reflect the dissolution and termination of the Company.

**Section 11.5. Claims of the Partners.** The Partners and former Partners shall look solely to the Company’s assets for the return of their Capital Contributions, and if the assets of the Company remaining after payment of or due provision for all debts, liabilities and obligations of the Company are insufficient to return such Capital Contributions, the Partners and former Partners shall have no recourse against the Company or any other Partner.

**ARTICLE 12**  
**CHOICE OF LAW; SUBMISSION TO JURISDICTION;**  
**AND WAIVER OF JURY TRIAL**

**Section 12.1. Law.** THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF DELAWARE (WITHOUT GIVING EFFECT TO ANY CONFLICTS OR CHOICE OF LAWS PROVISIONS THAT WOULD CAUSE THE APPLICATION OF THE DOMESTIC SUBSTANTIVE LAWS OF ANY OTHER JURISDICTION). NONE OF THE PARTIES HERETO HAS AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

**Section 12.2. Waiver Of Jury Trial.** EACH OF THE PARTIES HERETO HEREBY VOLUNTARILY AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR OTHER PROCEEDING BROUGHT IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY. NO PARTY HAS AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT

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**THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.**

**Section 12.3. Consent To The Exclusive Jurisdiction Of The Courts Of Delaware.**

(a) EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF DELAWARE AND THE UNITED STATES DISTRICT COURT FOR THE STATE OF DELAWARE, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO PROVISIONAL REMEDIES AND INTERIM RELIEF.

(b) EACH PARTY HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO BRING ANY SUIT, ACTION OR OTHER PROCEEDING IN OR BEFORE ANY COURT OR TRIBUNAL OTHER THAN THE COURTS OF THE STATE OF DELAWARE AND/OR THE INTERESTED STATES DISTRICT COURT FOR THE STATE OF DELAWARE AND COVENANTS THAT SUCH PARTY SHALL NOT SEEK IN ANY MANNER TO RESOLVE ANY DISPUTE OTHER THAN AS SET FORTH HEREIN OR TO CHALLENGE OR SET ASIDE ANY DECISION, AWARD OR JUDGMENT OBTAINED IN ACCORDANCE WITH THE PROVISIONS HEREOF.

(c) EACH OF THE PARTIES HERETO HEREBY EXPRESSLY WAIVES ANY AND ALL OBJECTIONS SUCH PARTY MAY HAVE TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR ANY MANNER IN WHICH NOTICES MAY BE DELIVERED HEREUNDER IN ACCORDANCE WITH SECTION 15.4.

**ARTICLE 13**  
**NO EXPANSION OF DUTIES; CONFIDENTIALITY**

**Section 13.1. No Expansion of Duties.** The parties acknowledge (a) that each Partner that has a Partner Representative serving as a Manager, their Affiliates and any Manager designated by such Partner (the "Investor Parties") are in the business of making investments in, and have investments in, other businesses similar to and that may compete with the businesses of the Company and its direct and indirect subsidiaries ("Competing Businesses") and (b) that the Investor Parties shall have the unfettered right to make additional investments in other Competing Businesses independent of their investments in the Company. By virtue of an Investor Party holding interests in the Company or having a Partner Representative serving on the Board, no Investor Party shall have any obligation to the Company, any Subsidiary or any Partner to refrain from competing with the Company and any Subsidiary, making investments in Competing Businesses, or otherwise engaging in any commercial activity; and none of the Company, any Subsidiary or any Partner shall have any right with respect to any such other



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investments or activities undertaken by such Investor Party. Without limitation of the foregoing, each Investor Party may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Company or any Subsidiary, and none of the Company, any Subsidiary or any Partner shall have any rights or expectancy by virtue of such Investor Party's relationships with the Company, this Agreement or otherwise in and to such independent ventures or the income or profits derived therefrom; and the pursuit of any such venture, even if such investment is in a Competing Business shall not be deemed wrongful or improper. No Investor Party nor any of their respective Affiliates shall be obligated to present any particular investment opportunity to the Company or any Subsidiary even if such opportunity is of a character that, if presented to the Company or a Subsidiary, could be taken by the Company, and the Investor Party and their respective Affiliates shall continue to have the right to take for their own respective account or to recommend to others any such particular investment opportunity. Notwithstanding this Section 13.1, each Partner remains subject to the confidentiality provision in Section 13.2.

**Section 13.2. Confidentiality.**

(a) The Partners acknowledge that in the course of their affiliation with the Company and its Subsidiaries they will become familiar with certain trade secrets and information of a proprietary or confidential nature relating to the business and customers of the Company and its Subsidiaries (collectively, "Confidential Information"). Confidential Information does not include information which (i) becomes generally available to the public other than as a result of a disclosure by a Partner, (ii) was available to a Partner on a non-confidential basis prior to its disclosure to such Partner by the Company, any of its Subsidiaries or any of their representatives or agents, or (iii) becomes available to a Partner on a non-confidential basis from a source other than the Company, any of its Subsidiaries or any of their representatives or agents, provided that such source is not bound by a confidentiality agreement with the Company or any of its Subsidiaries or any of their representatives or agents or otherwise prohibited from transmitting the information to such Partner.

(b) Each Partner agrees to hold in confidence and not disclose the Confidential Information, except (i) as required to fulfill the rights and obligations of the Partners hereunder, (ii) as authorized in writing by the Board, (iii) to the extent permitted under a confidentiality with the Company, or (iii) as required by law; provided, however, that the Investor Partners may disclose such Confidential Information to its Affiliates, general partners, limited partners, investment advisor, officers, directors, agents, advisors, accountants, attorneys and other representatives and employees that have a need to know such Confidential Information. The Partners acknowledge that, in the event of such disclosure to a third party, other than a disclosure required by law, such third party shall be required to maintain the confidentiality of the Confidential Information to the same extent as the Partners.

**Section 13.3. Public Vehicle Merger.** Subject to Section 6.5, at any time, in connection with an initial Qualified Public Offering, the Board shall have the power and authority to, and shall, effect (a) the merger of the Company with or into a new or previously-established but dormant Delaware corporation having no assets or liabilities, debts or other obligations of any kind whatsoever other than those associated with its formation and initial capitalization, or (b) the contribution of the assets and liabilities of the Company to a Delaware corporation in

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exchange for one class of common stock in such corporation, followed by a liquidation of the Company and a distribution of the Public Vehicle's common stock to the Partners (such a merger or liquidation is referred to as a "Public Vehicle Merger" and such Delaware corporation is referred to as the "Public Vehicle"). Upon the consummation of a Public Vehicle Merger, the Interests held by each Partner shall be converted into or exchanged for a number of shares of the Public Vehicle's common stock determined by (i) calculating the fair market value of the Company based upon the actual offering price of the Public Vehicle's common stock in such initial Qualified Public Offering and the number of shares of common stock to be outstanding after such offering, and (ii) by determining the amount each Partner would receive if (A) all of the Company's assets were sold for such fair market value and (B) the proceeds were distributed in accordance with Section 5.3(a)(i), (ii) and (iii). The Board's determination of the number of shares of the Public Vehicle's common stock that each Partner receives upon a Public Vehicle Merger shall be final and binding on the Partners absent manifest error. The Board shall use commercially reasonable efforts to undertake any Public Vehicle Merger in such manner as would provide for no gain or loss to the Partners solely as a result of the Public Vehicle Merger.

**Section 13.4. IPO of Subsidiary.** In connection with an initial public offering of one or more Subsidiaries that does not involve a Public Vehicle Merger, the Company shall effect a distribution in-kind of all Capital Securities of any such Subsidiary(ies) whose Capital Securities were the subject to the initial public offering under Section 5.3(a)(i), (ii) and (iii).

## ARTICLE 14

### MISCELLANEOUS

**Section 14.1. Failure to Pursue Remedies.** Except where a time period is otherwise specified, no delay on the part of any party in the exercise of any right, power, privilege or remedy hereunder shall operate as a waiver thereof, nor shall any exercise or partial exercise of any such right, power, privilege or remedy preclude any further exercise thereof or the exercise of any right, power, privilege or remedy.

**Section 14.2. Cumulative Remedies.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

**Section 14.3. Amendments; Waiver.** This Agreement may be amended or any provision hereof may be waived upon the written consent of the Requisite Partners, which amendment or waiver shall be binding upon all Partners and holders of Interests as to any such amendment or waiver, provided, however, (i) that any amendment or waiver of Section 6.5(b) shall require the consent of the Super Majority Partners, and (ii) that if any waiver or amendment would materially and adversely change a specifically enumerated right or obligation hereunder of one or more Partners in a way that is materially disproportionate to the change such waiver or amendment would effect on such specifically enumerated rights of other Partners that hold the same such specifically enumerated rights (each such Partner whose specifically enumerated rights are being so disproportionately changed is referred to as a "Disproportionately Treated Partner"), such amendment or waiver shall not be effective as to any Disproportionately Treated Partner unless consented to by a majority in interest of the Disproportionately Treated Partners as

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measured by their relative holdings of Preferred Interests; provided, further, that if any waiver or amendment would materially and adversely change a specifically enumerated right or obligation of a Preferred Partner in a way that is materially disproportionate to the change of such waiver or amendment would effect on such specifically enumerated rights of other Preferred Partners that hold the same such specifically enumerated rights (“Disproportionately Treated Preferred Partners”), such amendment or waiver shall not be effective as to any Disproportionately Treated Preferred Partner unless consented to by eighty percent (80%) of the Disproportionately Treated Preferred Partners. For purposes of the foregoing, the term “disproportionate” refers to a change in specifically enumerated rights hereunder of one Partner while not similarly changing the same specifically enumerated rights held by another Partner holding the same specifically enumerated rights (or any other class or series of Interests that is *pari passu* with the first Partner’s Interests with respect to the specifically enumerated rights that are being changed), and determined without regard to any disproportionate results or consequences of such change that are due to a difference in their relative equity ownership interests in the Company or due to differences in the rights, preferences, priorities, privileges or limitations applicable to different classes or series of Interests as set forth herein. An amendment or waiver effected in connection with the issuance of additional Interests of the Company, the effect of which is to change or dilute the economic rights of the holders of Interests on a pro rata basis shall in no event be deemed to result in a “disproportionate change” on account of such change or dilution. Each Partner shall be bound by any amendment or waiver effected in accordance with this Section, whether or not such Partner has consented to such amendment or waiver.

**Section 14.4. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of all of the parties and, to the extent permitted by this Agreement, their successors, legal representatives and assigns.

**Section 14.5. Notices.** All demands, notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by facsimile machine or other electronic means (with a confirmation copy sent by one of the other methods authorized in this Section), commercial (including FedEx) or U.S. Postal Service overnight delivery service, or, deposited with the U.S. Postal Service mailed first class, registered or certified mail, postage prepaid, as set forth below:

If to the Company, addressed to:

EUN Holdings, LLP  
204 South Union Street  
Alexandria, VA 22314  
Attention: Donald A. Doering  
Fax: 703-519-3904

and (after euNetworks Group Limited consummates a scheme of arrangement):

EUN Holdings, LLP  
15 Worship Street  
London EC2A 2DT  
United Kingdom

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Attention: General Counsel  
Fax: +44 20 7256 5859  
Email: legal@eunetworks.com

with a copy to:

Choate Hall & Stewart, LLP  
Two International Place  
Boston, MA 02110  
Attention: Stephen O. Meredith  
Sarah N.A. Camougis  
Fax: 617-502-5025

If to any Partner, to such Partner's address as set forth on **Schedule A** (or such Partner's last known address in the records of the Company and its Subsidiaries).

Notices shall be deemed given upon the earlier to occur of the first Business Day after the (a) receipt by the party to whom such notice is directed; (b) if sent by email or facsimile machine (or other electronic means), on the Business Day such notice is sent; or (c) on the first Business Day following the day the same is deposited with the commercial carrier if sent by commercial overnight delivery service. Each party, by notice duly given in accordance therewith may specify a different address for the giving of any notice hereunder.

**Section 14.6. Interpretation.** Throughout this Agreement, nouns, pronouns and verbs shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable. All references herein to "Articles," "Sections," "subsections" and "subparagraphs" shall refer to corresponding provisions of this Agreement.

**Section 14.7. Severability.** If any term or provision of the Agreement, or the application thereof to any Person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or application to other Persons or circumstances, shall not be affected thereby, and each term and provision of this Agreement shall be enforced to the fullest extent permitted by law.

**Section 14.8. Equitable Remedies.** Each Partner agrees that irreparable harm would occur in the event that any of the agreements and provisions of this Agreement were not performed fully by the parties hereto in accordance with their specific terms or conditions or were otherwise breached, and that money damages are an inadequate remedy for breach of this Agreement because of the difficulty of ascertaining and quantifying the amount of damage that will be suffered by the parties hereto in the event that this Agreement is not performed in accordance with its terms or conditions or is otherwise breached. It is accordingly hereby agreed that the parties hereto shall be entitled to seek an injunction or injunctions or other equitable relief to restrain, enjoin and prevent breaches of this Agreement by the other parties and to enforce specifically such terms and provisions of this Agreement, such remedy being in addition to and not in lieu of, any other rights and remedies to which the other parties are entitled to at law or in equity, and each party expressly waives any requirement for the posting of any bond in connection with any such equitable remedy and expressly waives the defense in any such

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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equitable proceeding that there is an adequate remedy at law for any such breach. Furthermore, each Partner hereby acknowledges that time is of the essence for purposes of this Agreement.

**Section 14.9. Counterparts.** This Agreement may be executed in any number of counterparts hereof, and by the parties hereto on separate counterparts hereof, and all such counterparts shall together constitute one and the same agreement. Counterparts of the signature pages hereto signed and delivered to other parties hereto via facsimile shall for all purposes be deemed to constitute the delivery of an originally executed counterpart hereof.

**Section 14.10. No Third-Party Beneficiaries.** Except for ARTICLE 10, as it relates to Covered Persons, nothing in this Agreement is intended to, or will, create any rights to any party other than a party that is a signatory hereto or who becomes a Partner in accordance with the terms of this Agreement.

**Section 14.11. Trustee Limitation of Liability.**

(a) Each of QIC Private Capital Pty Ltd and QIC Investments No.1 Pty Ltd (each a “Trustee”) enters into this Agreement only in its capacity as trustee of the QIC Private Equity Fund No.2 and QIC Direct Opportunities Fund, respectively (the “Trust”) and in no other capacity. Subject to Section 14.11(c), any obligation or liability owed by a Trustee arising under or in connection with this Agreement is limited to and can be enforced against that Trustee only to the extent to which it can be satisfied out of property of the Trust out of which that Trustee is actually indemnified for liability. Subject to Section 14.11(c), the foregoing limitation of each Trustee’s liability applies despite any other provision of this Agreement and extends to all obligations and liabilities of each Trustee in any way connected with this Agreement.

(b) Subject to Section 14.11(c), no party may sue a Trustee in any capacity other than as trustee of the relevant Trust, including seeking the appointment of a receiver, a liquidator, an administrator or any similar person to a Trustee, or prove in any liquidation, administration or arrangement of or affecting a Trustee (except in relation to property of the Trust).

(c) The provisions of Sections 14.11(a) and 14.11(b) shall not apply to any obligation or liability of a Trustee to the extent that it is not satisfied because under the trust deed establishing the Trust or by operation of law there is a reduction in the extent of the Trustee’s indemnification out of the assets of the Trust as a result of the Trustee’s fraud, gross negligence or breach of trust.

**Section 14.12. Integration.** This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto, including without limitation, the Initial Agreement, the Letter Agreement and the Amended Agreement.

**[Remainder of page intentionally left blank]**

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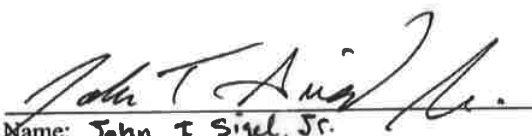
**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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IN WITNESS WHEREOF, the parties have executed this Second Amended and Restated Limited Liability Partnership Agreement as of the date first set forth above.

**COMPANY:**

**EUN HOLDINGS, LLP**

By:   
Name: John T. Sigel, Jr.  
Title: Authorized Signatory

[Signature Page to EUN Holdings LLP Second Amended and Restated Limited Liability Partnership Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**GREENSPRING GLOBAL PARTNERS VI-A, L.P.**

By: Greenspring General Partner VI, L.P.,  
its General Partner

By: Greenspring GP VI, LLC

By:   
\_\_\_\_\_

Name: Eric Thompson

Title: Chief Financial Officer

**GREENSPRING GLOBAL PARTNERS VI-C, L.P.**

By: Greenspring General Partner VI, L.P.,  
its General Partner

By: Greenspring GP VI, LLC

By:   
\_\_\_\_\_

Name: Eric Thompson

Title: Chief Financial Officer

**GREENSPRING OPPORTUNITIES II, L.P.**

By: Greenspring Opportunities General Partner II,  
L.P.,  
its General Partner

By: Greenspring Opportunities GP II, LLC,  
its General Partner

By:   
\_\_\_\_\_

Name: Eric Thompson

Title: Chief Financial Officer

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**GREENSPRING OPPORTUNITIES II-A, L.P.**

By: Greenspring Opportunities General Partner  
II-A, L.P.,  
its General Partner

By: Greenspring Opportunities GP II, LLC,  
its General Partner

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

**GREENSPRING GLOBAL PARTNERS V-A, L.P.**

By: Greenspring General Partner V, L.P.,  
its General Partner

By: Greenspring GP V, LLC

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

**GREENSPRING GLOBAL PARTNERS V-C, L.P.**

By: Greenspring General Partner V, L.P.,  
its General Partner

By: Greenspring GP V, LLC

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer



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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**GREENSPRING OPPORTUNITIES III, L.P.**

By: Greenspring Opportunities General Partner III,  
L.P.,  
its General Partner

By: Greenspring Opportunities GP III, LLC,  
its General Partner

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**EXECUTED ON BEHALF OF QIC PRIVATE  
CAPITAL PTY LTD AS TRUSTEE FOR THE  
QIC PRIVATE EQUITY FUND NO. 2**

By its duly authorized attorneys:

  
\_\_\_\_\_  
Attorney

Peter Marcus Galsworthy Simpson  
Head of Global Private Equity

  
\_\_\_\_\_  
Attorney

James Drew Eflimov  
Head of Mandate Obligations  
and Product Regulation

**EXECUTED ON BEHALF OF QIC  
INVESTMENTS NO. 1 PTY LTD AS TRUSTEE  
FOR THE QIC DIRECT OPPORTUNITIES  
FUND**

By its duly authorized attorneys:

  
\_\_\_\_\_  
Attorney

Peter Marcus Galsworthy Simpson  
Head of Global Private Equity

  
\_\_\_\_\_  
Attorney

James Drew Eflimov  
Head of Mandate Obligations  
and Product Regulation

[Signature Page to EUN Holdings LLP Second Amended and Restated Limited Liability Partnership Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**TELCOM CEE LANDLINE LLC**

By: \_\_\_\_\_

  
**Serge G. Martin**  
**Executive Vice President**

[Signature Page to EUN Holdings LLP Second Amended and Restated Limited Liability Partnership Agreement]

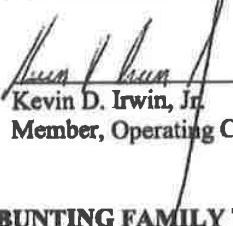
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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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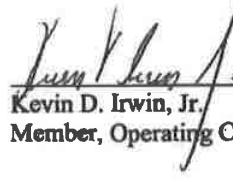
**THE BUNTING FAMILY PRIVATE FUND  
LIMITED LIABILITY COMPANY**

By: \_\_\_\_\_

  
Kevin D. Irwin, Jr.  
Member, Operating Committee

**THE BUNTING FAMILY TAX-EXEMPT  
PRIVATE FUND LIMITED LIABILITY  
COMPANY**

By: \_\_\_\_\_

  
Kevin D. Irwin, Jr.  
Member, Operating Committee

[Signature Page to EUN Holdings LLP Second Amended and Restated Limited Liability Partnership Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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CNF INVESTMENTS III LLC

By:   
\_\_\_\_\_  
Joe Del Guercio  
Managing Director

[Signature Page to EUN Holdings LLP Second Amended and Restated Limited Liability Partnership Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**PITTCO CAPITAL PARTNERS IV, LP**

By:   
\_\_\_\_\_  
Andrew Seamons  
Managing Partner

[Signature Page to EUN Holdings LLP Second Amended and Restated Limited Liability Partnership Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**D. CANALE & CO.**

By:   
Jay Fik, Senior Vice President

**JDC INVESTMENTS, LP**

By: **CANALE BROS., INC., General Partner**

By:   
Jay Fik, Senior Vice President

**CWC FAMILY, LP**

By: **CANALE BROS., INC., General Partner**

By:   
Jay Fik, Senior Vice President

**CANALE FAMILY LIMITED PARTNERSHIP**

By: **CANALE BROS., INC., General Partner**

By:   
Jay Fik, Senior Vice President

**CANALE ENTERPRISE, LLC**

By:   
Jay Fik, President

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**RAM PASTURE LLC**

  
\_\_\_\_\_  
Ryan Drant Authorized Signatory

[Signature Page to EUN Holdings LLP Second Amended and Restated Limited Liability Partnership Agreement]



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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**MIDDLELAND ENDOWMENT I LLC**

By:

  
Name: Arthur X. Duffy  
Title: Manager

[Signature Page to EUN Holdings LLP Second Amended and Restated Limited Liability Partnership Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**GLOBAL UNDERVALUED SECURITIES  
MASTER FUND, LP**

By: Kleinheinz Capital Partners, Inc., its General  
Partner

By:

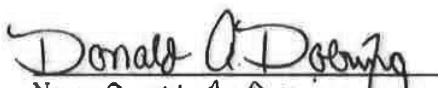
  
Name: James K. Phillips  
Title: Chief Financial Officer

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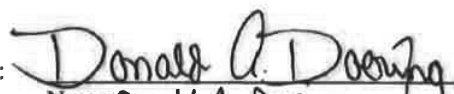
**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**EUN PARTNERS V, LLC**

By:   
 Name: Donald A. Doering  
 Title: EUP of Manager

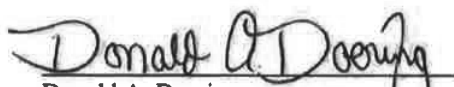
**COLUMBIA EUN PARTNERS V, LLC**

By:   
 Name: Donald A. Doering  
 Title: EUP of Manager

**COLUMBIA CAPITAL EQUITY PARTNERS V (QP), L.P.**

By: Columbia Capital Equity Partners V, L.P., its General Partner

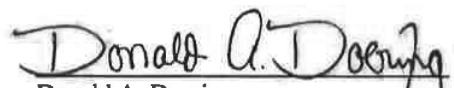
By: Columbia Capital V, LLC, its General Partner

By:   
 Donald A. Doering  
 Executive Vice President

**COLUMBIA CAPITAL EQUITY PARTNERS V (NON-US), L.P.**

By: Columbia Capital Equity Partners V, L.P., its General Partner

By: Columbia Capital V, LLC, its General Partner

By:   
 Donald A. Doering  
 Executive Vice President

[Signature Page to EUN Holdings LLP Second Amended and Restated Limited Liability Partnership Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**COLUMBIA CAPITAL EQUITY PARTNERS V  
(CO-INVEST), L.P.**

By: Columbia Capital Equity Partners V, L.P., its  
General Partner

By: Columbia Capital V, LLC, its General Partner

By:   
Donald A. Doering  
Executive Vice President

**COLUMBIA CAPITAL EQUITY PARTNERS IV  
(QP), L.P.**

By: Columbia Capital Equity Partners IV, L.P., its  
General Partner

By: Columbia Capital IV, LLC, its General Partner

By:   
Donald A. Doering  
Executive Vice President

**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

**SCHEDULE A**

**SECOND AMENDED AND RESTATED LIMITED LIABILITY PARTNERSHIP**  
**AGREEMENT**

<b><u>PARTNERS</u></b>	<b><u>Capital Contributions</u> (<u>\$USD</u>) or <u>Property</u></b>	<b><u>Preferred Interests</u></b>	<b><u>Common A Interests</u></b>	<b><u>Initial Capital Account Balance</u> (<u>\$USD</u>)</b>
<b><u>New Investors</u></b>				
<b>The Bunting Family Private Fund Limited Liability Company</b> 217 International Circle Hunt Valley, MD 21030 Attention: Kevin D. Irwin, Jr., Member, Operating Committee Fax: 443-378-7022 Email: kirwin@buntingoffice.com	\$5,000,000	558,894	648,318	\$5,000,000
<b>The Bunting Family Tax-Exempt Private Fund Limited Liability Company</b> 217 International Circle Hunt Valley, MD 21030 Attention: Kevin D. Irwin, Jr., Member, Operating Committee Fax: 443-378-7022 Email: kirwin@buntingoffice.com	\$5,000,000	558,894	648,318	\$5,000,000
<b>QIC Private Capital Pty Ltd as trustee for the QIC Private Equity Fund No. 2</b> Level 5 Central Plaza Two 66 Eagle Street Brisbane QLD4000 Australia Attention: Fax: +61-7-3350-3979 Email: qpereporting@qic.com m.diestel@qic.com p.cummins@qic.com	\$22,714,000	2,538,846	2,945,061	\$22,714,000

**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

<u><b>PARTNERS</b></u>	<u><b>Capital Contributions (\$USD) or Property</b></u>	<u><b>Preferred Interests</b></u>	<u><b>Common A Interests</b></u>	<u><b>Initial Capital Account Balance (\$USD)</b></u>
<b>QIC Investments No. 1 Pty Ltd as trustee for the QIC Direct Opportunities Fund</b> Level 5 Central Plaza Two 66 Eagle Street Brisbane QLD4000 Australia Attention: Fax: +61-7-3350-3979 Email: qpereporting@qic.com m.diestel@qic.com p.cummins@qic.com	\$13,628,000	1,523,307	1,767,037	\$13,628,000
<b>CNF Investments III LLC</b> 7500 Old Georgetown Road, Suite 620 Bethesda, MD 20814 Attention: Joe Del Guercio, Managing Director Fax: 301-656-6642 Email: joe.delguercio@clarkus.com	\$4,000,000	447,103	518,640	\$4,000,000
<b>Telcom CEE Landline LLC</b> Attention: Serge G. Martin 200 South Biscayne Blvd. Suite 2790 Miami, FL 33131 Fax: +1-888-761-1271 Email: smartin@tvllc.com	\$19,000,000	2,123,771	2,463,574	\$19,000,000
<b>GREENSPRING GLOBAL PARTNERS V-A, L.P.</b> Greenspring Associates Suite 700 100 Painters Mill Road Owings Mills, MD 21117 Attention: Eric Thompson, Chief Financial Officer Fax: 410-363-7075 Email: ethompson@gspring.com	\$5,158,047.72	576,545	668,792	\$5,158,047.72

**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

<u><b>PARTNERS</b></u>	<u><b>Capital Contributions</b></u> <u><b>(\$USD) or</b></u> <u><b>Property</b></u>	<u><b>Preferred Interests</b></u>	<u><b>Common A Interests</b></u>	<u><b>Initial Capital Account Balance</b></u> <u><b>(\$USD)</b></u>
<b>GREENSPRING GLOBAL PARTNERS V-C, L.P.</b> Greenspring Associates Suite 700 100 Painters Mill Road Owings Mills, MD 21117 Attention: Eric Thompson, Chief Financial Officer Fax: 410-363-7075 Email: ethompson@gspring.com	\$841,952.28	94,110	109,168	\$841,952.28
<b>GREENSPRING GLOBAL PARTNERS VI-A, L.P.</b> Greenspring Associates Suite 700 100 Painters Mill Road Owings Mills, MD 21117 Attention: Eric Thompson, Chief Financial Officer Fax: 410-363-7075 Email: ethompson@gspring.com	\$8,574,736.41	958,449	1,111,800	\$8,574,736.41
<b>GREENSPRING GLOBAL PARTNERS VI-C, L.P.</b> Greenspring Associates Suite 700 100 Painters Mill Road Owings Mills, MD 21117 Attention: Eric Thompson, Chief Financial Officer Fax: 410-363-7075 Email: ethompson@gspring.com	\$3,425,263.59	382,862	444,120	\$3,425,263.59
<b>GREENSPRING OPPORTUNITIES II, L.P.</b> Greenspring Associates Suite 700 100 Painters Mill Road Owings Mills, MD 21117 Attention: Eric Thompson, Chief Financial Officer Fax: 410-363-7075 Email: ethompson@gspring.com	\$6,361,116.15	711,019	824,782	\$6,361,116.15

**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

<u><b>PARTNERS</b></u>	<u><b>Capital Contributions (\$USD) or Property</b></u>	<u><b>Preferred Interests</b></u>	<u><b>Common A Interests</b></u>	<u><b>Initial Capital Account Balance (\$USD)</b></u>
<b>GREENSPRING OPPORTUNITIES II-A, L.P.</b> Greenspring Associates Suite 700 100 Painters Mill Road Owings Mills, MD 21117 Attention: Eric Thompson, Chief Financial Officer Fax: 410-363-7075 Email: ethompson@gspring.com	\$2,638,883.85	294,964	342,158	\$2,638,883.85
<b>GREENSPRING OPPORTUNITIES III, L.P.</b> Greenspring Associates Suite 700 100 Painters Mill Road Owings Mills, MD 21117 Attention: Eric Thompson, Chief Financial Officer Fax: 410-363-7075 Email: ethompson@gspring.com	\$15,000,000	1,676,638	1,944,900	\$15,000,000
<b>Pittco Capital Partners IV, LP</b> 17 W Pontotoc Ave., Suite 100 Memphis, TN 38103 Attention: Andrew Seamons, Chief Investment Officer of Pittco Management, LLC Fax: 901-683-3147 Email: directinvestments@pittcomanagement.com	\$2,000,000	223,557	259,327	\$2,000,000
<b>D. Canale &amp; Co.</b> 79 South Second Street Memphis TN 38103 Phone: 901-260-1200 Fax: 901-260-1201 Attention: Jay Fik Email: JFik@Dcanale.com	\$500,000	55,888	64,830	\$500,000



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**OFFEROR LETTER TO SHAREHOLDERS**

<u><b>PARTNERS</b></u>	<u><b>Capital Contributions (\$USD) or Property</b></u>	<u><b>Preferred Interests</b></u>	<u><b>Common A Interests</b></u>	<u><b>Initial Capital Account Balance (\$USD)</b></u>
<b>JDC Investments, LP</b> 79 South Second Street Memphis TN 38103 Phone: 901-260-1200 Fax: 901-260-1201 Attention: Jay Fik Email: JFik@Dcanale.com	\$1,000,000	111,776	129,660	\$1,000,000
<b>CWC Family, LP</b> 79 South Second Street Memphis TN 38103 Phone: 901-260-1200 Fax: 901-260-1201 Attention: Jay Fik Email: JFik@Dcanale.com	\$625,000	69,860	81,038	\$625,000
<b>Canale Family Limited Partnership</b> 79 South Second Street Memphis TN 38103 Phone: 901-260-1200 Fax: 901-260-1201 Attention: Jay Fik Email: JFik@Dcanale.com	\$125,000	13,972	16,208	\$125,000
<b>Canale Enterprise, LLC</b> 100 West Liberty, 12th Floor ( use 10th Floor for mail please) Reno, NV 89501 Attention: Jay Fik Fax: 775-326-4368 Email: JFik@Dcanale.com	\$250,000	27,944	32,415	\$250,000
<b>Ram Pasture LLC</b> 3026 44th Place NW Washington, DC 20016 Fax: 301-272-1710 Email: rdrant@nea.com	\$500,000	55,888	64,830	\$500,000

**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

<u><b>PARTNERS</b></u>	<u><b>Capital Contributions</b></u> <u><b>(\$USD) or</b></u> <u><b>Property</b></u>	<u><b>Preferred Interests</b></u>	<u><b>Common A Interests</b></u>	<u><b>Initial Capital Account Balance</b></u> <u><b>(\$USD)</b></u>
<b>Middleland Endowment I LLC</b> c/o Rex Capital Advisors 50 Park Row West, Suite 113 Providence, RI 02903 Attention: Arthur X. Duffy Fax: 401-383-5380 Email: axduffy@RexCapital.com	\$5,000,000	558,879	648,300	\$5,000,000
<b>Global Undervalued Securities Master Fund, LP</b> c/o Kleinheinz Capital Partners, Inc. 301 Commerce Street, Suite 1900 Fort Worth, TX 76102 Attention: James K. Phillips, CFO Fax: 817-348-8010 Email: jbk@kleinheinz.com	\$10,000,000	1,117,759	1,296,600	\$10,000,000
<b>Columbia EUN Partners V, LLC</b> 204 South Union Street Alexandria, VA 22314 Attention: Donald A. Doering Facsimile: 703-519-3904 Email: Don.Doering@colcap.com	40,753,837 euNetworks Group Limited shares	4,075,384	3,518,277	\$36,460,320
<b>EUN Partners V, LLC</b> 204 South Union Street Alexandria, VA 22314 Attention: Donald A. Doering Facsimile: 703-519-3904 Email: Don.Doering@colcap.com	131,078,132 euNetworks Group Limited shares	13,107,813	11,315,969	\$117,268,728
<b>Columbia Capital Equity Partners IV (QP), L.P.</b> 204 South Union Street Alexandria, VA 22314 Attention: Donald A. Doering Facsimile: 703-519-3904 Email: Don.Doering@colcap.com	591,080 euNetworks Group Limited warrants	8,153	8,153	\$72,939

**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

<u><b>PARTNERS</b></u>	<u><b>Capital Contributions</b></u> ( <b>\$USD</b> ) or <b>Property</b>	<u><b>Preferred Interests</b></u>	<u><b>Common A Interests</b></u>	<u><b>Initial Capital Account Balance</b></u> ( <b>\$USD</b> )
<b>Columbia Capital Equity Partners V (QP), L.P.</b> 204 South Union Street Alexandria, VA 22314 Attention: Donald A. Doering Facsimile: 703-519-3904 Email: Don.Doering@colcap.com	944,229 euNetworks Group Limited warrants	13,024	13,024	\$116,518
<b>Columbia Capital Equity Partners V (NON-US), L.P.</b> 204 South Union Street Alexandria, VA 22314 Attention: Donald A. Doering Facsimile: 703-519-3904 Email: Don.Doering@colcap.com	329,019 euNetworks Group Limited warrants	4,538	4,538	\$40,601
<b>Columbia Capital Equity Partners V (Co-Invest), L.P.</b> 204 South Union Street Alexandria, VA 22314 Attention: Donald A. Doering Facsimile: 703-519-3904 Email: Don.Doering@colcap.com	235,672 euNetworks Group Limited warrants	3,251	3,251	\$29,082
<b>ROLLOVER INVESTORS</b> <b>(TO BE ISSUED AT EFFECTIVE TIME)</b>				

**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

<u>PARTNERS</u>	<u>Capital Contributions</u> (USD) or Property	<u>Preferred Interests</u>	<u>Common A Interests</u>	<u>Initial Capital Account Balance</u> (USD)
<p><b>G. K. Goh Strategic Holdings Pte Ltd</b> 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr. Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gkgoh.com / teo.thomas@gkgoh.com</p>	<p><b>33,067,424</b> <b>euNetworks</b> <b>Group Limited</b> <b>shares</b></p>	<p><b>3,306,743</b></p> <p><b>To be issued to:-</b></p> <p><b>Solanum Investment Pte Ltd</b> 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr. Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gkgoh.com / teo.thomas@gkgoh.com</p>	<p><b>3,306,743</b></p> <p><b>To be issued to:-</b></p> <p><b>Solanum Investment Pte Ltd</b> 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr. Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gkgoh.com / teo.thomas@gkgoh.com</p>	

**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

<u>PARTNERS</u>	<u>Capital Contributions</u> (USD) or Property	<u>Preferred Interests</u>	<u>Common A Interests</u>	<u>Initial Capital Account Balance</u> (USD)
<p><b>Alpha Securities Pte Ltd</b> 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr. Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gkgoh.com / teo.thomas@gkgoh.com</p>	<p><b>15,092,742</b> <b>euNetworks</b> <b>Group Limited</b> <b>Shares</b></p>	<p><b>1,509,274</b></p> <p><b>To be issued to:-</b> <b>Fushia</b> <b>Investments Pte</b> <b>Ltd</b> 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr. Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gkg oh.com / teo.thomas@gkg oh.com</p>	<p><b>1,509,274</b></p> <p><b>To be issued</b> <b>to:-</b> <b>Fushia</b> <b>Investments Pte</b> <b>Ltd</b> 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr. Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gk goh.com / teo.thomas@gkg oh.com</p>	

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<u>PARTNERS</u>	<u>Capital Contributions</u> ( <u>\$USD</u> ) or <u>Property</u>	<u>Preferred Interests</u>	<u>Common A Interests</u>	<u>Initial Capital Account Balance</u> ( <u>\$USD</u> )
<p><b>Mr. Goh Geok Khim</b> 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Fax: +65 6533 1361 Email: goh.gk@gkgoh.com</p>	<p><b>7,700,000</b> <b>euNetworks</b> <b>Group Limited</b> <b>Shares</b></p>	<p><b>770,000</b></p> <p><b>To be issued to:-</b></p> <p><b>Eruca Limited</b> c/o 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gkg oh.com / teo.thomas@gkg oh.com</p>	<p><b>770,000</b></p> <p><b>To be issued to:-</b></p> <p><b>Eruca Limited</b> c/o 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gk goh.com / teo.thomas@gkg oh.com</p>	

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<u><b>PARTNERS</b></u>	<u><b>Capital Contributions</b></u> ( <b>\$USD</b> ) or <b>Property</b>	<u><b>Preferred Interests</b></u>	<u><b>Common A Interests</b></u>	<u><b>Initial Capital Account Balance</b></u> ( <b>\$USD</b> )
<p><b>Mr. Goh Yew Lin</b> 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Fax: +65 6533 1361 Email: goh.yewlin@gkgoh.com</p>	<p><b>2,849,782</b> <b>euNetworks</b> <b>Group Limited</b> <b>shares</b></p>	<p><b>284,978</b></p> <p><b>To be issued to:-</b></p> <p><b>Eruca Limited</b> c/o 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr. Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gkg oh.com / teo.thomas@gkg oh.com</p>	<p><b>284,978</b></p> <p><b>To be issued to:-</b></p> <p><b>Eruca Limited</b> c/o 50 Raffles Place #33-00 Singapore Land Tower Singapore 048623 Attention: Mr. Goh Yew Lin / Mr. Thomas Teo Fax: +65 6533 1361 Email: goh.yewlin@gk goh.com / teo.thomas@gkg oh.com</p>	
<p><b>Delta-V Capital 2009, LP</b> 1941 Pearl Street Suite 200 Boulder, CO 8030 Telephone: (303) 405-7564 Facsimile: (303) 405-7575 Email: Rand@deltavcapital.com Colin@deltavcapital.com</p>	<p><b>3,673,113</b> <b>euNetworks</b> <b>Group Limited</b> <b>shares</b></p>	<p><b>367,311</b></p>	<p><b>367,311</b></p>	
<p><b>Delta-V Capital 2011, LP</b> 1941 Pearl Street Suite 200 Boulder, CO 8030 Telephone: (303) 405-7564 Facsimile: (303) 405-7575 Email: Rand@deltavcapital.com Colin@deltavcapital.com</p>	<p><b>6,390,158</b> <b>euNetworks</b> <b>Group Limited</b> <b>shares</b></p>	<p><b>639,016</b></p>	<p><b>639,016</b></p>	

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<u><b>PARTNERS</b></u>	<u><b>Capital Contributions</b></u> ( <b>\$USD</b> ) or <b>Property</b>	<u><b>Preferred Interests</b></u>	<u><b>Common A Interests</b></u>	<u><b>Initial Capital Account Balance</b></u> ( <b>\$USD</b> )
<b>Delta-V Capital Access Fund, LP</b> 1941 Pearl Street Suite 200 Boulder, CO 8030 Telephone: (303) 405-7564 Facsimile: (303) 405-7575 Email: Rand@deltavcapital.com Colin@deltavcapital.com	<b>4,411,102</b> euNetworks Group Limited shares	441,110	441,110	
<b>WP SCF Select Co-Investment Fund, L.P.</b> c/o WP Global Partners, LLC 155 North Wacker Drive, Suite 4400 Chicago, IL 60606 legaldocs@globalpartners.com mb@wpglobalpartners.com	<b>4,073,276</b> euNetworks Group Limited shares	407,328	407,328	
<b>Aegerter Daniel Simon</b> Seestrasse 39 CH- 8700 Kusnacht Switzerland Attention: Martin Rechsteiner Facsimile: +41 44 914 90 01 Email: rechsteiner@armada.com	<b>32,693,128</b> euNetworks Group Limited share	3,269,313	3,269,313	
<b>Washington Square Park Partners LLC</b> 49 Meadowbrook Road Chatham, NJ 07928 Attention: John Reichard jreichard@fortress.com	<b>3,275,346</b> euNetworks Group Limited share	327,535	327,535	
<b>Alexander James Wentworth Hill</b> 137 Telok Ayer Street, #03-05, Singapore 068602 alex@tantalloncapital.com	<b>3,000,000</b> euNetworks Group Limited share	300,000	300,000	
<b>Ho Kam Yew</b> 60 Newton Road, #32-02, Newton Suites, Singapore 307994 gareth.ho@gmail.com	<b>2,400,000</b> euNetworks Group Limited share	240,000	240,000	



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<u><b>PARTNERS</b></u>	<u><b>Capital Contributions</b></u> ( <b>\$USD</b> ) or <b>Property</b>	<u><b>Preferred Interests</b></u>	<u><b>Common A Interests</b></u>	<u><b>Initial Capital Account Balance</b></u> ( <b>\$USD</b> )
<b>Edward Thomas Jenne</b> Dinas Hatch, Sevenoaks, Kent, TN15 0ND, UK. Phone: +44 7833 288828 Email: edjenne@me.com	<b>2,032,243</b> <b>euNetworks</b> <b>Group Limited</b> <b>share</b>	203,224	203,224	

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**OFFEROR LETTER TO SHAREHOLDERS**

**Exhibit 1**

**ASSUMES PUBLIC ALL RECEIVES CASH FOR EUNETWORKS  
GROUP SHARES**

Assumptions	
Basic Exchange Ratio	0.10
USD-SGD FX Rate on MGO Date <sup>1</sup>	\$1.30
Offer Price (\$GD)	\$1.16
Dividend Rate	5.0%
Dividend Accrual Start Date	Nov-14
Dividend Accrual End Date	Dec-18
Management - Min Payout Start	1.00x
Management - Max Payout Earned	2.25x
Base Management Pool Size	12.0%
Max Increase to Base Pool	5.0%

**Pro Forma LLP Capitalization (Assuming Public Shareholders Sell)**

Investor	Commitment	EUN Shares	Preferred A	Common A	% of Preferred	% of Common
Columbia		171,831,969	17,212,163	14,863,212	39.0%	33.7%
GK Goh Group		58,709,948	5,870,995	5,870,995	13.3%	13.3%
Daniel Aegerter		32,693,128	3,269,313	3,269,313	7.4%	7.4%
Delta V		14,474,373	1,447,437	1,447,437	3.3%	3.3%
WP Global		4,073,276	407,328	407,328	0.9%	0.9%
John Reichard		3,275,346	327,535	327,535	0.7%	0.7%
Alex Hill		3,000,000	300,000	300,000	0.7%	0.7%
Ho Kam Yew		2,400,000	240,000	240,000	0.5%	0.5%
Ed Jenne		2,032,243	203,224	203,224	0.5%	0.5%
Company Directors		1,268,810	126,881	126,881	0.3%	0.3%
Greenspring	\$42.00	43,263,584	4,694,587	5,445,720	10.6%	12.4%
QIC	\$36.34	37,435,362	4,062,153	4,712,098	9.2%	10.7%
Teicom Ventures	\$19.00	19,571,621	2,123,771	2,463,574	4.8%	5.6%
Bunting	\$10.00	10,300,853	1,117,788	1,296,636	2.5%	2.9%
Kleinheinz	\$10.00	10,300,853	1,117,759	1,296,600	2.5%	2.9%
Mixer	\$5.00	5,150,427	558,879	648,300	1.3%	1.5%
CNF	\$4.00	4,120,341	447,103	518,640	1.0%	1.2%

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Canale	\$2.50	2,575,213	279,440	324,151	0.6%	0.7%
Pitco	\$2.00	2,060,171	223,557	259,327	0.5%	0.6%
Drant	\$0.50	515,043	55,888	64,830	0.1%	0.1%
<b>Total</b>	<b>\$131.3</b>	<b>429,052,562</b>	<b>44,085,800</b>	<b>44,085,800</b>	<b>100.0%</b>	<b>100.0%</b>

	= Rolling Shareholders
	= New Cash Investors

#### Preference & Dividend Calculations For LLP

Investor	Preferred LLP Interests	Liquidation Preference (USD)	Dividend (USD)
Columbia	17,212,163	\$153,988,193	\$34,314,703
GK Goh Group	5,870,995	\$52,524,711	\$11,704,598
Daniel Aegerter	3,269,313	\$29,248,827	\$6,517,803
Delta V	1,447,437	\$12,949,462	\$2,885,656
WP Global	407,328	\$3,644,146	\$812,061
John Reichard	327,535	\$2,930,280	\$652,983
Alex Hill	300,000	\$2,683,943	\$598,089
Ho Kam Yew	240,000	\$2,147,154	\$478,471
Ed Jenne	203,224	\$1,818,141	\$405,154
Company Directors	126,881	\$1,135,138	\$252,954
Greenspring	4,694,587	\$42,000,007	\$9,359,274
QIC	4,062,153	\$36,341,952	\$8,098,434
Telcom Ventures	2,123,771	\$19,000,265	\$4,234,016
Bunting	1,117,788	\$10,000,263	\$2,228,457
Kleinheinz	1,117,759	\$10,000,003	\$2,228,399
Mixer	558,879	\$4,999,997	\$1,114,199
CNF	447,103	\$3,999,996	\$891,358
Canale	279,440	\$2,500,003	\$557,100
Pitco	223,557	\$2,000,047	\$445,690
Drant	55,888	\$500,001	\$111,420
<b>Total</b>	<b>44,085,800</b>	<b>\$394,412,529</b>	<b>\$87,890,820</b>

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### OFFEROR LETTER TO SHAREHOLDERS

#### Management Plan Achievement

Preferred Return Hurdles	Yes
Hit minimum threshold?	89.0%
% of Performance Ceiling Reached	12.0%
Management Pool Size	4.5%
Base Pool	<b>16.5%</b>
% Points Earned Above Pool	
<b>Total Management Pool</b>	
Common A Interests	44,085,800
(A)	8,681,131
(B)	52,766,932
(Y)	—
(X)	—

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#### Distribution Waterfall (Assumes Public Sells in Scheme)

	EUR	USD						
EUR-USD FX Rate		\$ 1.270						
Enterprise Value	€ 700.0	\$ 889.0						
Exit Multiple	11.5x	11.5x						
LQA EBITDA	€ 60.9	\$ 77.3						
Net Debt	(€ 35.0)	(\$ 44.5)						
<b>Equity Value</b>	<b>€ 665.0</b>	<b>\$ 844.6</b>						
<b>Investor</b>	<b>Preference</b>	<b>Dividend</b>	<b>Proceeds to Common</b>	<b>Total Proceeds</b>	<b>Preference</b>	<b>% of Common</b>	<b>Basis</b>	<b>CoC Return</b>
Columbia	\$153,988,193	\$34,314,703	\$102,036,419	\$290,339,315	39.0%	28.2%	\$101,724,526	2.85x
GK Goh Group	\$52,524,711	\$11,704,598	\$40,304,565	\$104,533,873	13.3%	11.1%		
Daniel Aegerter	\$29,248,827	\$6,517,803	\$22,443,936	\$58,210,566	7.4%	6.2%		
Delta V	\$12,949,462	\$2,885,656	\$9,936,703	\$25,771,821	3.3%	2.7%		
WP Global	\$3,644,146	\$812,061	\$2,796,317	\$7,252,524	0.9%	0.8%		

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### OFFEROR LETTER TO SHAREHOLDERS

John Reichard	\$2,930,280	\$652,983	\$2,248,535	\$5,831,799	0.7%	0.6%	2.11x
Alex Hill	\$2,683,943	\$598,089	\$2,059,509	\$5,341,541	0.7%	0.6%	2.11x
Ho Kam Yew	\$2,147,154	\$478,471	\$1,647,608	\$4,273,233	0.5%	0.5%	2.11x
Ed Jenne	\$1,818,141	\$405,154	\$1,395,141	\$3,618,437	0.5%	0.4%	2.11x
Company Directors	\$1,135,138	\$252,954	\$871,042	\$2,259,134	0.3%	0.2%	2.11x
Greenspring	\$42,000,007	\$9,359,274	\$37,385,040	\$88,744,321	10.6%	10.3%	\$42,000,000
QIC	\$36,341,952	\$8,098,434	\$32,348,701	\$76,789,088	9.2%	8.9%	\$36,342,000
Teicom Ventures	\$19,000,265	\$4,234,016	\$16,912,513	\$40,146,794	4.8%	4.7%	\$19,000,000
Bunting	\$10,000,263	\$2,228,457	\$8,901,447	\$21,130,167	2.5%	2.5%	\$10,000,000
Kleinheinz	\$10,000,003	\$2,228,399	\$8,901,200	\$21,129,602	2.5%	2.5%	\$10,000,000
Mixer	\$4,999,997	\$1,114,199	\$4,450,600	\$10,564,796	1.3%	1.2%	\$5,000,000
CNF	\$3,999,996	\$891,358	\$3,560,480	\$8,451,834	1.0%	1.0%	\$4,000,000
Canale	\$2,500,003	\$557,100	\$2,225,307	\$5,282,410	0.6%	0.6%	\$2,500,000
Pittco	\$2,000,047	\$445,690	\$1,780,288	\$4,226,025	0.5%	0.5%	\$2,000,000
Drant	\$500,001	\$111,420	\$445,060	\$1,056,481	0.1%	0.1%	\$500,000
Management	—	—	\$59,596,240	—	—	16.5%	—
<b>Total</b>	<b>\$394,412,529</b>	<b>\$87,890,820</b>	<b>\$362,246,651</b>	<b>\$844,550,000</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$233,066,526</b>

€ 310,561,046    € 69,205,370    € 285,233,583    € 665,000,000  
 € 46,926,173  
 € 665,000,000

#### Waterfall @ Various Exit Enterprise Values

Enterprise Value	EBITDA @11.5x Exit EV/EBITDA Multiple	Total Equity Proceeds	Net Debt	Liquidation Preference	Dividend	Proceeds to Investors	New Investor Return	ColCap Return	Management Proceeds	Management Sharing (%)
€ 100.0	€ 60.9	€ 665.0	(€ 35.0)	€ 310.6	€ 69.2	€ 665.0	2.11x	2.85x	€ 46.9	16.5%
€ 150.0	€ 8.7	€ 65.0	(€ 35.0)	€ 65.0	—	€ 65.0	0.24x	0.27x	—	—
€ 200.0	€ 13.0	€ 115.0	(€ 35.0)	€ 115.0	—	€ 115.0	0.43x	0.48x	—	—
€ 250.0	€ 17.4	€ 165.0	(€ 35.0)	€ 165.0	—	€ 165.0	0.62x	0.69x	—	—
€ 300.0	€ 21.7	€ 215.0	(€ 35.0)	€ 215.0	—	€ 215.0	0.80x	0.90x	—	—
€ 350.0	€ 26.1	€ 265.0	(€ 35.0)	€ 265.0	—	€ 265.0	0.99x	1.12x	—	—
€ 400.0	€ 30.4	€ 315.0	(€ 35.0)	€ 310.6	€ 4.4	€ 315.0	1.01x	1.54x	—	—
€ 450.0	€ 34.8	€ 365.0	(€ 35.0)	€ 310.6	€ 54.4	€ 365.0	1.18x	1.78x	—	—
€ 500.0	€ 39.1	€ 415.0	(€ 35.0)	€ 310.6	€ 69.2	€ 415.0	1.34x	1.98x	€ 4.7	0.0%
€ 550.0	€ 43.5	€ 465.0	(€ 35.0)	€ 310.6	€ 69.2	€ 465.0	1.50x	2.16x	€ 11.9	13.3%
€ 525.0	€ 45.7	€ 490.0	(€ 35.0)	€ 310.6	€ 69.2	€ 490.0	1.58x	2.25x	€ 15.8	14.0%
€ 550.0	€ 47.8	€ 515.0	(€ 35.0)	€ 310.6	€ 69.2	€ 515.0	1.65x	2.34x	€ 19.8	14.3%
€ 575.0	€ 50.0	€ 540.0	(€ 35.0)	€ 310.6	€ 69.2	€ 540.0	1.73x	2.42x	€ 23.9	14.6%

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### OFFEROR LETTER TO SHAREHOLDERS

€ 600.0	€ 52.2	€ 565.0	(€ 35.0)	€ 310.6	€ 69.2	€ 565.0	1.81x	2.51x	€ 28.2	15.2%
€ 625.0	€ 54.3	€ 590.0	(€ 35.0)	€ 310.6	€ 69.2	€ 590.0	1.89x	2.60x	€ 32.7	15.5%
€ 650.0	€ 56.5	€ 615.0	(€ 35.0)	€ 310.6	€ 69.2	€ 615.0	1.96x	2.68x	€ 37.3	15.8%
€ 675.0	€ 58.7	€ 640.0	(€ 35.0)	€ 310.6	€ 69.2	€ 640.0	2.04x	2.77x	€ 42.0	16.2%
€ 700.0	€ 60.9	€ 665.0	(€ 35.0)	€ 310.6	€ 69.2	€ 665.0	2.11x	2.85x	€ 46.9	16.5%
€ 725.0	€ 63.0	€ 690.0	(€ 35.0)	€ 310.6	€ 69.2	€ 690.0	2.19x	2.94x	€ 52.0	16.8%
€ 750.0	€ 65.2	€ 715.0	(€ 35.0)	€ 310.6	€ 69.2	€ 715.0	2.26x	3.02x	€ 57.0	17.0%
€ 800.0	€ 69.6	€ 765.0	(€ 35.0)	€ 310.6	€ 69.2	€ 765.0	2.42x	3.20x	€ 65.5	17.0%
€ 850.0	€ 73.9	€ 815.0	(€ 35.0)	€ 310.6	€ 69.2	€ 815.0	2.57x	3.37x	€ 74.0	17.0%
€ 900.0	€ 78.3	€ 865.0	(€ 35.0)	€ 310.6	€ 69.2	€ 865.0	2.73x	3.55x	€ 82.5	17.0%

#### ASSUMPTIONS

- (1) EUR-USD Exchange Rate is currently 1.07; When originally modeled, the rate was 1.27; To compare fairly, the historical rate 1.27 is used
- (2) Exit is assumed to take place in December 2018
- (3) Public sells entire stake (8.4M Shares)

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**SCHEDULE 3**

**REGISTRATION RIGHTS AGREEMENT**

**AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT**

This Amended and Restated Registration Rights Agreement (the “Agreement”) is dated as of July 29, 2016 among EUN Holdings, LLP a Delaware limited liability company partnership (the “Company”), and those Persons listed on Schedule A hereto, and any other Persons who from time to time becomes party to this Agreement as an “Investor Holder” or a “Common B Holder” by execution of a joinder agreement to this Agreement. This Agreement will be effective as of the Effective Time.

**RECITALS**

A. The Company and certain of the Investor Holders entered into a Registration Rights Agreement dated as of April 10, 2015 (the “Original Agreement”). Certain Common B Holders also became party to the Original Agreement by execution of a joinder agreement to the Original Agreement.

B. The Company’s wholly-owned subsidiary, EUN (UK) Limited (Company Registration Number 920 3923) and euNetworks Group Limited, a Singapore registered company (“euNetworks Group Limited”) entered into an Implementation Agreement dated as of July 29, 2016 that sets forth the terms of the proposed acquisition of euNetworks Group Limited by way of a scheme of arrangement in accordance with Section 210 of the Companies Act (Cap. 50) of Singapore (the “Scheme”).

C. As part of the Scheme, those shareholders of euNetworks Group Limited who elect to receive limited liability partnership interests of the Company will receive registration rights pursuant to this Agreement and become party to this Agreement as an “Investor Holder”.

NOW, THEREFORE, the parties to this Agreement hereby agree to amend and restate the Original Agreement as follows:

**ARTICLE I**  
**DEFINITIONS**

Unless otherwise defined herein, capitalized terms used herein and not defined shall have the same meaning as provided in the LLP Agreement.

In addition, the following terms shall have the meanings set forth in this Article I:

“Agreement” has the meaning specified in the Preamble hereto.

“Commission” means the U.S. Securities and Exchange Commission or any successor governmental agency that administers the Securities Act and the Exchange Act.

“Commission Form S-3” has the meaning specified in **Section 2.1(b)(i)** of this Agreement.

“Common B Holders” means (i) the Persons designated as such on **Schedule A** hereto and (ii) any other Person holding Registrable Securities to whom any such Person assigns the

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registration rights contemplated hereby pursuant to Article VII of this Agreement and in the case of (i) or (ii) provided such Person signs a counterpart to this Agreement.

“**Company**” has the meaning specified in the Preamble hereto and includes (i) any corporate successor to the Company following a Public Vehicle Merger and (ii) Subsidiary of the Company following any Subsidiary’s initial public offering.

“**euNetworks Group**” has the meaning specified in the Preamble hereto.

“**Effective Time**” means the Effective Date (as defined in the Implementation Agreement).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, or any successor statute thereto, and the rules and regulations of the Commission promulgated from time to time thereunder, all as the same shall be in effect at the time.

“**Holders**” means collectively, the Investor Holders and the Common B Holders.

“**Incidental Registration**” has the meaning specified in **Section 2.2(a)** of this Agreement.

“**Incidental Registration Cutback**” has the meaning specified in **Section 2.2I** of this Agreement.

“**Indemnified Party**” and “**Indemnified Parties**” have the meanings specified in **Section 5.1(a)** of this Agreement.

“**Indemnifying Party**” and “**Indemnifying Parties**” have the meanings specified in **Section 5.II** of this Agreement.

“**Investor Holders**” means (i) the Persons designated as such on **Schedule A** hereto and (ii) any other Person holding Registrable Securities to whom any such Person assigns the registration rights contemplated hereby pursuant to Article VII of this Agreement and in the case of (i) or (ii) provided such Person signs a counterpart to this Agreement.

“**LLP Agreement**” means the Second Amended and Restated Limited Liability Partnership Agreement dated as of the date hereof by and among the Company and the “Partners” named therein, as amended, modified and supplemented from time to time.

“**Major Holder**” means any Investor Holder who owns (collectively with their affiliates) at least ten percent (10%) of the issued and outstanding Preferred Interests held by all Investor Holders.

“**Original Agreement**” has the meaning specified in the Preamble hereto.

“**Person**” means an individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization and any government, governmental department or agency or political subdivision thereof.



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“**Public Vehicle**” has the meaning specified in the LLP Agreement.

“**QIC Affiliate**” means:

- (a) the ultimate beneficial owner or holding entity of a QIC Entity (the “**Investor**”);
- (b) any other entity within the Investor’s or QIC Entity’s wholly owned group of companies or entities;

I any other person acting in its capacity as trustee or custodian of any person described in paragraph (a) or (b); and

(d) any other entity or fund that is managed by QIC Limited or any of its wholly owned subsidiaries.

“**QIC Entity**” mean each or either of (as the context requires) QIC Private Capital Pty Ltd as trustee for the QIC Private Equity Fund No.2 and QIC Investments No.1 Pty Ltd as trustee for the QIC Direct Opportunities Fund.

“**Qualified Public Offering**” has the meaning specified in the LLP Agreement.

“**Registrable Securities**” means (i) the Preferred Interests, Common A Interests or Common B Interests (that are not subject to vesting or similar repurchase restrictions) held by a Holder as of the date of this Agreement, (ii) any other Preferred Interests, Common A Interests or Common B Interests (that are not subject to vesting or similar repurchase restrictions) acquired by a Holder on or after the date hereof, (iii) the Preferred Interests, Common A Interests or Common B Interests (that are not subject to vesting or similar repurchase restrictions) issued or issuable to a Holder with respect to such Holder’s Preferred Interests, Common A Interests or Common B Interests pursuant to any securities split, recapitalization, dividend, distribution or similar event, (iv) Capital Securities (as defined in the LLP Agreement) issued to a Holder in connection with a Public Vehicle Merger (as defined in the LLP Agreement) or acquired by such Holder following a Public Vehicle Merger or issued thereafter to a Holder as a result of any securities split, recapitalization, dividend, distribution or similar event and (v) Capital Securities (as defined in the LLP Agreement) issued to a Holder in connection with an initial public offering of a Subsidiary or acquired by such Holder following an initial public offering of Subsidiary or issued thereafter to Holder as a result of any securities split, recapitalization, dividend, distribution or similar event; *provided*, however, that any and all Interests or shares described in clauses (i)-(v) above shall cease to be Registrable Securities upon any sale pursuant to a registration statement under the Securities Act or any sale under Rule 144 under the Securities Act.

“**Registration Expenses**” means all expenses incident to the Company’s performance of or compliance with this Agreement in connection with each Requested Registration or Incidental Registration, including, without limitation, all registration, filing, listing and Financial Industry Regulatory Authority (“**FINRA**”) fees, all fees and expenses of complying with securities or blue sky laws, all word processing, duplicating and printing expenses, all messenger and delivery expenses, any transfer taxes, the fees and expenses of the Company’s legal counsel and independent public accountants, including the expenses of any special audits or “cold comfort” letters required by or incident to such performance and compliance, the reasonable fees and disbursements of counsel for all Holders participating in each such registration, and any fees and

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disbursements of underwriters customarily paid by issuers or sellers of securities; *provided*, however, that Registration Expenses shall not include underwriting discounts and commissions.

“**Requested Registration**” has the meaning specified in **Section 2.1(b)(i)** of this Agreement.

“**Requested Registration Cutback**” has the meaning specified in **Section 2.1I** of this Agreement.

“**Requisite Holders**” means, at any time, those Investor Holders owning more than 55% of the Registrable Securities.

“**S-1 Registration**” has the meaning specified in **Section 2.1(a)(i)** of this Agreement.

“**S-1 Registration Notice**” has the meaning specified in **Section 2.1(a)(i)** of this Agreement.

“**S-1 Registration Request**” has the meaning specified in **Section 2.1(a)(i)** of this Agreement.

“**S-3 Registration**” has the meaning specified in **Section 2.1(b)(i)** of this Agreement.

“**S-3 Registration Notice**” has the meaning specified in **Section 2.1(b)(i)** of this Agreement.

“**S-3 Registration Request**” has the meaning specified in **Section 2.1(b)(i)** of this Agreement.

“**Scheme**” has the meaning specified in the Preamble hereto.

“**Securities Act**” means the Securities Act of 1933, as amended, or any successor statute thereto, and the rules and regulations of the Commission promulgated from time to time thereunder, all as the same shall be in effect at the time.

“**Underwriter’s Maximum Number**” has the meaning specified in **Section 2.1I** of this Agreement.

**ARTICLE II**  
**REGISTRATIONS**

**SECTION 2.1 Requested Registrations.**

**(a) Registrations on Form S-1.**

(i) **Request for S-1 Registration.** Subject to **Section 2.1(a)(ii)**, if at any time after one hundred eighty (180) days following the effective date of the Company’s registration statement pertaining to its initial Qualified Public Offering of equity securities, the Company shall receive a written request from one or more Major Holders (a “**S-1 Registration Request**”) that the Company effect the registration under the Securities Act of all or any portion of the

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Registrable Securities (an “S-1 Registration”), then the Company shall (x) promptly, and in any event within ten (10) days, give written notice of the proposed registration to all other Holders (“S-1 Registration Notice”), and (y) use its best efforts to effect the registration under the Securities Act of the Registrable Securities that the Company has been so requested to register on behalf of such Holders and any Holder joining in such request (as is specified in a written request by each such Holder received by the Company within twenty (20) days after delivery of the S-1 Registration Notice) in accordance herewith within sixty (60) days after the receipt of the S-1 Registration Request. Subject to **Section 2.1(c)**, the Company may include in such S-1 Registration other securities of the Company for sale, for the Company’s account or for the account of any other Person.

(ii) **Limitations on S-1 Registrations.**

(1) **Offering Price Limitation.** The Company shall not be obligated to effect an S-1 Registration pursuant to this **Section 2.1(a)** unless the anticipated aggregate offering price of the Registrable Securities to be sold pursuant thereto is at least Twenty Five Million Dollars (\$25,000,000);

(2) **Limitation on the Number of S-1 Registrations.** The Company shall not be obligated to effect more than three (3) S-1 Registrations in the aggregate hereunder provided each such registration has been declared or ordered and kept effective for the time period indicated in **Section 3.1(iii)** below; *provided*, however, that (i) if as a result of a Requested Registration Cutback the Holders are not allowed to include in any such registration at least eighty percent (80%) of the Registrable Securities requested by the Holders to be registered, then such registration shall not count as a S-1 Registration, and (ii) if the Company is not entitled to use Commission Form S-3 due to the Company’s failure to comply with its filing obligations under the Exchange Act, the Holders shall be entitled to additional S-1 Registrations under Section 2.1(a) notwithstanding the foregoing limitation.

(3) **Alternative S-3 Registration.** The Company shall, if permitted by law, effect any S-1 Registration Request by the filing of an S-3 Registration.

(4) **Recent Registration Limitation.** If the Company has effected a Requested Registration within the preceding one hundred eighty (180) days and such registration has been declared effective, the Company shall have the right to defer such Requested Registration for a period of not more than ninety (90) days after receipt of the applicable S-1 Registration Request, *provided* that such right to delay a Requested Registration may be exercised by the Company not more than once in any twelve (12)-month period; and *provided further*, that the Company shall not register any securities for its own account or any other security holder during such 90 day period in connection with the public offering of such securities solely for cash.

(5) **Delay Limitation.** If the Company shall furnish to Holders initiating the S-1 Registration Request, a certificate signed by the Company’s chief executive officer or chairman of the board of directors stating that in the good faith judgment of the Board of Directors of the Company that it would be materially detrimental to the

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Company and the holders of its Capital Securities for such S-1 Registration to be effected at the time requested because such action would (x) materially interfere with a significant acquisition, corporate reorganization or other similar transaction involving the Company, (y) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential or (z) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer such S-1 Registration Request for a period of not more than ninety (90) days after receipt of the S-1 Registration Request, *provided* that such right to delay an S-1 Registration Request shall be exercised by the Company not more than once in any twelve (12)-month period; and *provided further*, that the Company shall not register any securities for its own account or any other security holder during such 90 day period in connection with the public offering of such securities solely for cash.

**(6) Simultaneous Company Registration Limitation.** During the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of, and ending on a date one hundred eighty (180) days following the effective date of, a Company-initiated registration on Form S-1 pertaining to a Qualified Public Offering of securities of the Company, the Company shall not be obligated to effect a registration under this **Section 2.1** unless otherwise consented to by the underwriter of such offering and only if the Company is actively employing in good faith all reasonable efforts to cause such Company-initiated registration statement to become and remain effective.

**(b) Registrations on Form S-3.**

**(i) Request for S-3 Registration.** Subject to **Section 2.1(b)(ii)**, if at any time after the Company is a registrant entitled to file a registration statement on Form S-3 or any successor or similar short-form registration statement promulgated by the Commission (collectively, "Commission Form S-3"), the Company shall receive a written request from one or more Holders (an "S-3 Registration Request") that the Company effect the registration under the Securities Act of all or part of the Registrable Securities (an "S-3 Registration", and together with S-1 Registration, a "Requested Registration"), then the Company shall (x) promptly, and in any event within ten (10) days, give written notice of the proposed registration to all other Holders (an "S-3 Registration Notice"), and (y) use its best efforts to effect the registration under the Securities Act of the Registrable Securities that the Company has been so requested to register on behalf of the requesting Holder(s) and any Holder joining in such request (as is specified in a written request by each such Holder received by the Company within fifteen (15) days after delivery of the S-3 Registration Notice) in accordance herewith within thirty (30) days after receipt of the S-3 Registration Request. Subject to **Section 2.1(c)**, the Company may include in such S-3 Registration other securities of the Company for sale, for the Company's account or for the account of any other Person.

**(ii) Limitations on S-3 Registrations.**

**(1) Offering Price Limitation.** The Company shall not be obligated to effect an S-3 Registration pursuant to this **Section 2.1(b)** unless the anticipated aggregate

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offering price of the Registrable Securities to be sold pursuant thereto is at least Ten Million Dollars (\$10,000,000).

(2) **Limitation on the Number of S-3 Registrations.** The Company must effect an unlimited number of S-3 Registrations pursuant to this Section 2.1(b).

(3) **Multiple Simultaneous S-3 Limitation.** The Company shall not be obligated to keep effective at any one time more than three (3) Commission Form S-3 registration statements in accordance with this Section 2.1(b), and if the Company is requested to effect an additional S-3 Registration at a time when it is keeping three such registration statements effective, it may delay effecting such S-3 Registration until it is no longer required in accordance with Section 3.1(iii) to keep effective one (or more) of the then effective Commission Form S-3 registration statements.

(4) **Recent Registration Limitation.** If the Company has effected a Requested Registration within the preceding one hundred eighty (180) days and such registration has been declared effective, the Company shall have the right to defer such Requested Registration for a period of not more than ninety (90) days after receipt of the applicable S-3 Registration Request, *provided* that such right to delay a Requested Registration may be exercised by the Company not more than once in any twelve (12)-month period.

(5) **Delay Limitation.** If the Company shall furnish to Holders initiating the S-3 Registration Request, a certificate signed by the Company's Chief Executive Officer or Chairman of the Board of Directors stating that in the good faith judgment of the Board of Directors of the Company that it would be materially detrimental to the Company and the holders of its Capital Securities for such S-3 Registration to be effected at the time requested because such action would (x) materially interfere with a significant acquisition, corporate reorganization or other similar transaction involving the Company, (y) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential or (z) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer such S-3 Registration Request for a period of not more than ninety (90) days after receipt of the S-3 Registration Request, *provided* that such right to delay an S-3 Registration Request shall be exercised by the Company not more than once in any twelve (12)-month period; and *provided further*, that the Company shall not register any securities for its own account or any other security holder during such 90 day period in connection with the public offering of such securities solely for cash.

(c) **Priority in Registration.** If a Requested Registration is an underwritten offering, and the managing underwriters shall give written advice to the Holders and the Company that, in their opinion, market conditions dictate that no more than a specified maximum number of securities (the "Underwriter's Maximum Number") could successfully be included in such registration without having an adverse effect on the success of the offering (including, without limitation, an impact on the selling price or the number of Registrable Securities that may be sold within a price range acceptable to the Holders initiating the Requested Registration), then the Company shall be required to include in such registration only such number of securities as is

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equal to the Underwriter's Maximum Number ("Requested Registration Cutback") and the Company and the Holders will participate in such offering in the following order of priority:

(i) First, there shall be included in such registration that number of Registrable Securities that the Investor Holders shall have requested to be included in such offering and that does not exceed the Underwriter's Maximum Number; and

(ii) Second, there shall be included in such registration that number of Registrable Securities that the Common B Holders shall have requested to be included in such offering and that does not exceed the Underwriter's Maximum Number

(iii) Third, the Company shall be entitled to include in such registration that number of securities that it proposes to offer and sell for its own account to the full extent of the remaining portion of the Underwriter's Maximum Number.

In the event that a Requested Registration Cutback results in less than all of the securities of a particular category (e.g., Registrable Securities of Holders or securities of the Company) that are requested to be included in such registration actually being included in such registration, then the number of securities of such category that will be included in such registration shall be shared *pro rata* among all of the holders of securities of such category that were requested to be included in such registration based on the relative number of shares of Registrable Securities originally requested to be included in such offering by such holders.

#### **SECTION 2.2 Incidental Registrations.**

(a) **Incidental Registration.** If the Company for itself or any of the Holders shall (except for a Qualified Public Offering or registrations under Sections 2.1(a)(i) or 2.2(b)(i), which shall not be deemed registrations for the purposes of this Section 2.2) at any time or times after the date hereof undertake to register under the Securities Act any shares of its capital stock (other than (i) the registration of an offer, sale or other disposition of securities solely to employees of, or other Persons providing services to, the Company, or any subsidiary pursuant to an employee or similar benefit plan registered on Form S-8 or similar or successor forms promulgated by the Commission or (ii) relating to a merger, acquisition or other transaction of the type described in Rule 145 under the Securities Act or a comparable or successor rule, registered on Form S-4 or similar or successor forms promulgated by the Commission), on each such occasion the Company will notify each Holder of such determination or request at least thirty (30) days prior to the filing of such registration statement, and upon the request of any Holder given in writing within twenty (20) days after the receipt of such notice, subject to **Sections 2.2(b) and (c)**, the Company shall use its best efforts as soon as practicable thereafter to cause any of the Registrable Securities specified by any such Holder to be included in such registration statement to the extent such registration is permissible under the Securities Act and subject to the conditions of the Securities Act (an "Incidental Registration"). If a Holder decides not to include all of its Registrable Securities in any Incidental Registration filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent Incidental Registration as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein. The Company shall have the right to terminate or withdraw any Incidental Registration initiated by it

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under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.4.

**(b) Withdrawal or Delay of Registration.** Notwithstanding the foregoing, if at any time after giving notice of its intention to undertake a registration in accordance with **Section 2.2(a)** above, and before the effectiveness of any Registration Statement filed in connection with such registration, the Company determines for any reason either not to effect such registration or to delay such registration, the Company may, at its election, by delivery of a written notice to each holder of Registrable Securities:

(i) In the case of a determination not to effect such registration, relieve itself of its obligation to include the Registrable Securities in connection with such registration; or

(ii) In the case of a determination to delay such registration, delay the inclusion of such Registrable Securities for the same period as the delay in such registration.

**(c) Priority in Registration.** If an Incidental Registration is an underwritten offering, and the managing underwriters shall give written advice to the Holders and the Company that, in their opinion, market conditions dictate that no more than a Underwriter's Maximum Number could successfully be included in such registration without having an adverse effect on the success of the offering (including, without limitation, an impact on the selling price or the number of Registrable Securities that may be sold within a price range acceptable to the Company or the security holders who initiated such Incidental Registration, as the case may be), then the Company shall be required to include in such registration only such number of securities as is equal to the Underwriter's Maximum Number ("Incidental Registration Cutback") and the Company and the Holders will participate in such offering in the following order of priority:

(i) First, the Company shall be entitled to include in such registration that number of securities that the Company proposes to offer and sell for its own account in such registration and that does not exceed the Underwriter's Maximum Number; and

(ii) Second, the Company will be obligated and required to include in such registration that number of Registrable Securities that the Investor Holders shall have requested to be included in such offering to the full extent of the remaining portion of the Underwriter's Maximum Number; and

(iii) Third, the Company will be obligated and required to include in such registration that number of Registrable Securities that the Common B Holders shall have requested to be included in such offering to the full extent of the remaining portion of the Underwriter's Maximum Number.

In the event that an Incidental Registration Cutback results in less than all of the securities of a particular category (e.g., securities of the Company or Registrable Securities of Holders) that are requested to be included in such registration to actually be included in such registration, then the number of securities of such category that will be included in such registration shall be shared *pro rata* among all of the holders of securities of such category that were requested to be

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included in such registration based on the relative number of Registrable Securities originally requested to be included in such offering by such holders

**SECTION 2.3 Underwriting.** If an Incidental Registration is for an underwritten offering, the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder to be included in a registration pursuant to this **Section 2.3** shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein.

**SECTION 2.4 Expenses.** The Company shall pay all Registration Expenses incurred in connection with all Incidental Registrations and all Requested Registrations effected in accordance with this Article II.

**SECTION 2.5 Effective Registration Statement.** A Requested Registration or an Incidental Registration effected pursuant to **Section 2.1** or **Section 2.2**, respectively, shall not be deemed to have been effected unless the registration statement filed with respect thereto in accordance with the Securities Act has become effective with the Commission and kept effective in accordance with the provisions of **Section 3.1(iii)** below. Notwithstanding the foregoing, a registration statement will not be deemed to have become effective if (a) after it has become effective with the Commission, such registration is made subject to any stop order, injunction, or other order or requirement of the Commission or other governmental agency or any court proceeding for any reason other than a misrepresentation or omission by any Holder, or (b) the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied, other than solely by reason of some act or omission by any Holder.

**SECTION 2.6 Jurisdictional Limitations.** Notwithstanding anything in this Agreement to the contrary, the Company shall not be obligated to take any action to effect registration, qualification or compliance with respect to its Registrable Securities:

(a) That would require it to qualify generally to do business in any jurisdiction in which it is not already so qualified or obligated to qualify; or

(b) That would subject it to taxation in a jurisdiction in which it is not already subject generally to taxation.

**ARTICLE III**

**REGISTRATION PROCEDURES**

**SECTION 3.1 Company Obligations.** If and whenever the Company is required to effect the registration of any Registrable Securities under the Securities Act as provided in Article II, the Company, as expeditiously as possible and subject to the terms and conditions of Article II, will do the following:

(i) Prepare and file with the Commission the requisite registration statement to effect such registration and use its diligent efforts to cause such registration statement to



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become and remain effective and contain or incorporate by reference all information required to be disclosed therein for the period set forth in **Section 3.1(iii)** below;

(ii) Permit any Holder who, in the reasonable judgment of the Company's counsel, might be deemed to be an underwriter or a controlling Person of the Company, to participate in the preparation of such registration statement (including making available for inspection by any such Person and any attorney, accountant or other agent retained by such Person, all financial and other records, pertinent corporate documents and all other information reasonably requested in connection therewith) and give to such Holder under such registration statement, the underwriters, if any, and their respective counsel and accountants, advance draft copies of such registration statement, each prospectus included therein or filed with the Commission at least five (5) business days prior to the filing thereof with the Commission, and any amendments and supplements thereto promptly as they become available, and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of such Holders and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act;

(iii) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith (or file such documents under the Exchange Act) as may be necessary (i) to keep such registration statement effective, (ii) to cause such registration statement to contain all information required to be disclosed therein and (iii) to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until the earlier of such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement or the expiration of one hundred eighty (180) days after such registration statement becomes effective (such period of one hundred eighty (180) days to be extended one (1) day for each day or portion thereof during such period that such registration statement shall be subject to any stop order suspending the effectiveness of the registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Securities included in such registration statement for sale in any jurisdiction);

(iv) Furnish to the Holders participating in such registration without charge to the Holders, such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the Securities Act, in conformity with the requirements of the Securities Act, and such other documents, as the purchaser or any Holder of Registrable Securities to be sold under such registration statement may reasonably request;

(v) Subject to **Section 2.5**, use its best efforts to register or qualify all Registrable Securities covered by such registration statement under such other United States state securities or blue sky laws of such jurisdictions as any Holder of Registrable Securities to be sold under such registration statement shall reasonably request, to keep such registration or

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qualification in effect for the time period set forth in **Section 3.1(iii)** hereof, and take any other action that may be reasonably necessary or advisable to enable the Holders who are participating in such registration to sell Registrable Securities in such jurisdictions;

(vi) Subject to **Section 2.5**, use its best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other United States state governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the Holders who are participating in such registration to sell Registrable Securities as intended by such registration statement;

(vii) In the event of the issuance of any stop order suspending the effectiveness of the registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Registrable Securities included in such registration statement for sale in any jurisdiction, the Company shall use its best efforts promptly to obtain the withdrawal of such order;

(viii) Use its best efforts to furnish to the Holders registering Registrable Securities under such registration statement:

(1) An opinion, dated the effective date of the registration statement, of the independent counsel representing the Company for the purposes of such registration, addressed to the underwriters, if any, and to the Holders making such request, covering such legal matters customarily included in opinions with respect to underwritten registered public offerings of securities; and

(2) A letter, dated the effective date of the registration statement, from the independent certified public accountants of the Company, addressed to the underwriters, if any, and to the Holders making such request, stating that they are independent certified public accountants within the meaning of the Securities Act and that in the opinion of such accountants, the financial statements and other financial data of the Company included in the registration statement or the prospectus, or any amendment or supplement thereto, comply as to form in all material respects with the applicable accounting requirements of the Securities Act (such letter from the independent certified public accountants shall additionally cover such other financial matters (including information as to the period ending not more than five (5) business days prior to the date of such letter) with respect to the registration in respect of which such letter is being given as the Holders may reasonably request);

(ix) Immediately notify the Holders holding Registrable Securities included in such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of its becoming aware of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and at the request of the such Holders promptly prepare and furnish to the such Holders a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such

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prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they were made.

(x) Otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months, but not more than eighteen (18) months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(xi) Provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(xii) Use its best efforts to list all Registrable Securities covered by such registration statement on any securities exchange on which the same class of securities issued by the Company are then listed or, if no such equity securities are then listed, apply for listing or quotation of the Registrable Securities on an exchange or quotation system selected by the Requisite Holders; and take all such other commercially reasonable actions as are necessary or advisable to expedite or facilitate the disposition of the Registrable Securities.

**SECTION 3.2 Holder Obligations.** The Company may require each Holder holding Registrable Securities to be sold under such registration statement to furnish the Company with such information as it may reasonably request in writing (i) regarding such Holder's proposed distribution of such securities and (ii) as required in connection with any registration (including an amendment to a registration statement or prospectus), qualification or compliance referred to in this Article III. The Company agrees not to file or make any amendment to any registration statement with respect to any Registrable Securities, or any amendment of or supplement to the prospectus used in connection therewith, which refers to any seller of any Registrable Securities covered thereby by name, or otherwise identifies such seller as the holder of any Registrable Securities, without the consent of such seller, such consent not to be unreasonably withheld, unless such disclosure is required by law.

(i) Each Holder, by execution of this Agreement, agrees (i) that upon receipt of any notice from the Company, or upon such Holder's otherwise becoming aware, of the happening of any event of the kind described in **Section 3.1(ix)**, such Holder will forthwith discontinue its disposition of Registrable Securities pursuant to the registration statement relating to such Registrable Securities until the receipt by such Holder of the copies of the supplemented or amended prospectus contemplated by **Section 3.1(ix)** and, if so directed by the Company, will deliver to the Company all copies other than permanent file copies, then in possession of the Holders of the prospectus relating to such Registrable Securities current at the time of receipt of such notice and (ii) that it will immediately notify the Company, at any time when a prospectus relating to the registration of such Registrable Securities is required to be delivered under the Securities Act, of the happening of any event as a result of which information previously furnished in writing by such Holder to the Company specifically for inclusion in such prospectus contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the

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circumstances under which they were made. In the event the Company or any such Holder shall give any such notice, the period referred to in **Section 3.1(iii)** shall be extended by a number of days equal to the number of days during the period from and including the giving of notice pursuant to **Section 3.1(ix)** to and including the date when such Holder shall have received the copies of the supplemented or amended prospectus contemplated by **Section 3.1(ix)**.

**ARTICLE IV**

**UNDERWRITTEN OFFERINGS**

**SECTION 4.1 Underwritten Offerings.**

**(a) Underwritten Offering.** In connection with any underwritten offering pursuant to a registration requested under **Section 2.1**, the Company will enter into an underwriting agreement (and any other customary agreements) with the underwriters for such offering, such agreement to be in form and substance reasonably satisfactory to the Board of the Company and the Requisite Holders and such underwriters in their reasonable judgment and to contain such representations and warranties by the Company and such other terms as are customarily contained in agreements of that type, including, without limitation, indemnities to the effect and to the extent provided in **Article V**. The Company will also take all such other actions as the Requisite Holders or the underwriters reasonably request in order to expedite or facilitate the disposition of Registrable Securities (including effecting a stock split or combination of shares and the participation of senior management in so-called “road shows” and similar events). Each Holder participating in such underwritten offering shall be a party to such underwriting agreement and may, at such Holder’s option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of each such Holder and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such Holder. No Holder participating in any such underwritten offering shall be required by the provisions hereof to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder and its intended method of distribution and any other representation required by law. No Holder holding Registrable Securities may participate in any underwritten registration hereunder unless such Holder (i) agrees to sell its Registrable Securities on the basis provided in any underwriting arrangements approved pursuant to this **Section 4.1** and (ii) accurately completes in all material respects and in a timely manner, and executes all questionnaires, powers of attorney, such underwriting agreement and other documents reasonably and customarily required under the terms of such underwriting agreement.

**(b) Selection of Underwriters.** Whenever a Requested Registration is an underwritten offering, the holders of a majority of Registrable Securities sought to be registered will have the right to select the managing underwriter to administer the offering.

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**OFFEROR LETTER TO SHAREHOLDERS**

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**SECTION 4.2    Holdback Agreements.**

(a) In connection with any Qualified Public Offering, each Holder holding Registrable Securities agrees by acquisition of such Registrable Securities not to effect directly or indirectly (except as part of such underwritten registration in accordance with the provisions hereof) any sale, distribution, short sale, loan, grant of options for the purchase of, or otherwise dispose of, any Registrable Securities for such period as such managing underwriter requests, such period in no event to commence earlier than seven (7) days prior to, or to end more than one hundred eighty (180) days after, the effective date of such registration, and shall execute and deliver such other agreements as may be reasonably requested by the managing underwriter as are consistent with the foregoing. Each Holder holding Registrable Securities further agrees that the Company may instruct its transfer agent to place stop transfer notations in its records to enforce the provisions of this **Section 4.2(a)**. If such restrictions are waived or shortened by the managing underwriter or the Company for any Holder or any other party bound thereto, the above restrictions shall also be waived or shortened for all Holders in the same manner on a *pro rata* basis (calculated including the shares held by the party bound by such similar agreement).

(b) After receipt of notice of a Requested Registration pursuant to Section 2.1, the Company shall not initiate, without the consent of the Requisite Holders (to the extent such Requested Registration is pursuant to Section 2.1(a) or (b)), a registration of any of its equity securities for its own account until ninety (90) days after such registration has become effective or such registration has been terminated (other than (i) the registration of an offer, sale or other disposition of securities solely to employees of, or other Persons providing services to, the Company, or any subsidiary pursuant to an employee or similar benefit plan registered on Form S-8 or similar or successor forms promulgated by the Commission or (ii) relating to a merger, acquisition or other transaction of the type described in Rule 145 under the Securities Act or a comparable or successor rule, registered on Form S-4 or similar or successor forms promulgated by the Commission).

**ARTICLE V**

**INDEMNIFICATION AND CONTRIBUTION**

**SECTION 5.1    Indemnification by the Company.**

(a) In the event of any registration under the Securities Act pursuant to Article II of any Registrable Securities covered by such registration, the Company will, and hereby does, indemnify and hold harmless each Holder holding Registrable Securities to be sold under such registration statement, each such Holder's legal counsel and independent accountants, each other Person who participates as an underwriter in the offering or sale of such securities (if so required by such underwriter as a condition to including the Registrable Securities of the Holders in such registration) and each other Person, if any, who controls any such Holder or any such underwriter within the meaning of the Securities Act (each, an "Indemnified Party" and collectively, the "Indemnified Parties"), against any losses, claims, damages or liabilities, joint or several, to which the Holders or underwriter or controlling Person may become subject under the Securities Act, the Exchange Act, any state securities laws or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein or any document incorporated therein by reference, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances in which they were made not misleading, or arise out of any violation by the Company of any rule or regulation promulgated under the Securities Act or state securities law applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, and the Company will reimburse the Indemnified Parties for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding; *provided*, however, that the Company shall not be liable to any Indemnified Party in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with information furnished to the Company in writing by, or on behalf of, any Indemnified Party specifically for use therein.

(b) **Indemnification by the Holders.** As a condition to including any Registrable Securities of any Person in any registration statement filed pursuant to Article II, each Holder holding Registrable Securities hereby agrees, severally but not jointly, to indemnify and hold harmless (in the same manner and to the same extent as set forth in subdivision (a) of this **Section 5.1** the Company, each director of the Company, each officer of the Company and each other Person, if any, who controls the Company within the meaning of the Securities Act, with respect to any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if, and only if, such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with information furnished in writing to the Company directly by, or on behalf of, such Person specifically for use therein; *provided*, however, that the obligation of any Holder hereunder shall be limited to an amount equal to the net proceeds received by such Holder upon the sale of Registrable Securities sold in the offering covered by such registration, unless such liability arises out of or is based upon such Holder's willful misconduct.

(c) **Notices of Claims, etc.** Promptly after receipt by an Indemnified Party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding subdivisions of this **Section 5.1**, such Indemnified Party will, if a claim in respect thereof is to be made against a party required to provide indemnification (each, an "Indemnifying Party" and collectively, the "Indemnifying Parties"), give written notice to the latter of the commencement of such action, *provided*, however, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligation under the preceding subdivisions of this **Section 5.1**, except to the extent that the Indemnifying Party is actually prejudiced by such failure to give notice. In case any such action is brought against an Indemnified Party, unless in such Indemnified Party's reasonable judgment a conflict of interest between such Indemnified Party and the Indemnifying Party may exist in respect of such claim,

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the Indemnifying Party shall be entitled to participate in and to assume the defense thereof, jointly with any other Indemnifying Party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of its election so to assume the defense thereof, the Indemnifying Party shall not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No Indemnifying Party shall consent to entry of any judgment or enter into any settlement without the consent of the Indemnified Party which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation or that imposes any ongoing restrictions or covenants pertaining to the Indemnified Party.

(d) **Other Indemnification.** Indemnification similar to that specified in the preceding subdivisions of this **Section 5.1** (with appropriate modifications) shall be given by the Company and each holder of Registrable Securities included in any registration statement to each other and any underwriter, as applicable, with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority, other than the Securities Act.

(e) **Indemnification Payment.** The indemnification required by this **Section 5.1** shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

(f) **Survival of Obligations.** The obligations of the Company and of the Holders under this **Section 5.1** shall survive the completion of any offering of Registrable Securities under this Agreement.

(g) **Contribution.** If the indemnification provided for in **Section 5.1** is unavailable or insufficient to hold harmless an Indemnified Party, then each Indemnifying Party shall contribute to the amount paid or payable to such Indemnified Party as a result of the losses, claims, damages or liabilities referred to in **Section 5.1** an amount or additional amount, as the case may be, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party or Indemnifying Parties, on the one hand, and the Indemnified Party, on the other, in connection with the statements or omissions which resulted in such losses, claims, demands or liabilities as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or parties, on the one hand, or the Indemnified Party, on the other, and the parties' relative, intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid to an Indemnified Party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this **Section 5.1(g)** shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim which is the subject of this Article V; *provided*, however, that the obligation of any Holder hereunder shall be limited to an amount equal to the net proceeds received by such Holder upon the sale of Registrable Securities sold in the offering covered by such registration. No Person guilty of fraudulent

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misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

**ARTICLE VI**

**COMPANY COVENANTS**

**SECTION 6.1 Covenants Relating to Rule 144; Reports Under The Exchange Act.** With a view to (a) making available the benefits of certain rules and regulations of the Commission which may at any time permit the sale of securities of the Company to the public without registration after such time as a public market exists for the securities of the Company or (b) causing the Company to be and remain eligible to file a registration on Commission Form S-3, the Company agrees to do the following:

(i) To make and keep public information available in accordance with Rule 144 under the Securities Act at all times after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(ii) To take such action as is necessary to enable the Holders to utilize Commission Form S-3 for the sale of their Registrable Securities, such action to be taken as soon as practicable after the end of the fiscal year in which the first registration statement under the Securities Act filed by the Company for the offering of its securities to the general public is declared effective;

(iii) To file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act, as amended (at any time after it has become subject to such reporting requirements);

(iv) So long as a Holder owns any Registrable Securities, to furnish to such Holder forthwith upon request a written statement by the Company as to its compliance with the reporting requirements of said Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement under the Securities Act filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements) and a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company as an Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing an Holder to sell any such securities without registration; and

(v) The Company shall use its best efforts to take any action necessary to maintain its eligibility to utilize Commission Form S-3 to permit resales as requested by the Holders with respect to "Transactions Involving Secondary Offerings" as described in General Instruction I.B.3 of Commission Form S-3.

**SECTION 6.2 Other Registration Rights.** The Company represents and warrants that it has not granted any registration rights to any Person other than established by this Agreement.



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**APPENDIX 2**  
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**ARTICLE VII**

**ASSIGNABILITY**

Subject to the restrictions on transfer applicable to the Capital Securities of the Company under the LLP Agreement, this Agreement and all of the provisions hereof will be assignable, without the consent of the Company, by any Holder to, and shall inure to the benefit of, any purchaser, transferee or assignee of any Registrable Securities (as adjusted for splits, recapitalizations, and other similar events) that is a Permitted Transferee of such Holder under the LLP Agreement. Any such purchaser, transferee or assignee shall take shares of Registrable Securities subject to, and shall be bound by, the terms of this Agreement; provided in each instance that the transferee or assignee of such rights assumes in writing the obligations of such Holder under this Agreement and the LLP Agreement. However, the Company shall not be required to recognize any such purchaser, transferee or assignee as an “Investor Holder” or a “Common B Holder” under this Agreement unless and until (i) either (a) such Person becomes the holder of record of Registrable Securities or (b) the Company receives written notice of such purchase, transfer or assignment and (ii) such Person executes and delivers to the Company a counter-part signature page to this Agreement.

**ARTICLE VIII**

**MISCELLANEOUS**

**SECTION 8.1 Waivers and Amendments.** The rights and obligations of the Company and all other parties hereto under this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively, and either for a specified period of time or indefinitely) or amended if and only if such waiver or amendment is consented to in writing by the Company and by the Requisite Holders; *provided*, however, that if any amendment would materially and adversely affect the rights of one or more Holders (the “Adversely Affected Holder”) in a way that is different from its effect on other Holders, such amendment shall not be effective as to any Adversely Affected Holder unless consented to by a majority in interest of the Adversely Affected Holder. Each Holder shall be bound by any amendment or waiver effected in accordance with this Section, whether or not such Holder has consented to such amendment or waiver. Upon the effectuation of each such waiver or amendment, the Company shall promptly give written notice thereof to the Holders who have not previously consented thereto in writing.

**SECTION 8.2 Successors and Assigns.** Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

**SECTION 8.3 Entire Agreement.** This Agreement and the LLP Agreement constitute the full and entire understanding and agreement of the parties with regard to the subjects hereof and supersedes in their entirety all other or prior agreements, whether oral or written, with respect thereto.

**SECTION 8.4 Notices.** All demands, notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be

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personally delivered or sent by facsimile machine or other electronic means (with a confirmation copy sent by one of the other methods authorized in this Section), commercial (including FedEx) or U.S. Postal Service overnight delivery service, or, deposited with the U.S. Postal Service mailed first class, registered or certified mail, postage prepaid, as set forth below:

If to the Company, addressed to:

EUN Holdings, LLP  
204 South Union Street  
Alexandria, VA 22314  
Attention: Donald A. Doering  
Fax: 703-519-3904

and (after euNetworks Group Limited consummates a scheme of arrangement)

EUN Holdings, LLP  
15 Worship Street  
London EC2A 2DT  
United Kingdom  
Attention: General Counsel  
Fax: +44 20 7256 5859  
Email: legal@eunetworks.com

with a copy to:

Choate Hall & Stewart, LLP  
Two International Place  
Boston, MA 02110  
Attention: Stephen O. Meredith  
Sarah N.A. Camougis  
Fax: 617-502-5025

If to any Holder, to such Holder's address as set forth on Schedule A.

Notices shall be deemed given upon the earlier to occur of the first Business Day after the (a) receipt by the party to whom such notice is directed; (b) if sent by email or facsimile machine (or other electronic means), on the Business Day such notice is sent; or (c) on the first Business Day following the day the same is deposited with the commercial carrier if sent by commercial overnight delivery service. Each party, by notice duly given in accordance therewith may specify a different address for the giving of any notice hereunder.

**SECTION 8.5 Governing Law.** This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware without giving effect to any conflicts or choice of laws provisions thereof that would cause the application of the domestic substantive laws of any other jurisdiction).

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**SECTION 8.6**    Section 12.3.    Consent To The Exclusive Jurisdiction Of The Courts Of Delaware.

(a) EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF DELAWARE AND THE UNITED STATES DISTRICT COURT FOR THE STATE OF DELAWARE, AS WELL AS TO THE JURISDICTION OF ALL COURTS TO WHICH AN APPEAL MAY BE TAKEN FROM SUCH COURTS, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING RELATING TO PROVISIONAL REMEDIES AND INTERIM RELIEF.

(b) EACH PARTY HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHTS TO BRING ANY SUIT, ACTION OR OTHER PROCEEDING IN OR BEFORE ANY COURT OR TRIBUNAL OTHER THAN THE COURTS OF THE STATE OF DELAWARE AND/OR THE UNITED STATES DISTRICT COURT FOR THE STATE OF DELAWARE AND COVENANTS THAT SUCH PARTY SHALL NOT SEEK IN ANY MANNER TO RESOLVE ANY DISPUTE OTHER THAN AS SET FORTH HEREIN OR TO CHALLENGE OR SET ASIDE ANY DECISION, AWARD OR JUDGMENT OBTAINED IN ACCORDANCE WITH THE PROVISIONS HEREOF.

(c) EACH OF THE PARTIES HERETO HEREBY EXPRESSLY WAIVES ANY AND ALL OBJECTIONS SUCH PARTY MAY HAVE TO VENUE, INCLUDING, WITHOUT LIMITATION, THE INCONVENIENCE OF SUCH FORUM, IN ANY OF SUCH COURTS. IN ADDITION, EACH OF THE PARTIES CONSENTS TO THE SERVICE OF PROCESS BY PERSONAL SERVICE OR ANY MANNER IN WHICH NOTICES MAY BE DELIVERED HEREUNDER IN ACCORDANCE WITH SECTION 8.4.

**SECTION 8.7**    Equitable Remedies. The parties hereto agree that irreparable harm would occur in the event that any of the agreements and provisions this Agreement were not performed fully by the parties hereto in accordance with their specific terms or conditions or were otherwise breached, and that money damages are an inadequate remedy for breach of this Agreement because of the difficulty of ascertaining and quantifying the amount of damage that will be suffered by the parties hereto in the event that this Agreement is not performed in accordance with its terms or conditions or is otherwise breached. It is accordingly hereby agreed that the parties hereto shall be entitled to an injunction or injunctions to restrain, enjoin and prevent breaches of this Agreement by the other parties and to enforce specifically such terms and provisions of this Agreement, such remedy being in addition to and not in lieu of, any other rights and remedies to which the other parties are entitled to at law or in equity.

**SECTION 8.8**    WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY VOLUNTARILY AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR OTHER PROCEEDING BROUGHT IN CONNECTION WITH THIS AGREEMENT, ANY OF THE RELATED AGREEMENTS, DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

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**APPENDIX 2**  
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**SECTION 8.9 No Third Party Beneficiary.** There are no third party beneficiaries of this Agreement.

**SECTION 8.10 Expenses.** In addition to the payment of the Registration Expenses set forth in **Section 2.4**, the Company hereby agrees to pay on demand all reasonable documented out-of-pocket fees, costs and expenses (including reasonable attorneys' fees incurred by the Holder(s) in connection with the following: (a) the interpretation, proposed amendment, modification or enforcement of this Agreement, (*provided*, that the Company shall have no obligation to reimburse the Holder(s) for (i) expenses specifically excluded from the definition of "Registration Expenses" and (ii) expenses incurred in any enforcement action in which the Holder(s) are not the prevailing parties other than expenses payable pursuant to **Article V**), and (b) any approvals, consents or waivers with respect to this Agreement.

**SECTION 8.11 Non- US Offerings.** The parties intend and agree that the rights of the rights of the Holders under this Agreement shall extend to the fullest extent possible to public offerings of Registrable Securities in jurisdictions outside the United States and that, inter alia, the Holders shall have the right to have their Registrable Securities registered or otherwise qualified for resale to the public in such jurisdictions as the Requisite Holders shall request. The provisions of this Agreement shall apply, mutatis mutandis, with respect to offerings of Registrable Securities in such jurisdictions.

**SECTION 8.12 Severability; Titles and Subtitles; Gender; Singular and Plural; Counterparts; Facsimile.**

(a) In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

(b) The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

(c) The use of any gender in this Agreement shall be deemed to include the other genders, and the use of the singular in this Agreement shall be deemed to include the plural (and vice versa), wherever appropriate.

(d) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together constitute one instrument.

(e) Counterparts of this Agreement (or applicable signature pages hereof) that are manually signed and delivered by facsimile transmission shall be deemed to constitute signed original counterparts hereof and shall bind the parties signing and delivering in such manner.

**SECTION 8.13 Trustee Limitation of Liability.**

(a) Each of QIC Private Capital Pty Ltd and QIC Investments No.1 Pty Ltd (each a "Trustee") enters into this Agreement only in its capacity as trustee of the QIC Private Equity Fund No.2 and QIC Direct Opportunities Fund, respectively (the "Trust") and in no other capacity. Subject to Section 8.13 (c), any obligation or liability owed by a Trustee arising under

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**APPENDIX 2**  
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or in connection with this Agreement is limited to and can be enforced against that Trustee only to the extent to which it can be satisfied out of property of the Trust out of which that Trustee is actually indemnified for liability. Subject to Section 8.13(c), the foregoing limitation of each Trustee's liability applies despite any other provision of this Agreement and extends to all obligations and liabilities of each Trustee in any way connected with this Agreement.

(b) Subject to Section 8.13(c), no party may sue a Trustee in any capacity other than as trustee of the relevant Trust, including seeking the appointment of a receiver, a liquidator, an administrator or any similar person to a Trustee, or prove in any liquidation, administration or arrangement of or affecting a Trustee (except in relation to property of the Trust).

(c) The provisions of Sections 8.13(a) and 8.13(b) shall not apply to any obligation or liability of a Trustee to the extent that it is not satisfied because under the trust deed establishing the Trust or by operation of law there is a reduction in the extent of the Trustee's indemnification out of the assets of the Trust as a result of the Trustee's fraud, gross negligence or breach of trust.

**[Next Page is the Signature Page]**

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**COMPANY:**

**EUN HOLDINGS, LLP**

By:   
Name: John T. Sigel, Jr.  
Title: Authorized Signatory

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

---

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**GREENSPRING GLOBAL PARTNERS VI-A, L.P.**

By: Greenspring General Partner VI, L.P.,  
its General Partner

By: Greenspring GP VI, LLC

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

**GREENSPRING GLOBAL PARTNERS VI-C, L.P.**

By: Greenspring General Partner VI, L.P.,  
its General Partner

By: Greenspring GP VI, LLC

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

**GREENSPRING OPPORTUNITIES II, L.P.**

By: Greenspring Opportunities General Partner II,  
L.P.,  
its General Partner

By: Greenspring Opportunities GP II, LLC,  
its General Partner

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**OFFEROR LETTER TO SHAREHOLDERS**

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**GREENSPRING OPPORTUNITIES II-A, L.P.**

By: Greenspring Opportunities General Partner  
II-A, L.P.,  
its General Partner

By: Greenspring Opportunities GP II, LLC,  
its General Partner

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

**GREENSPRING GLOBAL PARTNERS V-A, L.P.**

By: Greenspring General Partner V, L.P.,  
its General Partner

By: Greenspring GP V, LLC

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

**GREENSPRING GLOBAL PARTNERS V-C, L.P.**

By: Greenspring General Partner V, L.P.,  
its General Partner

By: Greenspring GP V, LLC

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]



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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**GREENSPRING OPPORTUNITIES III, L.P.**

By: Greenspring Opportunities General Partner III,  
L.P.,  
its General Partner

By: Greenspring Opportunities GP III, LLC,  
its General Partner

By:   
\_\_\_\_\_  
Name: Eric Thompson  
Title: Chief Financial Officer

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**


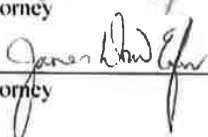
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IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**


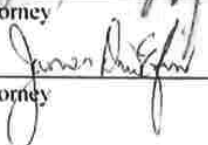
**EXECUTED ON BEHALF OF QIC PRIVATE  
CAPITAL PTY LTD AS TRUSTEE FOR THE  
QIC PRIVATE EQUITY FUND NO. 2**

By its duly authorized attorneys:

	Peter Marcus Galsworthy Simpson Head of Global Private Equity
_____ Attorney	
	James Drew Efimov Head of Mandate Obligations and Product Regulation
_____ Attorney	

**EXECUTED ON BEHALF OF QIC  
INVESTMENTS NO. 1 PTY LTD AS TRUSTEE  
FOR THE QIC DIRECT OPPORTUNITIES  
FUND**

By its duly authorized attorneys:

	Peter Marcus Galsworthy Simpson Head of Global Private Equity
_____ Attorney	
	James Drew Efimov Head of Mandate Obligations and Product Regulation
_____ Attorney	

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**TELCOM CEE LANDLINE LLC**

By: 

**Serge G. Martin**  
**Executive Vice President**

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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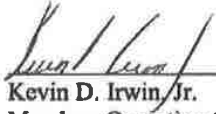
**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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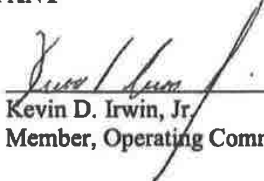
IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**THE BUNTING FAMILY PRIVATE FUND  
LIMITED LIABILITY COMPANY**

By:   
\_\_\_\_\_  
Kevin D. Irwin, Jr.  
Member, Operating Committee

**THE BUNTING FAMILY TAX-EXEMPT  
PRIVATE FUND LIMITED LIABILITY  
COMPANY**

By:   
\_\_\_\_\_  
Kevin D. Irwin, Jr.  
Member, Operating Committee

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

---

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**CNF INVESTMENTS III LLC**

By: 

\_\_\_\_\_  
Joe Del Guercio  
Managing Director

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**PITTCO CAPITAL PARTNERS IV, LP**

By:



Andrew Seamons  
Managing Partner

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**


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IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**D. CANALE & CO.**

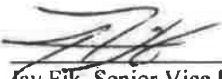
By: \_\_\_\_\_

  
Jay Fik, Senior Vice President

**JDC INVESTMENTS LP**

**By: CANALE BROS., INC., General Partner**

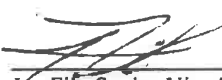
By: \_\_\_\_\_

  
Jay Fik, Senior Vice President

**CWC FAMILY LP**

**By: CANALE BROS., INC., General Partner**

By: \_\_\_\_\_

  
Jay Fik, Senior Vice President

**CANALE FAMILY LIMITED PARTNERSHIP**

**By: CANALE BROS., INC., General Partner**

By: \_\_\_\_\_

  
Jay Fik, Senior Vice President

**CANALE ENTERPRISE, LLC**

By: \_\_\_\_\_

  
Jay Fik, President

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**RAM PASTURE LLC**

  
\_\_\_\_\_  
Ryan Draat, Authorized Signatory

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]



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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

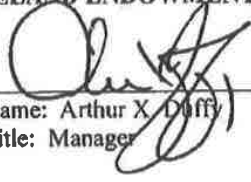
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IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**MIDDLELAND ENDOWMENT I LLC**

By: \_\_\_\_\_

  
Name: Arthur X. Duffy  
Title: Manager

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**GLOBAL UNDERVALUED SECURITIES  
MASTER FUND, LP**

By: Kleinheinz Capital Partners, Inc., its General  
Partner

By:

  
Name: James K. Phillips  
Title: Chief Financial Officer

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Registration Rights Agreement as of the day and year first above written.

**HOLDERS:**

**EUN PARTNERS V, LLC**

By: Donald A. Doering  
Name: Donald A. Doering  
Title: EVP of Manager

**COLUMBIA EUN PARTNERS V, LLC**

By: Donald A. Doering  
Name: Donald A. Doering  
Title: EVP of Manager

**COLUMBIA CAPITAL EQUITY PARTNERS V (QP), L.P.**

By: Columbia Capital Equity Partners V, L.P., its General Partner

By: Columbia Capital V, LLC, its General Partner

By: Donald A. Doering  
Donald A. Doering  
Executive Vice President

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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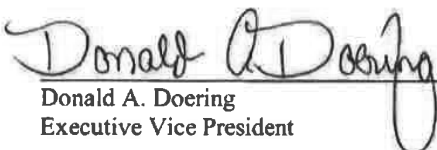
**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**COLUMBIA CAPITAL EQUITY PARTNERS V  
(NON-US), L.P.**

By: Columbia Capital Equity Partners V, L.P., its  
General Partner


By: Columbia Capital V, LLC, its General Partner

By:   
Donald A. Doering  
Executive Vice President

**COLUMBIA CAPITAL EQUITY PARTNERS V  
(CO-INVEST), L.P.**

By: Columbia Capital Equity Partners V, L.P., its  
General Partner

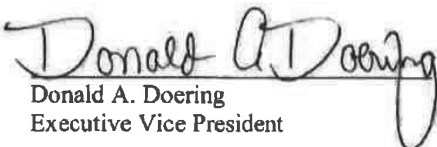
By: Columbia Capital V, LLC, its General Partner

By:   
Donald A. Doering  
Executive Vice President

**COLUMBIA CAPITAL EQUITY PARTNERS IV  
(QP), L.P.**

By: Columbia Capital Equity Partners IV, L.P., its  
General Partner

By: Columbia Capital IV, LLC, its General Partner

By:   
Donald A. Doering  
Executive Vice President

[Signature Page to EUN Holdings LLP Amended and Restated Registration Rights Agreement]

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**Schedule A**

**List of Holders**

Name and Address of Investor Holders

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**The Bunting Family Private Fund Limited Liability Company**

217 International Circle  
Hunt Valley, MD 21030  
Attention: Kevin D. Irwin, Jr., Member, Operating Committee  
Fax: 443-378-7022  
Email: [kirwin@buntingoffice.com](mailto:kirwin@buntingoffice.com)

**The Bunting Family Tax-Exempt Private Fund Limited Liability Company**

217 International Circle  
Hunt Valley, MD 21030  
Attention: Kevin D. Irwin, Jr., Member, Operating Committee  
Fax: 443-378-7022  
Email: [kirwin@buntingoffice.com](mailto:kirwin@buntingoffice.com)

**QIC Private Capital Pty Ltd as trustee for the QIC Private Equity Fund No. 2**

Level 5 Central Plaza Two  
66 Eagle Street  
Brisbane QLD4000  
Australia  
Attention:  
Fax: +61-7-3350-3979  
Email: [qpereporting@qic.com](mailto:qpereporting@qic.com)  
[m.diestel@qic.com](mailto:m.diestel@qic.com)  
[p.cummins@qic.com](mailto:p.cummins@qic.com)

**QIC Investments No. 1 Pty Ltd as trustee for the QIC Direct Opportunities Fund**

Level 5 Central Plaza Two  
66 Eagle Street  
Brisbane QLD4000  
Australia  
Attention:  
Fax: +61-7-3350-3979  
Email: [qpereporting@qic.com](mailto:qpereporting@qic.com)  
[m.diestel@qic.com](mailto:m.diestel@qic.com)  
[p.cummins@qic.com](mailto:p.cummins@qic.com)

**CNF Investments III LLC**

7500 Old Georgetown Road, Suite 620  
Bethesda, MD 20814  
Attention: Joe Del Guercio, Managing Director  
Fax: 301-656-6642  
Email: [joe.delguercio@clarkus.com](mailto:joe.delguercio@clarkus.com)

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**Telcom CEE Landline LLC**

200 South Biscayne Blvd.  
Suite 2790  
Miami, FL 33131  
Attention: Serge G. Martin, Executive Vice President  
Fax: +1-888-761-1271  
Email: [smartin@tvllc.com](mailto:smartin@tvllc.com)

**GREENSPRING GLOBAL PARTNERS V-A, L.P.**

Greenspring Associates  
Suite 700  
100 Painters Mill Road  
Owings Mills, MD 21117  
Attention: Eric Thompson, Chief Financial Officer  
Fax: 410-363-7075  
Email: [ethompson@gspring.com](mailto:ethompson@gspring.com)

**GREENSPRING GLOBAL PARTNERS V-C, L.P.**

Greenspring Associates  
Suite 700  
100 Painters Mill Road  
Owings Mills, MD 21117  
Attention: Eric Thompson, Chief Financial Officer  
Fax: 410-363-7075  
Email: [ethompson@gspring.com](mailto:ethompson@gspring.com)

**GREENSPRING GLOBAL PARTNERS VI-A, L.P.**

Greenspring Associates  
Suite 700  
100 Painters Mill Road  
Owings Mills, MD 21117  
Attention: Eric Thompson, Chief Financial Officer  
Fax: 410-363-7075  
Email: [ethompson@gspring.com](mailto:ethompson@gspring.com)

**GREENSPRING GLOBAL PARTNERS VI-C, L.P.**

Greenspring Associates  
Suite 700  
100 Painters Mill Road  
Owings Mills, MD 21117  
Attention: Eric Thompson, Chief Financial Officer  
Fax: 410-363-7075  
Email: [ethompson@gspring.com](mailto:ethompson@gspring.com)

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**GREENSPRING OPPORTUNITIES II, L.P.**

Greenspring Associates  
Suite 700  
100 Painters Mill Road  
Owings Mills, MD 21117  
Attention: Eric Thompson, Chief Financial Officer  
Fax: 410-363-7075  
Email: [ethompson@gspring.com](mailto:ethompson@gspring.com)

**GREENSPRING OPPORTUNITIES II-A, L.P.**

Greenspring Associates  
Suite 700  
100 Painters Mill Road  
Owings Mills, MD 21117  
Attention: Eric Thompson, Chief Financial Officer  
Fax: 410-363-7075  
Email: [ethompson@gspring.com](mailto:ethompson@gspring.com)

**GREENSPRING OPPORTUNITIES III, L.P.**

Greenspring Associates  
Suite 700  
100 Painters Mill Road  
Owings Mills, MD 21117  
Attention: Eric Thompson, Chief Financial Officer  
Fax: 410-363-7075  
Email: [ethompson@gspring.com](mailto:ethompson@gspring.com)

**Pittco Capital Partners IV, LP**

17 W Pontotoc Ave., Suite 100  
Memphis, TN 38103  
Attention: Andrew Seamons, Chief Investment Officer of Pittco Management, LLC  
Fax: 901-683-3147  
Email: [directinvestments@pittcomanagement.com](mailto:directinvestments@pittcomanagement.com)

**D. Canale & Co.**

79 South Second Street  
Memphis TN 38103  
Phone: 901-260-1200  
Fax: 901-260-1201  
Attention: Jay Fik  
Email: [Jfik@Dcanale.com](mailto:Jfik@Dcanale.com)

**JDC Investments, LP**

79 South Second Street  
Memphis TN 38103  
Phone: 901-260-1200  
Fax: 901-260-1201  
Attention: Jay Fik  
Email: [Jfik@Dcanale.com](mailto:Jfik@Dcanale.com)

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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**CWC Family LP**

79 South Second Street  
Memphis TN 38103  
Phone: 901-260-1200  
Fax: 901-260-1201  
Attention: Jay Fik  
Email: [Jfik@Dcanale.com](mailto:Jfik@Dcanale.com)

**Canale Family Limited Partnership**

79 South Second Street  
Memphis TN 38103  
Phone: 901-260-1200  
Fax: 901-260-1201  
Attention: Jay Fik  
Email: [Jfik@Dcanale.com](mailto:Jfik@Dcanale.com)

**Canale Enterprise, LLC**

100 West Liberty, 12th Floor ( use 10th Floor for mail please)  
Reno, NV 89501  
Attention: Jay Fik  
Fax: 775-326-4368  
Email: [Jfik@Dcanale.com](mailto:Jfik@Dcanale.com)

**Ram Pasture LLC**

3026 44th Place NW  
Washington, DC 20016  
Attention: Ryan Drant  
Fax: 301-272-1710  
Email: [rdrant@nea.com](mailto:rdrant@nea.com)

**Middleland 1 Endowment LLC**

c/o Rex Capital Advisors  
50 Park Row West, Suite 113  
Providence, RI 02903  
Attention: Arthur X. Duffy  
Fax: 401-383-5380  
Email: [axduffy@RexCapital.com](mailto:axduffy@RexCapital.com)

**Global Undervalued Securities Master Fund, LP**

c/o Kleinheinz Capital Partners, Inc.  
301 Commerce Street, Suite 1900  
Fort Worth, TX 76102  
Attention: James K. Phillips, CFO  
Fax: 817-348-8010  
Email: 'j**bk@kleinheinz.com**'



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**APPENDIX 2**  
**OFFEROR LETTER TO SHAREHOLDERS**

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**Columbia EUN Partners V, LLC**

204 South Union Street  
Alexandria, VA 22314  
Attention: Donald A. Doering  
Facsimile: 703-519-3904  
Email: [Don.Doering@colcap.com](mailto:Don.Doering@colcap.com)

**EUN Partners V, LLC**

204 South Union Street  
Alexandria, VA 22314  
Attention: Donald A. Doering  
Facsimile: 703-519-3904  
Email: [Don.Doering@colcap.com](mailto:Don.Doering@colcap.com)

**Columbia Capital Equity Partners IV (QP), L.P.**

204 South Union Street  
Alexandria, VA 22314  
Attention: Donald A. Doering  
Facsimile: 703-519-3904  
Email: [Don.Doering@colcap.com](mailto:Don.Doering@colcap.com)

**Columbia Capital Equity Partners V (QP), L.P.**

204 South Union Street  
Alexandria, VA 22314  
Attention: Donald A. Doering  
Facsimile: 703-519-3904  
Email: [Don.Doering@colcap.com](mailto:Don.Doering@colcap.com)

**Columbia Capital Equity Partners V (NON-US), L.P.**

204 South Union Street  
Alexandria, VA 22314  
Attention: Donald A. Doering  
Facsimile: 703-519-3904  
Email: [Don.Doering@colcap.com](mailto:Don.Doering@colcap.com)

**Columbia Capital Equity Partners V (Co-Invest), L.P.**

204 South Union Street  
Alexandria, VA 22314  
Attention: Donald A. Doering  
Facsimile: 703-519-3904  
Email: [Don.Doering@colcap.com](mailto:Don.Doering@colcap.com)

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**APPENDIX 3**  
**GENERAL INFORMATION RELATING TO THE COMPANY**

---

**1. DIRECTORS**

The names, addresses and designations of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr. John Neil Hobbs	1451 Jackson Ridge Road, Greensboro GA 30642, US	Non-Executive Chairman
Mr. Brady Reid Rafuse	15 Worship Street, London EC2A 2DT, United Kingdom	Executive Director and Chief Executive Officer
Mr. Joachim Piroth	Hohenbachernstr 3, 85402 Kranzberg, Germany	Executive Director and Chief Financial Officer
Mr. Daniel Simon Aegerter	Seestrasse 39, 8700 Kusnacht, Switzerland	Non-Executive Director
Mr. Frederic Grant Emry III	11422 Mays Chapel Road, Lutherville MD 21093, US	Non-Executive Director
Mr. Nicholas George	21 The Lodge, Kensington Park Gardens, London W11 3HA, United Kingdom	Non-Executive Director
Mr. Lam Kwok Chong	27 Nim Green, Seletar Hills Estate, Singapore 807618	Non-Executive Director
Mr. Kai-Uwe Ricke	Hinterbuchenegg 29, 8143 Stallikon, Switzerland	Non-Executive Director
Mr. John Tyler Siegel Jr.	214 West Alexandria Avenue, Alexandria, Virginia 22302, US	Non-Executive Director

**2. HISTORY**

The Company is a limited liability company and was incorporated in Singapore on 18 September 1999. The Company was first listed on 26 January 2000 on the Main Board of the SGX-ST and its listing was subsequently transferred on 22 October 2004 to Catalist. Following the MGO, the Company was delisted from Catalist, but remains a public company. The Company's registered office is 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 and principal place of business is 15 Worship Street, London EC2A 2DT, the United Kingdom.

**3. PRINCIPAL ACTIVITIES**

The principal activities of the Company are those of investment holding and acting as a corporate manager, advisor and administrative centre to support the business development and marketing of the businesses of its subsidiaries.

The Group is a Western European provider of bandwidth infrastructure services. The Group owns and operates 13 fibre-based metropolitan city networks in five countries, connected with a high capacity intercity backbone covering 45 cities in 10 countries. The Group is also the leading data centre and cloud connectivity provider in Europe, directly connecting over

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## APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

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280 key data centres, with further data centres indirectly connected and a leading provider of enterprise connectivity to cloud service providers, who locate their platforms within data centres across the region.

### 4. SHARE CAPITAL

#### 4.1 Shares

As at the Latest Practicable Date, there is only one class of shares in the capital of the Company, comprising ordinary shares.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$558,401,295.94 comprising 437,517,419 Shares, which excludes 13,855,200 Shares held in treasury.

#### 4.2 Rights of Shareholders in respect of Capital, Dividends and Voting

Selected texts of the Constitution of the Company relating to the rights of the Shareholders in respect of capital, dividends and voting have been extracted and reproduced in **Appendix 4** to this Scheme Document.

#### 4.3 Issue of Shares

Since 31 December 2015, being the end of the last financial year, no new Shares have been issued by the Company.

#### 4.4 Convertible Instruments

On 8 August 2016, the Columbia Warrants, then held by the Partnership, lapsed and ceased to be valid.

Save as disclosed in this Scheme Document, the Company has not issued any other instruments convertible into, rights to subscribe for, and options in respect of, Shares and securities which carry voting rights affecting Shares that are outstanding as at the Latest Practicable Date.

#### 4.5 Sale of Shares

No Shares have been sold during the period starting from the six months preceding the Joint Announcement Date until the Latest Practicable Date.

### 5. FINANCIAL INFORMATION

#### 5.1 Financial Information of the Company and the Group

Set out below is certain financial information extracted from the annual reports of the Company for FY2013, FY2014 and FY2015 and from the unaudited consolidated financial statements of the Group for 1Q2016 and 2Q2016 respectively.

### APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

The financial information for FY2013, FY2014 and FY2015 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual reports of the Company for FY2013, FY2014 and FY2015 respectively, and the financial information for 1Q2016 and 2Q2016 should be read in conjunction with the unaudited consolidated financial statements of the Group and the accompanying notes as set out in the unaudited consolidated financial statements of the Group for 1Q2016 and 2Q2016 respectively.

#### 5.1.1 Profit and Loss Statement

	Unaudited 2Q2016 € m	Unaudited 1Q2016 € m	Audited FY2015 € m	Audited FY2014 € m	Audited FY2013 € m
Revenue	32.2	30.6	117.2	103.4	97.4
Exceptional items	–	–	–	–	–
Net profit before tax	1.5	0.9	(0.3)	(1.8)	(6.6)
Net profit after tax	1.6	0.9	(1.3)	(1.1)	(6.3)
Non-controlling interests	–	–	–	–	–
Net earnings per share					
– Basic (eurocents)	0.36	0.21	(0.31)	(0.26)	(1.41)
– Diluted (eurocents)	0.36	0.21	n/a	n/a	n/a

The Company did not declare any dividends in respect of each of FY2013, FY2014, FY2015, 1Q2016 and 2Q2016.

#### 5.1.2 Balance Sheet

The audited consolidated balance sheet of the Company and the Group as at 31 December 2015, being the latest published audited consolidated balance sheet of the Company and the Group prior to the Latest Practicable Date, and the unaudited consolidated balance sheets of the Company and the Group as at 31 March 2016 and 30 June 2016 respectively, which are reproduced from the audited consolidated financial statements of the Group for FY2015 and the unaudited consolidated financial statements of the Group for 1Q2016 and 2Q2016 respectively, are set out below.

The audited consolidated balance sheet of the Company and the Group as at 31 December 2015 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual report of the Company for FY2015 and the unaudited consolidated balance sheets of the Company and the Group as at 31 March 2016 and 30 June 2016 should be read in conjunction with the unaudited consolidated financial statements of the Group and the accompanying notes as set out in the unaudited consolidated financial statements of the Group for 1Q2016 and 2Q2016 respectively.

**APPENDIX 3  
GENERAL INFORMATION RELATING TO THE COMPANY**

	As at 30 June 2016 Unaudited <sup>(1)</sup> € m	As at 31 March 2016 Unaudited <sup>(1)</sup> € m	As at 31 December 2015 Audited € m
<b>GROUP</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	233.2	224.7	220.0
Intangible assets	34.5	34.7	35.1
Deferred tax assets	3.4	3.4	3.4
Prepayments	0.7	0.8	0.7
Total non-current assets	271.8	263.6	259.2
<b>Current assets</b>			
Infrastructure held for resale	0.2	0.2	0.2
Trade receivables	14.6	11.9	11.0
Other receivables	–	1.2	1.3
Prepayments	4.8	5.4	5.1
Cash and cash equivalents	13.6	13.0	12.7
Total current assets	33.2	31.7	30.3
<b>Total assets</b>	<b>305.0</b>	<b>295.3</b>	<b>289.5</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	291.9	291.9	291.9
Treasury shares	(6.5)	(6.5)	(6.5)
Reserves	16.5	16.3	16.0
Accumulated losses	(110.6)	(112.2)	(113.1)
Total equity	191.3	189.5	188.3
<b>Non-current liabilities</b>			
Obligations under finance leases	1.9	2.0	2.1
Interest bearing borrowings	57.9	54.2	46.1
Provisions	3.6	3.6	3.7
Deferred revenue	15.8	15.9	16.4
Deferred tax liabilities	4.8	4.9	5.0
Total non-current liabilities	84.0	80.6	73.3
<b>Current liabilities</b>			
Obligations under finance leases	0.9	0.9	0.9
Interest bearing borrowings	2.8	2.3	0.8
Deferred revenue	5.5	5.5	5.5
Trade and other payables	20.5	16.5	20.7
Income tax payables	–	–	–
Total current liabilities	29.7	25.2	27.9
Total liabilities	113.7	105.8	101.2
<b>Total equity and liabilities</b>	<b>305.0</b>	<b>295.3</b>	<b>289.5</b>

**APPENDIX 3  
GENERAL INFORMATION RELATING TO THE COMPANY**

	As at 30 June 2016 Unaudited <sup>(1)</sup> € m	As at 31 March 2016 Unaudited <sup>(1)</sup> € m	As at 31 December 2015 Audited € m
<b>COMPANY</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	231.3	231.5	231.7
Total non-current assets	231.3	231.5	231.7
<b>Current assets</b>			
Other receivables	–	–	–
Prepayments	0.1	0.2	–
Cash and cash equivalents	0.2	0.2	0.2
Total current assets	0.3	0.4	0.2
<b>Total assets</b>	<b>231.6</b>	<b>231.9</b>	<b>231.9</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	291.9	291.9	291.9
Treasury shares	(6.5)	(6.5)	(6.5)
Reserves	35.6	35.4	35.1
Accumulated losses	(89.5)	(89.1)	(88.8)
Total equity	231.5	231.7	231.7
<b>Current liabilities</b>			
Interest bearing borrowings	–	–	–
Trade and other payables	0.1	0.2	0.2
Income tax payables	–	–	–
Total current liabilities	0.1	0.2	0.2
<b>Total equity and liabilities</b>	<b>231.6</b>	<b>231.9</b>	<b>231.9</b>

**Note:**

- (1) Figures are unaudited and include certain International Financial Reporting Standards reallocation adjustments for purpose of comparison with the audited consolidated balance sheet of the Company and the Group as at 31 December 2015.

A copy of the audited consolidated financial statements of the Group for FY2015 has been reproduced in **Appendix 5** to this Scheme Document. Copies of the annual reports of the Company for FY2013, FY2014 and FY2015 and the unaudited consolidated financial statements of the Group for 1Q2016 and 2Q2016 are available for inspection at the Company's registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours from the date of this Scheme Document up to the Effective Date, and have also been uploaded to and are accessible on the Company's website at <http://www.eunetworks.com>.

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## APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

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### 5.2 Material Changes in Financial Position

Save as disclosed in this Scheme Document, the audited consolidated financial statements of the Group for FY2015, the unaudited consolidated financial statements of the Group for 1Q2016 and 2Q2016 and any other information on the Group which is publicly available (including without limitation, the announcements released by the Group on the website of the Company), there have been no material changes to the financial position of the Company since 31 December 2015, being the date of the last published audited consolidated financial statements of the Group.

### 5.3 Significant Accounting Policies

The significant accounting policies for the Group are set out in the notes to the audited consolidated financial statements of the Group for FY2015, which are set out in **Appendix 5** to this Scheme Document.

### 5.4 Changes in Accounting Policies

The changes in the significant accounting policies for the Group are set out in the extract of the notes to the audited consolidated financial statements of the Group for FY2015 in **Appendix 5** to this Scheme Document. Save as disclosed in this Scheme Document, as at the Latest Practicable Date, there are no changes in the accounting policy of the Group which will cause the figures disclosed in this **paragraph 5.4** of this **Appendix 3** not to be comparable to a material extent.

## 6. DISCLOSURE OF INTERESTS

### 6.1 Interests of Company in Offeror Securities

As at the Latest Practicable Date, none of the Group Companies has any direct or indirect interests in any Offeror Securities.

### 6.2 Interests of Directors in Offeror Securities

As at the Latest Practicable Date, save as disclosed below in this **paragraph 6.2**, none of the Directors has any direct or indirect interests in any Offeror Securities.

Mr. John Tyler Siegel Jr. has informed the Company that he is deemed to be interested in 100 per cent. of the Offeror Securities by virtue of the following:

- 6.2.1** the Offeror is a company wholly owned by the Offeror's Holdco, which is in turn wholly-owned by the Partnership;
- 6.2.2** the Columbia Shareholders and the Relevant Columbia Warrantholders collectively hold 53.94 per cent. of the Preferred Interests and 46.58 per cent. of the Common A Interests in the Partnership; and

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## APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

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**6.2.3** the Columbia Shareholders and the Relevant Columbia Warranholders are under the management and control of Columbia LP. In turn, Columbia LP is under the management and control of Columbia V. Accordingly, both Columbia LP and Columbia V are deemed interested in 100 per cent. of the Offeror Securities that the Columbia Shareholders and the Relevant Columbia Warranholders are deemed to be interested in. Mr. John Tyler Siegel Jr. is deemed to be interested in 100 per cent. of the Offeror Securities because Columbia V is accustomed to act in accordance with the directions of Mr. John Tyler Siegel Jr..

### **6.3 Interests of Company in Offeror's Holdco Securities**

As at the Latest Practicable Date, none of the Group Companies has any direct or indirect interests in any Offeror's Holdco Securities.

### **6.4 Interests of Directors in Offeror's Holdco Securities**

As at the Latest Practicable Date, save as disclosed below in this **paragraph 6.4**, none of the Directors has any direct or indirect interests in any Offeror's Holdco Securities.

Mr. John Tyler Siegel Jr. has informed the Company that he is deemed to be interested in 100 per cent. of the Offeror's Holdco Securities by virtue of the following:

**6.4.1** the Offeror's Holdco is wholly-owned by the Partnership;

**6.4.2** the Columbia Shareholders and the Relevant Columbia Warranholders collectively hold 53.94 per cent. of the Preferred Interests and 46.58 per cent. of the Common A Interests in the Partnership; and

**6.4.3** the Columbia Shareholders and the Relevant Columbia Warranholders are under the management and control of Columbia LP. In turn, Columbia LP is under the management and control of Columbia V. Accordingly, both Columbia LP and Columbia V are deemed to be interested in 100 per cent. of the Offeror's Holdco Securities that the Columbia Shareholders and the Relevant Columbia Warranholders are deemed interested in. Mr. John Tyler Siegel Jr. is deemed to be interested in 100 per cent. of the Offeror's Holdco Securities because Columbia V is accustomed to act in accordance with the directions of Mr. John Tyler Siegel Jr..

### **6.5 Interests of Company in Partnership Securities**

As at the Latest Practicable Date, none of the Group Companies has any direct or indirect interests in any Partnership Securities.

### **6.6 Interests of Directors in Partnership Securities**

As at the Latest Practicable Date, save as disclosed below in this **paragraph 6.6**, none of the Directors has any direct or indirect interests in any Partnership Securities.

Common B Interests in the Partnership are held by Mr. Kai-Uwe Ricke and certain other directors. Mr. Kai-Uwe Ricke holds 54,363 Common B Interests in the Partnership.



### APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

Mr John Tyler Siegel Jr. has informed the Company that he is deemed to be interested in 53.94 per cent. of the Preferred Interests and 46.58 per cent. of the Common A Interests in the Partnership by virtue of the following:

- 6.6.1** the Columbia Shareholders and the Relevant Columbia Warranholders collectively hold 53.94 per cent. of the Preferred Interests and 46.58 per cent. of the Common A Interests in the Partnership; and
- 6.6.2** the Columbia Shareholders and the Relevant Columbia Warranholders are under the management and control of Columbia LP. In turn, Columbia LP is under the management and control of Columbia V. Accordingly, both Columbia LP and Columbia V are deemed interested in 53.94 per cent. of the Preferred Interests and 46.58 per cent. of the Common A Interests held collectively by the Columbia Shareholders and the Relevant Columbia Warranholders. Mr. John Tyler Siegel Jr., is deemed to be interested in 53.94 per cent. of the Preferred Interests and 46.58 per cent. of the Common A Interests held collectively by the Columbia Shareholders and the Relevant Columbia Warranholders because Columbia V is accustomed to act in accordance with Mr. John Tyler Siegel Jr.'s directions.

#### 6.7 Interests of Directors in Company Securities

As at the Latest Practicable Date, save as disclosed below in this **paragraph 6.7**, as well as based on the Register of Directors maintained by the Company, none of the Directors has any interest, direct or indirect, in any Company Securities:

Directors	Shares			
	Direct Interests		Deemed Interests	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Mr. Daniel Simon Aegerter	32,693,128	7.47	–	–
Mr. Nicholas George	231,540	n.m. <sup>(2)</sup>	–	–
Mr. John Tyler Siegel Jr. <sup>(3)</sup>	–	–	307,125,438	70.20
Mr. Kai-Uwe Ricke	965,270	n.m. <sup>(2)</sup>	–	–
Mr. Brady Reid Rafuse	72,000	n.m. <sup>(2)</sup>	–	–

**Notes:**

- (1) Based on 437,517,419 Shares, which excludes 13,855,200 Shares held in treasury, as at the Latest Practicable Date.
- (2) "n.m." means not meaningful.
- (3) The Columbia Shareholders and the Relevant Columbia Warranholders are deemed interested in the 307,125,438 Shares held by the Partnership because Columbia EUN Partners V, LLC, EUN Partners V, LLC, Columbia Capital Equity Partners V (QP), L.P., Columbia Capital Equity Partners V (NON-US), L.P. and Columbia Capital Equity Partners V (Co-Invest), L.P. are associates who respectively hold 12.78%, 41.10%, 0.04%, 0.01% and 0.01% of the Preferred Interests in the Partnership.

The Columbia Shareholders and the Relevant Columbia Warranholders are under the management and control of Columbia LP. In turn, Columbia LP is under the management and control of Columbia V. Accordingly, both Columbia LP and Columbia V are deemed to be interested in the 307,125,438 Shares that the Columbia Shareholders and the Relevant Columbia Warranholders are deemed to be interested in. Mr. John Tyler Siegel Jr. is deemed interested in the 307,125,438 Shares because Columbia V is accustomed to act in accordance with his directions.

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## APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

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### 7. DEALINGS DISCLOSURE

#### 7.1 Dealings of Company in Offeror Securities

During the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date, none of the Group Companies has dealt for value in any Offeror Securities.

#### 7.2 Dealings of Company in Offeror's Holdco Securities

During the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date, none of the Group Companies has dealt for value in any Offeror's Holdco Securities.

#### 7.3 Dealings of Company in Partnership Securities

Save as disclosed in this Scheme Document, during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date, none of the Group Companies has dealt for value in any Partnership Securities.

#### 7.4 Dealings of Company in Company Securities

Save as disclosed in this Scheme Document, during the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date, none of the Group Companies has dealt for value in any Company Securities.

#### 7.5 Dealings of Directors in Offeror Securities

Save as disclosed in this Scheme Document, during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date, none of the Directors has dealt for value in any Offeror Securities.

#### 7.6 Dealings of Directors in Offeror's Holdco Securities

Save as disclosed in this Scheme Document, during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date, none of the Directors has dealt for value in any Offeror's Holdco Securities.

#### 7.7 Dealings of Directors in Partnership Securities

Save as disclosed in this Scheme Document, during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date, none of the Directors has dealt for value in any Partnership Securities.

#### 7.8 Dealings of Directors in Company Securities

Save as disclosed in this Scheme Document, during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date, none of the Directors has dealt for value in any Company Securities.

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**APPENDIX 3  
GENERAL INFORMATION RELATING TO THE COMPANY**

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**8. INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER**

**8.1 Interests of the IFA in Company Securities**

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owns or controls any Company Securities.

**8.2 Dealings in Company Securities by the IFA**

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis has dealt for value in the Company Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

**8.3 Interests of the IFA in Offeror Securities**

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owns or controls any Offeror Securities.

**8.4 Dealings in Offeror Securities by the IFA**

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis has dealt for value in the Offeror Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

**8.5 Interests of the IFA in Offeror's Holdco Securities**

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owns or controls any Offeror's Holdco Securities.

**8.6 Dealings in Offeror's Holdco Securities by the IFA**

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis has dealt for value in the Offeror's Holdco Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

**8.7 Interests of the IFA in Partnership Securities**

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owns or controls any Partnership Securities.

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## APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

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### 8.8 Dealings in Partnership Securities by the IFA

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis has dealt for value in the Partnership Securities during the period commencing three months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

## 9. ARRANGEMENTS AFFECTING DIRECTORS

### 9.1 No Payment or Benefit to Directors

As at the Latest Practicable Date, save as disclosed in this Scheme Document, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Scheme.

### 9.2 No Agreement Conditional upon Outcome of the Scheme

As at the Latest Practicable Date, save as disclosed in this Scheme Document, there is no agreement, arrangement or understanding made between any of the Directors and any other person in connection with or conditional upon the outcome of the Scheme.

### 9.3 No Material Interest in Material Contracts

As at the Latest Practicable Date, save as disclosed in this Scheme Document, there are no material contracts entered into by the Offeror, the Offeror's Holdco or the Partnership in which any Director has a material personal interest, whether direct or indirect.

## 10. MATERIAL LITIGATION

As at the Latest Practicable Date:

- (i) none of the Group Companies is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Group taken as a whole; and
- (ii) the Directors are not aware of any proceedings pending or threatened against any of the Group Companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position of the Group taken as a whole.

## 11. GENERAL DISCLOSURE

### 11.1 Financial Statements for FY2015, 1Q2016 and 2Q2016

The audited consolidated financial statements of the Group for FY2015 are set out in **Appendix 5** to this Scheme Document. Copies of the annual report of the Company for FY2015 and the unaudited consolidated financial statements of the Group for 1Q2016 and 2Q2016 are available for inspection at the Company's registered office at 50 Raffles Place,

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## APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

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#32-01 Singapore Land Tower, Singapore 048623 during normal business hours from the date of this Scheme Document up to the Effective Date, and have also been uploaded to and are accessible at the “Investor Relations” section on the Company’s website at <http://www.eunetworks.com>.

### 11.2 Statements of Prospects

#### (i) Statements of Prospects

The Company wishes to provide an update to Shareholders by way of the following Statements of Prospects, which are also set out in **Appendix 6** to this Scheme Document:

*“While the macroeconomy in Europe remains unsettled, and pricing pressures are prevalent in some markets and for some products, bandwidth demand continues to grow. The Group’s depth and scale continues to develop further enabling euNetworks to serve a focused set of sophisticated customers in diverse segments whose bandwidth requirements are increasing. Further incremental growth opportunities are supported by specific strategic network development projects.*

*euNetworks considers that it can achieve revenue growth at rates consistent with the Group’s organic performance in the most recent financial year by growing market share in its focus products: Fibre, Wavelengths, and Ethernet. In 2Q2016, euNetworks grew revenues 10% versus the same period in the prior year.*

*Further, as euNetworks continues to scale, both gross profit and recurring Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation, before the deduction of share option expenses) are expected to grow at a greater rate than revenue.*

*These improvements will derive from euNetworks’ continued focus on high gross margin sales of 80% in aggregate or better (in 2Q2016 average gross margin on new sales was 82%), and cost management at all levels. This is a continuation of trends evident in the most recent financial year ended 31 December 2015.*

*As at 30 June 2016, euNetworks’ contracts are for periods generally ranging from 1 year to 5 years, with an overall average contract length of just over 3 years.*

*As at 30 June 2016, about 70% of contracts are within contract terms; more than half of these in-term contracts extend into 2017 or beyond.*

*The remaining 30% of contracts roll over on a month-to-month basis.*

*The sale of multiple products to customers adds further stability to the contract base. As at 30 June 2016, more than 70% of the Group’s recurring revenues are attributed to customers who take three or more services from the Group.*

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## APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

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*These factors plus a focus on continued connection of new carrier-neutral data centres to its network footprint should enable euNetworks to achieve revenue growth consistent with its most recent financial year revenue growth rates over the next two calendar years.”*

(ii) **Bases and Assumptions**

Shareholders should note that the Directors have set out in **Appendix 6** to this Scheme Document, the bases and assumptions for the Statements of Prospects. The Auditors and the IFA have each issued a letter in relation to the Statements of Prospects, which are set out in **Appendices 7** and **8** to this Scheme Document respectively. Shareholders are urged to read **Appendices 6, 7** and **8** to this Scheme Document carefully.

### 11.3 Directors' Service Contracts

Save as disclosed below and in this Scheme Document, there (i) are no service contracts between any director or proposed director with the Company or any of its subsidiaries with more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation, and (ii) were no such service contracts entered into or amended between any director or proposed director with the Company or any of its subsidiaries during the period between the start of six months preceding the Joint Announcement Date and the Latest Practicable Date.

The Company entered into an employment agreement dated 16 February 2009 (as amended on 6 February 2012, 5 March 2013 and 21 September 2015) (the “**euNetworks Service Agreement**”) with Mr. Brady Reid Rafuse, an Executive Director and the Chief Executive Officer of the Company. According to the current terms and conditions of the euNetworks Service Agreement:

- (i) other than termination for cause in accordance with the euNetworks Service Agreement, the employment of Mr. Rafuse may only be terminated by the Company with at least 12 months' prior written notice. In the event that the Company terminates the employment without giving the requisite notice, other than the case of termination for cause in accordance with the euNetworks Service Agreement, the Company shall on such termination, *inter alia*, pay to Mr. Rafuse a sum equivalent to one year of annual base salary plus car allowance, pension and other benefits (but excluding discretionary bonus);
- (ii) Mr. Rafuse is paid a (a) base salary of £490,000 per annum, and (b) discretionary annual bonus of 45 per cent. of base salary. The discretionary bonus is to be determined at the discretion of the committee of Directors appointed from time to time to recommend to the Board, *inter alia*, remuneration packages (the “**Remuneration Committee**”) by reference to targets set by the Remuneration Committee based on, the Group's recurring revenue and normalised adjusted EBITDA (being earnings before interest, taxes, depreciation, and amortisation). The Remuneration Committee may, at its discretion, award a discretionary annual bonus in excess of 45 per cent. of base salary in the event that the applicable targets are exceeded;

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## APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

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- (iii) Mr. Rafuse is also entitled to other benefits including, without limitation, a car allowance (in lieu of a company car) and pension contributions made by the Company; and
- (iv) the euNetworks Service Agreement does not provide for an expiry date.

### 11.4 Material Contracts with Interested Persons

As at the Latest Practicable Date, save for the Implementation Agreement and save as disclosed below and in this Scheme Document, none of the Group Companies has entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period beginning three years before the Joint Announcement Date and ending on the Latest Practicable Date.

#### 11.4.1 Options Proposal

In connection with a proposal dated 1 December 2014 (the “**Options Proposal**”) made by J.P. Morgan (S.E.A.) Limited, for and on behalf of the Partnership, to the holders of the outstanding options (being non-transferable rights under the euNetworks Group Limited 2009 Share Option Scheme (the “**Option Scheme**”)) to subscribe for or purchase Shares granted pursuant to the Option Scheme (the “**Options**”):

- (i) each of Mr. Brady Reid Rafuse and Mr. Richard Taylor gave an irrevocable undertaking to the Partnership, pursuant to which each of them had undertaken, *inter alia*, not to accept the Options Proposal in respect of all or any of the Options granted to each of them and any other Options that he may acquire after the date thereof and not to exercise or procure the exercise of any of their Options into Shares, on or subject to the terms of such undertakings; and
- (ii) Mr. Joachim Piroth also agreed not to accept the Options Proposal in respect of his Option, given that his Option would only vest (initially and in part) on 7 January 2015, and further did not intend to accept the Options Proposal even where the Options Proposal remained open for acceptance by him at the time of such vesting.

#### 11.4.2 Option Cancellation Agreements

Option cancellation agreements (the “**Option Cancellation Agreements**”) were entered into on 24 April 2015 between the Company and each of Mr. Brady Reid Rafuse, Mr. Richard Taylor and Mr. Joachim Piroth (collectively, the “**Relevant Option Holders**”), pursuant to which each of the Relevant Option Holders undertook to surrender their vested Options to the Company for cancellation and not to exercise those parts of their partially-vested Options which have vested. In consideration for such undertakings, the Company agreed to procure that:

- (i) euNetworks Fiber pay a cancellation payment in respect of Mr. Brady Reid Rafuse of £3,083,900.53 in cash, comprising an amount of £1,436,236.07 payable to Mr. Brady Reid Rafuse, an amount of £1,273,667.10 (being

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### APPENDIX 3

## GENERAL INFORMATION RELATING TO THE COMPANY

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applicable income taxes and Mr. Brady Reid Rafuse's social security contribution) and an amount of £373,970.36 (being euNetworks Fiber's employer social security contribution payable in respect thereof);

- (ii) euNetworks GmbH pay a cancellation payment in respect of Mr. Joachim Piroth of €310,995.00 in cash, comprising an amount of €151,775.88 payable to Mr. Joachim Piroth and an amount of €159,219.12 (being applicable income taxes and Mr. Joachim Piroth's social security contribution payable in respect thereof); and
- (iii) euNetworks Fiber pay a cancellation payment in respect of Mr. Richard Taylor of £490,445.00 in cash, comprising an amount of £228,414.63 payable to Mr. Richard Taylor, an amount of £202,556.37 (being applicable income taxes and Mr. Richard Taylor's social security contribution) and an amount of £59,474.00 (being euNetworks Fiber's employer social security contribution payable in respect thereof),

(collectively, the "**Cancellation Payments**"), in each case, being the exact amount that the Relevant Option Holder would have been paid under the Options Proposal had he accepted the Options Proposal.

Each of the Option Cancellation Agreements provides that the Cancellation Payments will be made on the utilisation date of the €5,000,000 incremental facility available to euNetworks GmbH and established in accordance with an incremental facility notice dated 23 April 2015 (the "**Utilisation Date**"), and further provides that the Option Cancellation Agreements (save for certain surviving provisions) will lapse if the Utilisation Date does not occur by 8 May 2015. The Cancellation Payments were made on 29 April 2015, being the Utilisation Date.

#### 11.5 Costs and Expenses

All costs and expenses incurred by the Company in relation to the Scheme will be borne by the Company.

#### 11.6 Directors' Intentions with respect to their Shares

**11.6.1** In the absence of a competing offer, all of the Directors who hold Shares (including Mr. Daniel Simon Aegerter who has executed the Deed of Undertaking in relation to the Shares owned by him), as set out in **paragraph 6.7** of this **Appendix 3**, have informed the Company that they will vote in favour of the Scheme, save for Mr. Kai-Uwe Ricke who will abstain from voting at the Court Meeting.

**11.6.2** Mr. Kai-Uwe Ricke, who is presumed to be a party acting in concert with the Partnership and the Offeror, will abstain from voting at the Court Meeting pursuant to the SIC's ruling, as set out in **paragraph 10.1.1(i)** of the Explanatory Statement, that the Offeror, the Partnership and their concert parties are required to abstain from voting on the Scheme in respect of their Shares (if any).

**11.6.3** All of the Directors who hold Shares have informed the Company that they will make the Partnership Interest Election in respect of their Shares.



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## APPENDIX 3 GENERAL INFORMATION RELATING TO THE COMPANY

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### 12. CONSENTS

#### 12.1 General

Allen & Gledhill LLP and the Share Registrar have each given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion herein of their names and all the references to their names in the form and context in which they respectively appear in this Scheme Document.

#### 12.2 IFA

SAC Advisors has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of (i) its name; (ii) the IFA Letter as set out in **Appendix 1** to this Scheme Document; and (iii) the Letter from the IFA on the Statements of Prospects as set out in **Appendix 8** to this Scheme Document, and all references to its name in the form and context in which it appears in this Scheme Document.

#### 12.3 Auditors

BDO LLP has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of (i) its name; (ii) the Auditors' report relating to the audited consolidated financial statements of the Group for FY2015 as set out in **Appendix 5** to this Scheme Document; and (iii) the Letter from the Auditors on the Statements of Prospects as set out in **Appendix 7** to this Scheme Document, and all references to its name in the form and context in which it appears in this Scheme Document.

### 13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours from the date of this Scheme Document up to the Effective Date:

- (i) the Constitution of the Company;
- (ii) the annual reports of the Company for FY2013, FY2014 and FY2015;
- (iii) the unaudited consolidated financial statements of the Group for 1Q2016 and 2Q2016;
- (iv) the Implementation Agreement;
- (v) the Partnership Agreement;
- (vi) the Registration Rights Agreement;
- (vii) the Deeds of Undertaking; and
- (viii) the letters of consent referred to in **paragraph 12** of this **Appendix 3**.

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## APPENDIX 4 EXTRACTS FROM THE COMPANY'S CONSTITUTION

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*All capitalised terms used in the following extracts shall have the same meanings given to them in the Constitution of the Company, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.*

The rights of Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution of the Company are set out below:

**(i) The rights of Shareholders in respect of capital**

**“ISSUE OF SHARES**

3. *Subject to the Statutes and these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply.*
4. (A) *Preference shares may be issued. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.*
- (B) *The Company has power to issue further preference shares ranking equally with, or in priority to, preference shares already issued.*

**VARIATION OF RIGHTS**

5. *Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting, all the provisions of these presents relating to General Meetings of the Company and to the proceedings*

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**APPENDIX 4**  
**EXTRACTS FROM THE COMPANY'S CONSTITUTION**

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*thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.*

6. *The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

**TREASURY SHARES**

7. *The Company shall not exercise any right in respect of Treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its Treasury shares in the manner authorised by, or prescribed pursuant to, the Act.*

**ALTERATION OF SHARE CAPITAL**

8. (A) *Subject to any direction to the contrary that may be given by the Company in a General Meeting, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).*
- (B) *Notwithstanding Article 8(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:*
- (a) (i) *issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or*

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(ii) *make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*

(b) *(notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,*

*provided that (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whenever is the earliest).*

(C) *Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.*

9. *The Company may by Ordinary Resolution:*

(A) *consolidate and divide all or any of its shares;*

(B) *sub-divide its shares, or any of them, (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; or*

(C) *subject to the provisions of the Statutes, convert any class of shares into any other class of shares.*

10. (A) *The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.*

(B) *Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. If required by the Act, all shares so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition. On cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.*

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### SHARES

11. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person entered in the Register of Members as the registered holder thereof.*
12. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.*
13. *Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in a General Meeting passed pursuant thereto, all new shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
14. *The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.*
15. *The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*

### SHARE CERTIFICATES

17. (A) *The Company shall not be bound to register more than three persons as the registered joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased member.*
- (B) *In the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.*

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**STOCK**

46. *The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.*
47. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.*
48. *The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by the number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.*

**BONUS ISSUE AND CAPITALISATION OF PROFITS AND RESERVES**

133. (A) *The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 8(B)):*
- (a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members at the close of business on:*
- (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
- (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors,*
- in proportion to their then shareholdings; and/or*
- (b) *capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members on:*
- (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
- (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors,*

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*in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.*

- (B) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 133(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
- (C) *In addition and without prejudice to the powers provided for by Articles 133(A) and 133(B), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.”*

(ii) **The rights of Shareholders in respect of dividends**

**“FORFEITURE AND LIEN**

27. *If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.*
28. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith, the shares on which the call has been made will be liable to be forfeited.*
29. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.*

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32. *The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.*

**TRANSMISSION OF SHARES**

43. (A) *In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
- (B) *Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.*
44. *Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.*
45. *Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share pursuant to Article 43(A) or Article 44 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members.*

**RESERVES**

120. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any part of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions (if any) of the Statutes.*



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**DIVIDENDS**

121. *The Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.*
122. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
123. *Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:*
- (a) *all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
- (b) *all dividends must be apportioned and paid proportionally to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid. For the purpose of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.*
124. *No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.*
125. *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*
126. (A) *The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
128. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*

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129. (A) *Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:*
- (a) *the basis of any such allotment shall be determined by the Directors;*
  - (b) *the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;*
  - (c) *the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion;*
  - (d) *the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 133, the Directors shall capitalise and apply the amount standing to the credit of the Company's reserve accounts as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.*
- (B) (a) *The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*

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- (b) *The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these presents, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).*
- (C) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.*
- (D) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register of Members is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
- (E) *Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Article.*
130. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.*

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- 130A. *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture.*
131. *If two or more persons are registered in the Register of Members as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*
132. *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in a General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.*

**BONUS ISSUE AND CAPITALISATION OF PROFITS AND RESERVES**

133. (A) *The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 8(B)):*
- (a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members at the close of business on:*
- (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
- (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors,*
- in proportion to their then shareholdings; and/or*
- (b) *capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members on:*
- (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
- (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors,*

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*in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.*

- (B) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under Article 133(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
- (C) *In addition and without prejudice to the powers provided for by Articles 133(A) and 133(B), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.”*

(iii) **The rights of Shareholders in respect of voting**

**“NOTICE OF GENERAL MEETINGS**

51. *Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereafter mentioned to all members other than such as are not under the provisions of these presents and the Act entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:*
- (a) *in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and*

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- (b) *in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent of the total voting rights of all the members having a right to vote at that meeting,*

*Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.*

**PROCEEDINGS AT GENERAL MEETINGS**

56. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy. Provided that (a) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (b) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum.*
57. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.*
58. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
61. *At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) *the chairman of the meeting; or*
  - (b) *not less than two members present in person or by proxy and entitled to vote at the meeting; or*
  - (c) *a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or*
  - (d) *a member present in person or by proxy and holding not less than ten per cent. of the total number of paid-up shares of the Company (excluding Treasury shares),*

*Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.*

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62. *A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*
63. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.*
64. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.*

**VOTE OF MEMBERS**

65. *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to Article 7, each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote (provided that in the case of a member who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents.*
66. *In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which names stand in the Register of Members in respect of the share.*
68. *No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.*
69. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*

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**APPENDIX 4**  
**EXTRACTS FROM THE COMPANY'S CONSTITUTION**

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70. *On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*
71. (A) *A member may appoint not more than two proxies to attend and vote at the same General Meeting.*
- (B) *The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.*
- (C) *In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.*
- (D) *A proxy need not be a member of the Company.*
72. (A) *An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:*
- (a) *in the case of an individual, shall be signed by the appointor or his attorney; and*
- (b) *in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.*
- (B) *The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article 73, failing which the instrument may be treated as invalid.*
73. *An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.*
74. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.*



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**APPENDIX 4**  
**EXTRACTS FROM THE COMPANY'S CONSTITUTION**

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75. *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made Provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*

**CORPORATIONS ACTING BY REPRESENTATIVES**

76. *Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat."*

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**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

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EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EUNETWORKS GROUP LIMITED

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**Report on the Financial Statements**

We have audited the accompanying financial statements of euNetworks Group Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

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EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EUNETWORKS GROUP LIMITED

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**Report on the Financial Statements (Continued)**

*Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

**BDO LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
23 March 2016

**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	2015 €'m	2014 €'m
<b>Revenue</b>	4	117.2	103.4
Direct network expenses	5	(26.4)	(25.5)
Network operating expenses	5	(26.6)	(23.3)
Staff costs	6	(25.1)	(20.1)
Other expenses	7	(6.5)	(4.8)
Depreciation of plant and equipment	11	(26.1)	(25.7)
Amortisation of intangibles	12	(2.5)	(2.3)
Loss on disposal of plant and equipment		(0.9)	(0.5)
<b>Operating profit</b>		3.1	1.2
Financial costs	8	(3.4)	(4.0)
Gain on bargain purchase		-	1.0
<b>Loss before income tax</b>	9	(0.3)	(1.8)
Income tax (expense)/credit	10	(1.0)	0.7
<b>Loss for the year</b>		(1.3)	(1.1)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year</b>		(1.3)	(1.1)
Loss for the year and total comprehensive loss for the year attributable to:			
Shareholders of the Company		(1.3)	(1.1)

*The accompanying notes form an integral part of these financial statements.*

**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	2015 €'m	2014 €'m
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	11	220.0	200.3
Intangible assets	12	35.1	33.9
Deferred tax assets	29	3.4	4.9
Prepayments	13	0.7	0.4
Total non-current assets		259.2	239.5
<b>Current assets</b>			
Infrastructure assets held for resale	15	0.2	0.2
Trade receivables	16	11.0	9.7
Other receivables	17	0.9	0.9
Prepayments	13	5.1	4.6
Current income tax recoverable		0.4	0.7
Cash and cash equivalents	18	12.7	13.4
Total current assets		30.3	29.5
<b>Total assets</b>		289.5	269.0
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	19	291.9	291.9
Treasury shares	20	(6.5)	(6.5)
Reserves	22	16.0	20.0
Accumulated losses		(113.1)	(111.8)
Total equity		188.3	193.6
<b>Non-current liabilities</b>			
Obligations under finance leases	23	2.1	3.1
Interest bearing borrowings	24	46.1	19.2
Provisions	25	3.3	3.9
Deferred revenue	26	16.4	16.1
Trade and other payables	27	0.4	-
Deferred tax liabilities	29	5.0	4.7
Total non-current liabilities		73.3	47.0
<b>Current liabilities</b>			
Obligations under finance leases	23	0.9	1.3
Interest bearing borrowings	24	0.8	-
Deferred revenue	26	5.5	5.5
Trade and other payables	27	20.7	21.1
Income tax payable		-	0.5
Total current liabilities		27.9	28.4
Total liabilities		101.2	75.4
<b>Total equity and liabilities</b>		289.5	269.0

*The accompanying notes form an integral part of these financial statements.*

**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF FINANCIAL POSITION OF THE COMPANY**  
**AS AT 31 DECEMBER 2015**

	Note	2015 €'m	2014 €'m
<b>Assets</b>			
<b>Non-current asset</b>			
Investments in subsidiaries	14	231.7	238.1
<b>Current assets</b>			
Other receivables	17	-	0.2
Prepayments	13	-	0.5
Cash and cash equivalents	18	0.2	0.4
Total current assets		0.2	1.1
<b>Total assets</b>		<b>231.9</b>	<b>239.2</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	19	291.9	291.9
Treasury shares	20	(6.5)	(6.5)
Reserves	22	35.1	39.1
Accumulated losses		(88.8)	(88.3)
Total equity		231.7	236.2
<b>Current liabilities</b>			
Trade and other payables	27	0.2	2.5
Income tax payable		-	0.5
Total current liabilities		0.2	3.0
<b>Total equity and liabilities</b>		<b>231.9</b>	<b>239.2</b>

*The accompanying notes form an integral part of these financial statements.*

**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	2015 €'m	2014 €'m
<b>Operating activities</b>			
Loss before income tax		(0.3)	(1.8)
Add back/(deduct):			
Depreciation of plant and equipment	11	26.1	25.7
Amortisation of intangibles	12	2.5	2.3
Share options expenses	6	(4.0)	(2.8)
Financial costs	8	3.4	4.0
Loss on disposal of plant and equipment		0.9	0.5
Gain on bargain purchase		-	(1.0)
Provisions		(0.6)	(0.5)
<b>Operating cash flows before movements in working capital</b>		<u>28.0</u>	<u>26.4</u>
Changes in working capital	28	(5.1)	4.6
Income tax refund/(paid)		0.1	(0.2)
<b>Net cash from operating activities</b>		<u>23.0</u>	<u>30.8</u>
<b>Investing activities</b>			
Purchase of plant and equipment	A	(40.2)	(29.4)
Purchase of intangible assets	12	(1.2)	(1.0)
Payment of deferred purchase consideration		(0.2)	-
Net cash outflow on acquisition of subsidiary net of cash acquired	14	(5.0)	(2.1)
<b>Net cash used in investing activities</b>		<u>(46.6)</u>	<u>(32.5)</u>
<b>Financing activities</b>			
Debt raised		27.7	24.2
Repayment of debt		(0.3)	(20.0)
Repayment of finance lease obligations		(1.4)	(1.4)
Interest paid		(3.0)	(4.2)
<b>Net cash from/(used in) financing activities</b>		<u>23.0</u>	<u>(1.4)</u>
<b>Effect of exchange rates on cash and cash equivalents</b>		<u>(0.1)</u>	<u>0.2</u>
Net decrease in cash and cash equivalents		(0.7)	(2.9)
Cash and cash equivalents at beginning of the year		13.4	16.3
<b>Cash and cash equivalents at end of the year</b>	18	<u>12.7</u>	<u>13.4</u>

*The accompanying notes form an integral part of these financial statements.*

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**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

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EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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Note A

	Note	2015 €'m	2014 €'m
Additions of plant and equipment	11	(40.2)	(27.7)
Decrease in other payables in relation to plant and equipment		*	(1.7)
Purchase of plant and equipment per consolidated statement of cash flows		<u>(40.2)</u>	<u>(29.4)</u>

\* Denotes amount less than €100,000

*The accompanying notes form an integral part of these financial statements.*

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**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Reserves					Total equity €'m
	Share capital €'m	Treasury shares €'m	Employee share option reserve €'m	Foreign currency translation reserve €'m	Accumulated losses €'m	
<b>Group</b>						
<b>2015</b>						
At 1 January 2015	291.9	(6.5)	19.3	0.7	(111.8)	193.6
Loss for the year, representing total comprehensive income for the year	-	-	-	-	(1.3)	(1.3)
Contributions by and distributions to owners						
- Share options expenses (Note 6)	-	-	(4.0)	-	-	(4.0)
Total contributions by and distributions to owners	-	-	(4.0)	-	-	(4.0)
At 31 December 2015	291.9	(6.5)	15.3	0.7	(113.1)	188.3

*The accompanying notes form an integral part of these financial statements.*

**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Share capital €'m	Treasury shares €'m	Reserves			Total equity €'m
			Employee share option reserve €'m	Foreign currency translation reserve €'m	Accumulated losses €'m	
<b>Group</b>						
<b>2014</b>						
At 1 January 2014	291.9	(6.5)	22.1	0.7	(110.7)	197.5
Loss for the year, representing total comprehensive income for the year	-	-	-	-	(1.1)	(1.1)
Contributions by and distributions to owners						
- Share options expenses (Note 6)	-	-	(2.8)	-	-	(2.8)
Total contributions by and distributions to owners	-	-	(2.8)	-	-	(2.8)
At 31 December 2014	291.9	(6.5)	19.3	0.7	(111.8)	193.6

*The accompanying notes form an integral part of these financial statements.*

**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN EQUITY OF THE COMPANY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Share capital €'m	Treasury shares €'m	Reserves			Accumulated losses €'m	Total equity €'m
			Employee share option reserve €'m	Other reserve €'m			
Company 2015							
At 1 January 2015	291.9	(6.5)	19.3	19.8	(88.3)	236.2	
Loss for the year, representing total comprehensive income for the year	-	-	-	-	(0.5)	(0.5)	
Contributions by and distributions to owners							
- Share options expenses (Note 6)	-	-	(4.0)	-	-	(4.0)	
Total contributions by and distributions to owners	-	-	(4.0)	-	-	(4.0)	
At 31 December 2015	291.9	(6.5)	15.3	19.8	(88.8)	231.7	

*The accompanying notes form an integral part of these financial statements.*

**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN EQUITY OF THE COMPANY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Share capital €'m	Treasury shares €'m	Reserves			Accumulated losses €'m	Total equity €'m
			Employee share option reserve €'m	Other reserve €'m			
Company 2014							
At 1 January 2014	291.9	(6.5)	22.1	19.8	(85.5)	241.8	
Loss for the year, representing total comprehensive income for the year	-	-	-	-	(2.8)	(2.8)	
Contributions by and distributions to owners							
- Share options expenses (Note 6)	-	-	(2.8)	-	-	(2.8)	
Total contributions by and distributions to owners	-	-	(2.8)	-	-	(2.8)	
At 31 December 2014	291.9	(6.5)	19.3	19.8	(88.3)	236.2	

*The accompanying notes form an integral part of these financial statements.*

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**APPENDIX 5**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

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**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. General information**

euNetworks Group Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore. The registered office of the Company is 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The principal place of business is at 15 Worship Street, London EC2A 2DT, United Kingdom.

The principal activities of the Company are those of investment holding and acting as a corporate manager, advisor and administrative centre to support the business development and marketing of the businesses of its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

The euNetworks group of companies (the “Group”) operates high capacity fibre networks, provides high capacity communications infrastructure and networking solutions and services to large corporate companies, carriers, and service providers.

In particular, the Group operates a network which combines a ‘long-haul’ inter-city network linking Germany, the Netherlands, the United Kingdom, Ireland, France, Belgium, Austria, Sweden, Denmark, Switzerland and the Czech Republic and high density ‘last-mile’ metropolitan optical fibre networks in London, Frankfurt, Munich, Berlin, Stuttgart, Hamburg, Düsseldorf, Cologne, Paris, Amsterdam, Rotterdam, Utrecht, and Dublin. Duct infrastructure is in place in The Hague and Hanover. The Group also has a nationwide network in Germany.

The main products and services of the Group include lease and sale of private fibre networks to corporate, carrier and mobile customers, bespoke private fibre networking designing and deployment, and carrier grade Internet Protocol (IP) services for enterprises.

The Group also operates a secure data centre facility in Amsterdam and 25 colocation sites in Germany.

**2. Summary of significant accounting policies**

**2.1 Statement of compliance**

The financial statements have been drawn up in accordance with the provision of the Singapore Companies Act, Chapter 50 (the “Act”) and Singapore Financial Reporting Standards (“FRS”) including related Interpretations of FRS (“INT FRS”) and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

**2.2 Basis of preparation**

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Euros (“€”), which is the functional currency of the Company and the presentation currency for the consolidated financial statements. Euro is the presentation currency of the Group as the major part of the Group’s business has been carried out in Euros. All values presented are rounded to the nearest million (“€’m”), except when indicated otherwise.

**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

**EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

**2. Summary of significant accounting policies (Continued)**

**2.2 Basis of preparation (Continued)**

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior years.

**FRS issued but not yet effective**

At the date of authorisation of these financial statements, the Group and the Company have not early adopted the following new/revised FRS (including their consequential amendments) which potentially relevant to the Group and the Company that have been issued but not yet effective for the current financial year.

	<b>Effective date (annual periods beginning on or after)</b>
FRS 115 : Revenue from Contracts with Customers	1 January 2018
FRS 109 : Financial Instruments	1 January 2018
FRS 1 (Amendments) : Disclosure Initiative	1 January 2016
FRS 7 (Amendments) : Disclosure Initiative	1 January 2017
FRS 12 (Amendments) : Recognition to Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 27 (Amendments) : Equity Method in Separate Financial Statements	1 January 2016
FRS 16 and FRS 38 : Clarification of Acceptable Methods of (Amendments) Depreciation and Amortisation	1 January 2016
FRS 110 and FRS 28 : Sale or Contribution of Assets between an (Amendments) Investor and its Associate or Joint Venture	To be determined
FRS 110, FRS 112, : Applying the Consolidation Exception FRS 28 (Amendments)	1 January 2016
Improvements to FRSs (November 2014)	
FRS 107 (Amendments) : Financial Instruments: Disclosures	1 January 2016

Consequential amendments were also made to various standards as a result of these new/revised standards.

Except as disclosed below, management anticipates that the adoption of the above FRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

***FRS 115 Revenue from Contracts with Customers***

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

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**APPENDIX 5**  
**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

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EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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2. Summary of significant accounting policies (Continued)

2.2 Basis of preparation (Continued)

FRS issued but not yet effective (Continued)

*FRS 115 Revenue from Contracts with Customers* (Continued)

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Group.

The Group is in the process of assessing the potential impact on accounting for contract modifications.

The Group plans to adopt the standard in the financial year beginning on 1 January 2018 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

*FRS 109 Financial Instruments*

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments - fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

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**2. Summary of significant accounting policies (Continued)**

**2.2 Basis of preparation (Continued)**

**FRS issued but not yet effective (Continued)**

**FRS 109 Financial Instruments (Continued)**

The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

**2.3 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Company has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.



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**2. Summary of significant accounting policies (Continued)**

**2.4 Business combinations**

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

**2.5 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of estimated customer returns, rebates, other similar allowances and sales related taxes.

Rendering of network services

Revenue from rendering services in connection with the fibre networks and data centre colocation services of the Group is recognised when the services are performed. Payments received in advance for such services are deferred and recognised based on actual usage.

Installation fees are deferred as unearned income and recognised over the period of the contract.

Sale of items of network infrastructure

The Group, in the course of its ordinary activities, routinely sells items of network infrastructure which it had previously held for use in its network services. The proceeds from such sales are recognised as revenue.

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**2. Summary of significant accounting policies (Continued)**

**2.5 Revenue recognition (Continued)**

Sale of items of network infrastructure (Continued)

Revenue is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transaction (including future costs) can be measured reliably. The enterprise retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Data centre power revenues

The Group purchases the supply of power to a data centre for both its own use and for the supply of power to the customers' server equipment held in that centre. The Group makes separate charges to its customers, in addition to those it raises for the supply of colocation facilities, to recover the element of power cost that relates to the use of power by customer equipment. Such recharges are recognised as revenue in the period in which the power is consumed.

**2.6 Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the tax authorities and calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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**2. Summary of significant accounting policies (Continued)**

**2.6 Income tax (Continued)**

Deferred tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales taxation that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**2.7 Employee benefits**

Defined contribution plans

Payments to defined contribution retirement benefit plans are recognised as an expense in the statement of profit or loss and other comprehensive income in the same financial year as the employment that gives rise to the contributions.

Employees' leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the financial year.

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**2. Summary of significant accounting policies (Continued)**

**2.8 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

**2.9 Foreign currency transactions and translation**

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Euros using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

On disposal of a foreign operation, the accumulated foreign exchange reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**2.10 Plant and equipment**

All items of plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

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**2. Summary of significant accounting policies (Continued)**

**2.10 Plant and equipment (Continued)**

Subsequent expenditure on an item of plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

Plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment and furniture	over 3 to 10 years
Network equipment	over 3 to 20 years
Telecommunication networks	over 20 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of the financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

The Group capitalises costs directly associated with expansions and improvements of the Group's telecommunications network and customer installations, costs associated with network construction and provisioning of services. This includes employee related costs. The Group amortises such costs over an estimated useful life of 3 to 20 years.

The Group transfers infrastructure assets from plant and equipment to inventories at their carrying amount at the date on which the intended use of the asset changes from network service delivery to infrastructure sale of assets. These items are carried at the lower of net book value and fair value less cost to sell.

**2.11 Intangible assets**

Externally acquired intangible assets such as software are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

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**2. Summary of significant accounting policies (Continued)**

**2.11 Intangible assets (Continued)**

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition.

Goodwill on subsidiaries is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to the assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of gain or loss on disposal.

Customer Contracts acquired in a business combination

Customer contracts acquired are recognised at their fair value at the acquisition date. The customer contracts have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the contract period of up to 15 years.

Software licences

Acquired software licenses are initially capitalised at costs which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use, including employee related costs. Direct expenditure which enhances or extends the performance of the software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining the software are recognised as an expense as incurred.

Software licenses are subsequently carried at costs less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 4 years.

Trademarks

Trademarks are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 5 years, which is the shorter of their estimated useful lives and periods of contractual rights.

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**2. Summary of significant accounting policies (Continued)**

**2.12 Subsidiaries**

Investment in subsidiaries is stated at cost less impairment in value, if any, in the Company's separate statement of financial position.

Amounts owing by subsidiaries where settlements are neither planned for nor expected in the foreseeable future are treated as part of the investment cost in the subsidiary and are presented as such (see also Note 14).

**2.13 Impairment of non-financial assets excluding goodwill**

At the end of each financial year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset (or cash-generating unit) is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**2.14 Assets classified as held-for-sale**

Assets classified as held-for-sale are carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

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2. Summary of significant accounting policies (Continued)

2.15 Financial instruments

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

**Financial assets**

All financial assets are recognised on a trade date where the purchase of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs.

Loans and receivables

Non-derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's and Company's loans and receivables in the statement of financial position comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash with banks and financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.



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2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity, except for impairment losses on equity instruments at cost which are not reversed.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings.

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2. Summary of significant accounting policies (Continued)

2.15 Financial instruments (Continued)

**Financial liabilities and equity instruments (Continued)**

Equity instruments (Continued)

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as fair value through profit or loss if the financial liability is either held for trading, including derivatives not designated as effective as a hedging instrument; or it is designated as such upon initial recognition.

Other financial liabilities

*Borrowings*

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.8).

*Trade and other payables*

Trade and other payables, including payables to related parties, are initially measured at air value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Where financial instruments are redeemed prior to maturity, the difference between the redemption proceeds and the carrying value at the date of redemption is recognised in profit or loss. Where financial instruments are converted to equity the increase in equity is recorded at the carrying value of the financial liability at the date of conversion.

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**2. Summary of significant accounting policies (Continued)**

**2.15 Financial instruments (Continued)**

**Financial liabilities and equity instruments (Continued)**

Derivative financial instruments and hedging activities

Derivatives are initially recognised at their fair value at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged.

**2.16 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

**2.17 Leases**

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised as plant and equipment of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position of the Group as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated statement of profit or loss, unless they are directly attributable to the acquisition, construction or production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (Note 2.8).

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**2. Summary of significant accounting policies (Continued)**

**2.17 Leases (Continued)**

Operating leases

*The Group as lessor*

Rental income from operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which user benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

*The Group as lessee*

Rentals payable under operating leases (net of any incentives received from lessors) are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

**2.18 Share-based payments**

The Group issued equity-settled share-based payments to certain employees.

Equity-settled share-based payments are measured at the fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non market-based vesting conditions. At the end of each financial year, the Group revises the estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled employee benefits reserve.

Fair value is measured using either the Black-Scholes or the Monte Carlo pricing model. The expected life used in the model has been adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

**2.19 Related parties**

A related party is defined as follows:

- (a) A person or a close of member of that person's family is related to the Group and Company if that person:
- (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

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**2. Summary of significant accounting policies (Continued)**

**2.19 Related parties (Continued)**

- (b) An entity is related to the Group and the Company if any of the following conditions apply:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employees are also related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**3. Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**3.1 Critical judgments made in applying the accounting policies**

The following are the critical judgments, apart from those involving estimates that management has made in the process of applying the Group's accounting policies and which have a significant effect on the amounts recognised in the financial statements.

- (i) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgment is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate and the respective entities' process of determining sales prices.

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**3. Critical accounting judgments and key sources of estimation uncertainty (Continued)**

**3.1 Critical judgments made in applying the accounting policies (Continued)**

(ii) Leases

Leases are classified as an operating lease if the duration of the arrangement are for less than a major part of the facilities' useful lives and the present value of the minimum payments under the arrangement does not amount to at least substantially all of the fair value of the facilities. The classification of leases may change if there are significant changes from previous estimates of the facilities' useful lives and the present value of the minimum payments. The Group uses all readily available information in estimating the useful lives and present value of minimum payments.

(iii) Income taxes

The Management has exercised significant judgment when determining the Group's and the Company's provisions for income taxes. These involve assessing the probabilities that deferred tax assets resulting from deductible temporary differences, unutilised tax losses and unabsorbed tax allowances, if any, can be utilised to offset future taxable income. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of action. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

Given the wide range of international business arrangements, the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate adjustments to tax income and expense in future periods. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group and Company domicile. The carrying amount of the Group's income tax payable as at 31 December 2015 is €Nil (2014: €0.5m) and the carrying amounts of deferred tax assets and liabilities as at 31 December 2015 are disclosed in Note 29 to the financial statements.

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and reported amounts of revenue and expense within the next financial year, are discussed below.

(i) Depreciation of plant and equipment

The Group depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the useful economic lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's plant and equipment are disclosed in Note 11 to the financial statements.

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**3. Critical accounting judgments and key sources of estimation uncertainty (Continued)**

**3.2 Key sources of estimation uncertainty (Continued)**

(ii) Impairment of plant and equipment

At the end of each financial year, an assessment is made whether there is objective evidence that plant and equipment is impaired.

An impairment exist when the carrying value of plant and equipment exceed their recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. The recoverable of plant and equipment is determined based on value-in-use, by discounting the expected future cash flows for each cash generating units ("CGU"). Management considers that the Network business and the Data Centre and colocation business each constitute a CGU.

The expected future cash flows are based on financial budgets approved by Management for a period up to 4 (2014: 5) years using a discount rate of 11.33% (2014: 11.76%) and a long term growth rate of 4.69% (2014: 6.59%). Based on this, Management estimated that recoverable of plant and equipment are in excess of its carrying value and accordingly no allowance for impairment was deemed necessary for plant and equipment as at 31 December 2015. The carrying amounts of the Group's plant and equipment are disclosed in Note 11 to the financial statements.

(iii) Impairment of intangible assets

At the end of each financial year, an assessment is made whether there is objective evidence that the intangible assets are impaired.

Impairment exist when the carrying value of intangible assets, comprising of customer contracts, trademarks, software and goodwill, exceed their recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value-in-use. The recoverable amounts of intangible assets are determined based on value-in-use, by discounting the expected future cash flows for each CGU. Management considers that the Network business and the Data Centre and colocation business each constitute a CGU.

The recoverable amount is sensitive to discount rate used for discontinued cash flow model as well as the expected future cash inflows and the growth rates used. For further details of assumptions applied in the impairment assessment of intangible assets and carrying amounts of Group's intangible assets, refer to Note 12 to the financial statements.

(iv) Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made whether there is objective evidence that the investments in subsidiaries are impaired. Management's assessment is based on the estimation of the value-in-use of the CGU by forecasting the expected future cash flows for a period up to 4 (2014: 5) years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries at 31 December 2015 was €231.7m (2014: €238.1).

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**3. Critical accounting judgments and key sources of estimation uncertainty (Continued)**

**3.2 Key sources of estimation uncertainty (Continued)**

(v) Allowance for doubtful receivables

The policy for allowances for doubtful receivables of the Group and the Company is based on the evaluation of collectability and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group and the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the trade and other receivables are disclosed in Notes 16 and 17 to the financial statements.

(vi) Equity-settled share-based payments

The charge for equity-settled share-based payments is calculated in accordance with estimates and assumptions which are described in Note 32 to the financial statements. The option valuation model used requires highly subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yields, risk-free interest rates and expected staff turnover. The management draws upon a variety of external sources to aid them in determination of the appropriate data to use in such calculations.

**4. Revenue**

	2015	2014
	€'m	€'m
Network services and sale of network infrastructure	100.9	87.3
Colocation services	16.3	16.1
	<u>117.2</u>	<u>103.4</u>

In the financial year 2014, there was €0.9m from the sale of infrastructure included within network services.

Revenues from the single largest customer represented 5.2% of total revenues (2014: 4.2%).

**5. Direct network expenses and network operating expenses**

	2015	2014
	€'m	€'m
Direct network expenses	26.4	25.5
Network operating expenses	<u>26.6</u>	<u>23.3</u>

Direct network expenses include those costs directly related to the delivery of customer revenues.

Network operating expenses include those costs that relate to the general operation and maintenance of the Group's network assets, and network related charges.

These costs include operating lease expenses of €23.3m (2014: €17.5m).



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**6. Staff costs**

	2015	2014
	€'m	€'m
Wages and salaries	30.2	22.0
Social security costs	2.9	2.5
Share options:	(4.0)	(2.8)
- expenses	1.6	2.7
- cancelled	(5.6)	(5.5)
National insurance on share options	-	1.4
Termination costs	0.1	0.1
Other staff costs	0.3	0.2
	<u>29.5</u>	<u>23.4</u>
Less: costs capitalised to software/network equipment	(4.4)	(3.3)
	<u>25.1</u>	<u>20.1</u>

Wages and salaries include Directors' remuneration and Directors' fees.

Other staff costs include costs of recruitment and costs of interim staff.

**7. Other expenses**

	2015	2014
	€'m	€'m
Legal and professional fees	2.2	1.9
Office rental	1.2	1.0
Other office costs	0.9	0.7
Travel expenses	1.3	1.1
Marketing costs	0.2	0.1
Other costs	0.7	-
	<u>6.5</u>	<u>4.8</u>

**8. Financial costs**

	2015	2014
	€'m	€'m
Foreign exchange movements	0.1	(0.2)
Debt raise costs written off	1.2	2.2
Interest on bank loan	1.5	1.5
Other net interest	0.6	0.5
	<u>3.4</u>	<u>4.0</u>

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**9. Loss before income tax**

In addition to the charges and credits disclosed elsewhere in the notes to the consolidated statement of profit or loss and other comprehensive income, the above includes the following charges:

	2015	2014
	€'m	€'m
Audit fees:		
- Auditors of the Company <sup>(1)</sup>	0.1	0.1
- Other auditors	0.3	0.3
Non-audit fees:		
- Auditors of the Company <sup>(2)</sup>	*	-
- Other auditors	0.2	0.1
	<u>0.6</u>	<u>0.5</u>

<sup>(1)</sup>Audit fee paid/payable to the auditors of the Company is €99,000 (2014: €99,000)

<sup>(2)</sup>Non-audit fee paid/payable to the auditors of the Company is €1,010 (2014: €Nil)

\* Denotes amount less than €100,000

**10. Income tax expense/(credit)**

	2015	2014
	€'m	€'m
Current tax:		
- Current year	-	0.3
- Overprovision in prior year	(0.2)	(0.4)
Deferred income tax:		
- Current year	1.4	-
- Overprovision in prior year	(0.2)	(0.6)
	<u>1.0</u>	<u>(0.7)</u>

Domestic income tax is calculated at 17% (2014: 17%) of the estimated assessable loss for the year. Taxable for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2014:17%) to loss before income tax as a result of the following differences:

	2015	2014
	€'m	€'m
Loss before income tax	<u>(0.3)</u>	<u>(1.8)</u>
Income tax at statutory rate	(0.1)	(0.3)
Tax effect of:		
- Different tax rates of overseas operations	1.0	(0.2)
- Unrecognised deferred tax benefits	1.2	1.8
- Income not subject to tax	(0.7)	(1.0)
- Overprovision of current tax in prior year	(0.2)	(0.4)
- Overprovision of deferred tax in prior year	(0.2)	(0.6)
	<u>1.0</u>	<u>(0.7)</u>

The tax rates of overseas operations range from 12.5% to 33.99% (2014: same)

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**11. Plant and equipment**

	Telecom- munications networks €'m	Network equipment €'m	Office furniture and equipment €'m	Total €'m
<b>Group</b>				
<b>2015</b>				
<b>Cost</b>				
Balance at 1 January 2015	320.9	45.8	3.8	370.5
Additions	17.3	22.6	0.3	40.2
Acquisition of subsidiary	6.5	-	-	6.5
Written off	(1.6)	-	-	(1.6)
Reclassifications	(1.1)	1.1	-	-
Balance at 31 December 2015	<u>342.0</u>	<u>69.5</u>	<u>4.1</u>	<u>415.6</u>
<b>Accumulated depreciation</b>				
Balance at 1 January 2015	(157.2)	(10.3)	(2.7)	(170.2)
Depreciation	(17.8)	(7.9)	(0.4)	(26.1)
Written off	0.7	-	-	0.7
Balance at 31 December 2015	<u>(174.3)</u>	<u>(18.2)</u>	<u>(3.1)</u>	<u>(195.6)</u>
<b>Carrying amount</b>				
At 31 December 2015	<u>167.7</u>	<u>51.3</u>	<u>1.0</u>	<u>220.0</u>
<b>2014</b>				
<b>Cost</b>				
Balance at 1 January 2014	270.2	62.6	4.5	337.3
Additions	12.7	14.7	0.3	27.7
Acquisition of subsidiary	10.3	-	-	10.3
Written off	(3.6)	(0.2)	(1.0)	(4.8)
Reclassifications	31.3	(31.3)	-	-
Balance at 31 December 2014	<u>320.9</u>	<u>45.8</u>	<u>3.8</u>	<u>370.5</u>
<b>Accumulated depreciation</b>				
Balance at 1 January 2014	(120.5)	(24.9)	(3.3)	(148.7)
Depreciation	(18.8)	(6.5)	(0.4)	(25.7)
Written off	3.0	0.2	1.0	4.2
Reclassifications	(20.9)	20.9	-	-
Balance at 31 December 2014	<u>(157.2)</u>	<u>(10.3)</u>	<u>(2.7)</u>	<u>(170.2)</u>
<b>Carrying amount</b>				
At 31 December 2014	<u>163.7</u>	<u>35.5</u>	<u>1.1</u>	<u>200.3</u>

As at 31 December 2015, network equipment of the Group with carrying amount of €1.6m (2014: €3.0m) were acquired under finance lease arrangements (Note 23). During the year, the Group acquired plant and equipment totalling €40.2m of which cash of €40.2m was paid and these payments reduced the brought forward liability in respect of plant and equipment.

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**12. Intangible assets**

	Customer contracts €'m	Trademarks €'m	Software €'m	Goodwill €'m	Total €'m
<b>Group</b>					
<b>2015</b>					
<b>Cost</b>					
Balance at 1 January 2015	17.2	0.5	6.1	21.6	45.4
Additions	-	-	1.2	2.5	3.7
Balance at 31 December 2015	<u>17.2</u>	<u>0.5</u>	<u>7.3</u>	<u>24.1</u>	<u>49.1</u>
<b>Accumulated amortisation</b>					
Balance at 1 January 2015	(7.4)	(0.3)	(3.8)	-	(11.5)
Amortisation	(1.0)	(0.1)	(1.4)	-	(2.5)
Balance at 31 December 2015	<u>(8.4)</u>	<u>(0.4)</u>	<u>(5.2)</u>	<u>-</u>	<u>(14.0)</u>
<b>Carrying amount</b>					
At 31 December 2015	<u>8.8</u>	<u>0.1</u>	<u>2.1</u>	<u>24.1</u>	<u>35.1</u>
<b>2014</b>					
<b>Cost</b>					
Balance at 1 January 2014	17.2	0.5	5.5	21.6	44.8
Additions	-	-	1.0	-	1.0
Written off	-	-	(0.4)	-	(0.4)
Balance at 31 December 2014	<u>17.2</u>	<u>0.5</u>	<u>6.1</u>	<u>21.6</u>	<u>45.4</u>
<b>Accumulated amortisation</b>					
Balance at 1 January 2014	(6.4)	(0.2)	(2.9)	-	(9.5)
Amortisation	(1.0)	(0.1)	(1.2)	-	(2.3)
Written off	-	-	0.3	-	0.3
Balance at 31 December 2014	<u>(7.4)</u>	<u>(0.3)</u>	<u>(3.8)</u>	<u>-</u>	<u>(11.5)</u>
<b>Carrying amount</b>					
At 31 December 2014	<u>9.8</u>	<u>0.2</u>	<u>2.3</u>	<u>21.6</u>	<u>33.9</u>

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#### 12. Intangible assets (Continued)

##### Impairment testing on customer contracts, trademarks and goodwill

The customer contracts, trademarks and goodwill have been allocated to two CGUs, which are also the reportable operating segments, for impairment testing as follows:

- Network business
- Data Centres and colocation

The carrying amounts of goodwill and other intangibles allocated to each CGU are as follows:

	Network business		Data Centres and colocation		Total	
	2015 €'m	2014 €'m	2015 €'m	2014 €'m	2015 €'m	2014 €'m
Goodwill	20.0	17.5	4.1	4.1	24.1	21.6
Customer contracts	7.4	8.3	1.4	1.5	8.8	9.8
Trademarks	0.1	0.1	-	0.1	0.1	0.2

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for these value-in-use calculations are those regarding the discount rates, growth rates and expected changes to revenue and costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in revenue and costs are based on past practices and expectations of future changes in the market.

The key assumptions adopted for the testing include:

- (a) Pre-tax discount rate - Management assessed its weighted average cost of capital and adjusted this rate for asset specific risks as at 31 December 2015 in determining an appropriate pre-tax discount rate for impairment purposes. The resulting discount rate calculated was 11.33% (2014: 11.76%).
- (b) Cash flows - Value-in-use calculations are based on cash flows expected to be generated by the Group over the next 4 (2014: 5) years, and is aligned with the long-term forecast approved by the Board of Directors on 12 February 2014. The long-term forecast approved by the Board incorporates forecast operating cash flows for the networks business and data centres and colocation. All cash flow projections were completed in Euros.
- (c) Inflation rate - The assumed inflation rate applied to future expenditure is 3% (2014: 3%).
- (d) The terminal value growth rate applied is 4.69% (2014: 6.59%).
- (e) Sensitivity testing has been performed on the value-in-use model applied for a reasonably possible change in key assumptions. For both the Network business and Data Centre and colocation CGUs, the model showed sufficient headroom over the carrying value of assets, further indicating no impairment loss is required at 31 December 2015.

The testing carried out at the end of the year indicated that both the Network business and Data Centre and colocation assets and associated goodwill were not impaired.

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#### 13. Prepayments

	Group		Company	
	2015	2014	2015	2014
	€'m	€'m	€'m	€'m
Non-current	0.7	0.4	-	-
Current	5.1	4.6	-	0.5
	<u>5.8</u>	<u>5.0</u>	<u>-</u>	<u>0.5</u>

Prepayments mainly pertain to network expense, fibre and office rentals and insurance paid in advance.

#### 14. Investments in subsidiaries

	Company	
	2015	2014
	€'m	€'m
Unquoted equity shares, at cost	84.0	84.0
Receivables from subsidiaries	147.7	154.1
	<u>231.7</u>	<u>238.1</u>

The receivables from subsidiaries of €147.7m (2014: €154.1m) comprise mainly of advances provided by the Company to the subsidiaries to fund the subsidiaries' capital expenditure and working capital and therefore, is treated as part of the cost of investment in these subsidiaries. The repayment of these debts owing by the subsidiaries are neither planned nor expected to be made in the foreseeable future. No interest is charged on these receivables.

The details of the subsidiaries are as follows:

Name	Country of incorporation and operation	Principal activities
euNetworks Pte Limited <sup>(1)</sup>	Singapore	Investment holding company
euNetworks GmbH <sup>(2)</sup>	Germany	Data network services
euNetworks (BVI) Limited <sup>(6)</sup>	British Virgin Islands	Investment holding company
euNetworks Ireland Private Fiber Limited <sup>(3)</sup>	Ireland	Data network services
euNetworks B.V. <sup>(4)</sup>	The Netherlands	Data network services
euNetworks Data Centres BV <sup>(6)</sup>	The Netherlands	Data centre services
euNetworks DCH BV <sup>(6)</sup>	The Netherlands	Data centre services
euNetworks Fiber UK Limited <sup>(5)</sup>	United Kingdom (England)	Data network services
euNetworks Services GmbH <sup>(2)</sup>	Germany	IP transit & data centre services
European Fiber Networks Asset GmbH <sup>(6)</sup>	Germany	Infrastructure provision
European Fiber Networks "GND" GmbH <sup>(6)</sup>	Germany	Infrastructure provision
euNetworks Managed Services GmbH <sup>(2)</sup>	Germany	Data network services
LambdaNet Communications Austria GmbH <sup>(6)</sup>	Austria	Data network services
LambdaNet Communications s.r.o. <sup>(6)</sup>	Czech Republic	Data network services

## APPENDIX 5

### AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

#### EUNETWORKS GROUP LIMITED AND ITS SUBSIDIARIES

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

#### 14. Investments in subsidiaries (Continued)

Name	Country of incorporation and operation	Principal activities
euNetworks SAS <sup>(7)</sup>	France	Data network services
euNetworks BVBA <sup>(6)</sup>	Belgium	Data network services
euNetworks SA <sup>(6)</sup>	Switzerland	Data network services
Inland Fibre Telecom Limited <sup>(3)</sup>	Ireland	Data network services

Note:

<sup>(1)</sup> Audited by BDO LLP, Singapore, a member firm of BDO International Limited.

<sup>(2)</sup> Audited by BDO AG Wirtschaftsprüfungsgesellschaft, a member firm of BDO International Limited.

<sup>(3)</sup> Audited by BDO (Ireland), a member firm of BDO International Limited.

<sup>(4)</sup> Audited by BDO Audit & Assurance B.V., a member firm of BDO International Limited.

<sup>(5)</sup> Audited by BDO LLP (United Kingdom), a member firm of BDO International Limited.

<sup>(6)</sup> Audit not required by law in the country of incorporation.

<sup>(7)</sup> Audited by Deloitte SA.

During the year, the subsidiary, TeraGate AG Storage Optical Network devolved its assets and liabilities to its direct parent, euNetworks GmbH pursuant to the German Transformation Act (Umwandlungsgesetz). Following this exercise, TeraGate AG Storage Optical Network ceased to exist.

The Company has an effective equity interest of 100% in all subsidiaries as at 31 December 2015 and 2014.

#### Acquisition of subsidiary

On 29 May 2015, the Group acquired 100% equity interest in Inland Fibre Telecom Limited. The Group acquired Inland Fibre Telecom Limited to strengthen its position in Ireland.

The fair values of the identifiable assets and liabilities of Inland Fibre Telecom Limited as at the date of acquisition were:

	Fair value recognised on date of acquisition
	€'m
Plant and equipment	6.5
Less:	
Trade and other payables	(2.5)
Deferred tax liabilities	(0.5)
Total Identifiable assets at acquisition	3.5
Purchase consideration in cash	(5.0)
Deferred purchase consideration (Note 27)	(1.0)
Goodwill	(2.5)

From the date of acquisition, Inland Fibre Telecom Limited has contributed €0.3m and €0.1m to the revenue and profit net of tax of the Group respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and profits, net of tax would have been €0.5m and €0.2m respectively.

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**14. Investments in subsidiaries (Continued)**

**Acquisition of subsidiary (Continued)**

As at the end of the financial year 2015, €0.8m of the deferred consideration remains unpaid, which is repayable as shown below.

	€'m
Within one year (Note 27)	0.4
After one year but not later than three years	0.4
	0.8

Transaction costs related to the acquisition of €0.1m have been recognised in the "Administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2015.

The effects of the acquisition of the subsidiary on cash flows are as follows:

	€'m
Total consideration for 100% equity interest acquired and settled in cash	(5.0)
Less: Cash and cash equivalents of subsidiary acquired	*
Net cash outflow on acquisition	(5.0)

\* Denotes amount less than €100,000

**15. Infrastructure assets held for resale**

The infrastructure assets held for resale of €0.2m at 31 December 2015 (2014: €0.2m) comprised specific network assets.

**16. Trade receivables**

	Group	
	2015	2014
	€'m	€'m
Amounts due from third parties	11.3	10.6
Allowance for doubtful trade receivables	(0.3)	(0.9)
	11.0	9.7

The average credit period on trade receivables in 2015 is 29 days (2014: 31.5 days).

Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience.

The Group does not hold collateral as security for its trade receivables.



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**16. Trade receivables (Continued)**

Movements in allowance for doubtful trade receivables are as follows:

	Group	
	2015	2014
	€'m	€'m
Balance at 1 January	0.9	0.9
Written off against allowance	(0.6)	(0.2)
Acquired with subsidiary	-	0.2
Balance at 31 December	0.3	0.9

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2015	2014
	€'m	€'m
Days due		
0 - 90 days	3.5	3.4
91 - 180 days	1.4	0.7
181 days and over	0.5	0.9
Total	5.4	5.0

Management considers that the carrying amount of trade receivables in the financial statements approximates to their fair values.

Trade receivables that were neither past due nor impaired are substantially companies with good collection track record with the Group.

The currency profiles of the Group's trade receivables as at 31 December are as follows:

	Group	
	2015	2014
	€'m	€'m
Euro	9.1	8.4
Pound sterling	1.4	0.9
United States dollar	0.4	0.3
Swiss franc	0.1	0.1
	11.0	9.7

**17. Other receivables**

	Group		Company	
	2015	2014	2015	2014
	€'m	€'m	€'m	€'m
Deposits	0.7	0.7	-	-
Sundry receivables	0.2	0.2	-	0.2
	0.9	0.9	-	0.2

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**17. Other receivables (Continued)**

The currency profiles of the Group's and Company's other receivables as at 31 December are as follows:

	Group		Company	
	2015	2014	2015	2014
	€'m	€'m	€'m	€'m
Euro	0.7	0.7	-	0.2
Pound sterling	0.2	0.2	-	-
	<u>0.9</u>	<u>0.9</u>	<u>-</u>	<u>0.2</u>

**18. Cash and cash equivalents**

	Group		Company	
	2015	2014	2015	2014
	€'m	€'m	€'m	€'m
Bank balances	10.8	11.4	0.2	0.4
Short-term deposits	1.9	2.0	-	-
	<u>12.7</u>	<u>13.4</u>	<u>0.2</u>	<u>0.4</u>

Short-term deposits of the Group amounting to €1.9m (2014: €2.0m) were pledged by fixed and floating charges to banks to secure credit facilities granted to the subsidiaries.

Short-term deposits bear interest ranging from 0.15% to 0.45% (2014: Nil to 0.15%) per annum and are for a tenure of approximately 90 days (2014: 90 days).

The currency profiles of the Group's and Company's cash and cash equivalents as at 31 December are as follows:

	Group		Company	
	2015	2014	2015	2014
	€'m	€'m	€'m	€'m
Euro	9.7	10.2	-	-
Pound Sterling	1.8	2.8	-	0.3
Singapore Dollar	0.1	0.1	0.2	0.1
Others	1.1	0.3	-	-
	<u>12.7</u>	<u>13.4</u>	<u>0.2</u>	<u>0.4</u>

Bank deposits are mainly deposits with banks with high credit ratings assigned by international rating agencies.

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**19. Share capital**

	Group and Company			
	2015 No. of ordinary shares (m)	2014	2015 €'m	2014 €'m
<b>Issued and paid up:</b>				
At beginning and at end of year	451.4	451.4	291.9	291.9

The Company has one class of ordinary shares which carry no right to fixed income. Share capital does not have a par value and there is no authorised share capital. The holders of ordinary shares (except treasury shares) of the Company are entitled to receive dividends as and when declared by the Company. All ordinary shares of the Company carry one vote per share without restriction.

**20. Treasury shares**

	Group and Company			
	2015 No. of ordinary shares	2014	2015 €'m	2014 €'m
<b>Issued and paid up:</b>				
At beginning and at end of year	13,855,200	13,855,200	(6.5)	(6.5)

**21. Warrants**

**Columbia Warrants**

On 30 June 2011, the Company announced that it had entered into a conditional subscription agreement (the "Columbia Subscription Agreement") for the issue of an aggregate of 105,000,000 (restated to 2,100,000 following the share consolidation) warrants at nominal consideration. Each warrant entitles the warrant holder the right to subscribe for one new ordinary share in the capital of the Company, at an exercise price of S\$0.02 per warrant (subject to adjustment in certain circumstances pursuant to the terms and conditions on which the warrants are issued).

On 8 August 2011, the Company announced the completion of the subscription for nine groups of warrants, exercisable in the following numbers and from the following dates:

- a) 26,250,000 Group A Warrants, 8 August 2011;
- b) 9,843,750 Group B Warrants, 31 August 2011;
- c) 9,843,750 Group C Warrants, 30 November 2011;
- d) 9,843,750 Group D Warrants, 29 February 2013;
- e) 9,843,750 Group E Warrants, 31 May 2013;
- f) 9,843,750 Group F Warrants, 31 August 2013;
- g) 9,843,750 Group G Warrants, 30 November 2013;
- h) 9,843,750 Group H Warrants, 28 February 2014; and
- i) 9,843,750 Group I Warrants, 31 May 2014

(together the "Columbia Warrants")

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**21. Warrants (Continued)**

**Columbia Warrants (Continued)**

At the time of issue, the Columbia Warrants represented 1.2% of the issued share capital of the Company, although this percentage reduced following completion of the rights issue in September 2011. Assuming all of the Columbia Warrants were exercised by the warrant holders, the Company could expect to receive aggregate proceeds of S\$2.1m. The exercise price represented a 100% premium to the prevailing market price of the ordinary shares in the capital of the Company prior to the signing of the Columbia Subscription Agreement, based on the volume weighted average price of S\$0.01 (equivalent to S\$0.50 post consolidation) for trades done on 29 June 2011, being the last market day prior to the signing of the Columbia Subscription Agreement on which there were trades done on the shares.

The proceeds received from the exercising of any warrants will be used for general working capital purposes of the Company.

The impact of the exercise of all warrants was accounted for in determining the weighted average number of ordinary shares for the diluted loss per share.

	Date of Grant	Balance at 1 January 2015	Balance at 31 December 2015	Subscription price at 1 January 2015 (\$)	Subscription price at 31 December 2015 (\$)	Expiry date
Columbia Warrants	08 August 2011	2,100,000	2,100,000	1.00	1.00	8 August 2016
		<u>2,100,000</u>	<u>2,100,000</u>			

**22. Reserves**

	Group		Company	
	2015	2014	2015	2014
	€'m	€'m	€'m	€'m
Employee share option reserve	15.3	19.3	15.3	19.3
Foreign currency translation reserve	0.7	0.7	-	-
Other reserve	-	-	19.8	19.8
	<u>16.0</u>	<u>20.0</u>	<u>35.1</u>	<u>39.1</u>

Movements in these reserves accounts are set out in the statements of changes in equity of the Group and the Company.

(i) Employee share option reserve

The employee share option reserve of the Company and the Group arises on the grant of share options of the Company and is dealt with in accordance with the accounting policies set out in Note 2.18 to the financial statements.

(ii) Foreign currency translation reserve

The foreign currency translation reserve account comprises all foreign exchange differences arising from the translation of the financial statements of the companies in the Group whose functional currencies are different from that of the Group's presentation currency.

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**23. Obligations under finance leases**

The Group has finance leases for certain items of plant and equipment. The finance lease payable is denominated in Euro. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		Present value of minimum lease payments €'m
	Minimum lease payments €'m	Future finance charges €'m	
<b>2015</b>			
Within one year	1.2	(0.3)	0.9
Within one to five years	2.3	(0.2)	2.1
	3.5	(0.5)	3.0
Current			0.9
Non-current			2.1
			3.0
<b>2014</b>			
Within one year	1.7	(0.4)	1.3
Within one to five years	3.4	(0.3)	3.1
	5.1	(0.7)	4.4
Current			1.3
Non-current			3.1
			4.4

The finance lease terms range from 5 to 18 years.

The average effective interest rate charged during the financial year is 7.25% (2014: 7.25%) per annum. Interest rates are fixed at the contract date. As at the end of the financial year, the fair values of the Group's finance lease obligations approximate their carrying amounts.

The leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the leased assets, which will revert to the lessors in the event of default by the Group.

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**24. Interest bearing borrowings**

	Group	
	2015	2014
	€'m	€'m
<u>Current:</u>		
Bank loan	0.8	-
<u>Non-current:</u>		
Bank loan	46.1	19.2
	<u>46.9</u>	<u>19.2</u>

**Bank loan**

The Group's secured bank loans are secured by a fixed and floating charge over certain of the Group's assets.

The average effective borrowing rates during the financial year is Euribor plus 3.5% (2014: 3.5%) per annum and have a maturity date of 4 years from financial year 2015.

The bank loan is denominated in Euro.

Costs taken to the balance sheet in respect of this debt, to be amortised over its life, were €2.7m (2014: €1.6m) and these deferred costs have been netted off against the debt in the consolidated statement of financial position.

Management estimates that the carrying amount of the bank loan approximates its fair value due to frequent re-pricing.

**25. Provisions**

	Group	
	2015	2014
	€'m	€'m
At 1 January	3.9	4.4
Reversal of provision during the year	(0.6)	(0.5)
At 31 December	<u>3.3</u>	<u>3.9</u>

The provision for restoration costs was in relation to the rebuilding obligations that exist on the 25 (2014: 25) points of presence locations in Germany.

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**26. Deferred revenue**

	Group	
	2015	2014
	€'m	€'m
The deferred revenue will be released		
- within one financial year	5.5	5.5
Total current deferred revenue	5.5	5.5
- Between two and five financial years	11.7	10.8
- more than five financial years	4.7	5.3
Total non-current deferred revenue	16.4	16.1
Total deferred revenue	21.9	21.6

Deferred revenue comprises dark fibre leases, operational and maintenance services as well as instalment fees.

**27. Trade and other payables**

	Group		Company	
	2015	2014	2015	2014
	€'m	€'m	€'m	€'m
<u>Current Liabilities</u>				
Trade payables - owed to third parties	5.6	2.4	0.1	0.4
Other payables - owed to third parties	1.2	4.3	-	0.1
Deferred purchase consideration (Note 14)	0.4	-	-	-
Accrued expenses	13.5	14.4	0.1	2.0
	20.7	21.1	0.2	2.5
<u>Non-current liabilities</u>				
Deferred purchase consideration (Note 14)	0.4	-	-	-

The average credit period on trade payables is 36 days (2014: 25 days).

No interest is charged on the trade and other payables.

The currency profiles of the Group's and Company's trade and other payables as at 31 December are as follows:

	Group		Company	
	2015	2014	2015	2014
	€'m	€'m	€'m	€'m
Euro	19.4	12.0	-	2.0
Pound Sterling	1.0	8.3	-	-
Singapore Dollar	0.2	0.5	0.2	0.5
Swiss Franc	0.5	0.3	-	-
	21.1	21.1	0.2	2.5

Management considers that the carrying amount of trade and other payables in the financial statements approximates their fair value.

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**28. Changes in working capital**

	Group	
	2015	2014
	€'m	€'m
Trade receivables	(1.3)	(0.9)
Other receivables	-	0.8
Prepayments	(0.8)	2.2
Trade and other payables	(3.3)	0.1
Deferred revenue	0.3	2.4
	(5.1)	4.6

**29. Deferred tax assets/(liabilities)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position of the Group as follows:

	Group	
	2015	2014
	€'m	€'m
<b>Deferred tax assets</b>		
- to be recovered after one year	3.4	4.9
<b>Deferred tax liabilities</b>		
- to be settled after one year	(5.0)	(4.7)

The movements in deferred tax liabilities are as follows:

	Difference in amortisation of intangibles €'m	Difference in depreciation for tax purposes €'m	Provisions €'m	Total €'m
<b>Group</b>				
<b>2015</b>				
At beginning of financial year	3.2	1.3	0.2	4.7
Charged to profit or loss	-	0.3	-	0.3
At end of financial year	3.2	1.6	0.2	5.0
<b>2014</b>				
At beginning of financial year	3.2	1.9	0.2	5.3
Credited to profit or loss	-	(0.6)	-	(0.6)
At end of financial year	3.2	1.3	0.2	4.7

At the end of the financial year, the Group had unutilised tax losses of approximately €144.4m (2014: €297.1m) which are available for offset against future taxable profits. A deferred tax asset of €3.4m (2014: €4.9m) has been recognised in respect of €16.4m (2014: €22.1m) of such losses.



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**29. Deferred tax assets/(liabilities) (Continued)**

No deferred tax asset has been recognised in respect of the remaining of €143.6m (2014: €275m) tax losses due to uncertainty of their future realisation. These losses may be carried forward indefinitely subject to agreement by relevant tax authorities.

**30. Commitments**

**Operating lease commitments**

*Group as lessee*

The Group has entered into commercial non-cancellable leases on properties (office rooms, points of presence), dark fibre, data centre space, motor vehicles and items of small machinery where it is not in the best interests of the Group to purchase these assets. The leases have an average life of between 3 and 10 years with renewal terms included in the contracts. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the lessee by entering into these leases.

	Group	
	2015	2014
	€'m	€'m
Not later than one year	22.8	16.6
Later than one year and not later than five years	41.5	30.2
Later than five years	29.8	20.0
	94.1	66.8

*Group as lessor*

The Group has entered into commercial leases on its network properties. The following table sets out the future minimum lease payments receivable under non-cancellable operating leases as at 31 December as follows:

	Group	
	2015	2014
	€'m	€'m
Not later than one year	18.9	15.0
Later than one year and not later than five years	45.5	28.7
Later than five years	16.3	14.7
	80.7	58.4

**Capital commitments**

As at the end of the financial year, commitments in respect of capital expenditure are as follows:

	Group	
	2015	2014
	€'m	€'m
Capital expenditure contracted but not provided for		
- Commitments for the acquisition of plant and equipment	7.7	3.7

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**31. Related parties disclosures**

Compensation of key management personnel of the Group:

	2015	2014
	€'m	€'m
Short term employee benefits	6.4	2.3
Share option expenses	-	0.8
	6.4	3.1

The total remuneration of the Directors of the Company including fees paid to independent directors during the year amounted to €6.9m (2014: €3.6m).

**32. Share option scheme**

- (a) The euNetworks Group Limited 2009 Share Option Scheme (the "2009 Scheme") was approved by the shareholders of the Company at an Extraordinary General Meeting held on 17 July 2009 and amended by the shareholders at an Extraordinary General Meeting held on 28 April 2010.
- (b) During the financial year ended 31 December 2015, all outstanding share options under the 2009 Scheme were either (i) surrendered for cancellation in return for the Options Proposal made by JP Morgan (S.E.A.) Limited ("JP Morgan") as part of the Mandatory Unconditional Cash Offer made by JP Morgan on behalf of EUN Holdings LLP announced on 17 November 2014 ("Offer") or (ii) cancelled by agreement with the individual share option holders. No further share options have been granted under the 2009 Scheme and accordingly there are currently no share options outstanding under the 2009 Scheme.
- (c) On cancellation of the 2009 Scheme the payments made under the options proposal to those who had their vested share options cancelled, were taken straight to equity reserves. A new Management Equity Plan has been set up by the Company's ultimate holding company, EUN Holdings LLP, the interests in which, can be realised on EUN Holdings LLP realising its investment. This new Management Equity Plan has been treated as a modification of the historic scheme under FRS 102. There has been no charge to the profit or loss in respect of this new Management Equity Plan in the current year as the timing of any exit is uncertain.
- (d) The 2009 Scheme is formally administered by the Company's Remuneration Committee, comprising three Directors, namely John Neil Hobbs (Chairman), John Tyler Siegel Jr and Brady Reid Rafuse, although there are currently no share options outstanding under the 2009 Scheme.

On 10 June 2009, the Company gave notice to participants in the 2000 Scheme that, following the 2009 Rights Issue, the ESOS Committee determined to adjust the exercise price and number of shares comprised in an option (to the extent unexercised) by reducing the exercise price by a factor of 0.333 and increasing the number of options by a factor of 3 (all figures are post-adjustment).

The option grants made under the 2000 Scheme and the 2009 Scheme were adjusted on 31 May 2013 to reflect the 50 to 1 consolidation of ordinary shares completed by the Company on 31 May 2013.

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**32. Share option scheme (Continued)**

Under the 2009 Scheme, share options granted, exercised and cancelled/expired during the financial year and outstanding as at 31 December 2015 are as follows:

Date of grant	Balance at 1 January 2015 No.	Granted during the year No.	Cancelled/ expired No.	Balance at 31 December 2015 No.	Subscription price S\$	Vesting date
<b><u>2009 Scheme</u></b>						
27-Oct-09	1,383,283	-	(1,383,283)	-	1.25	27-Oct-10
27-Oct-09	1,383,283	-	(1,383,283)	-	1.25	27-Oct-11
27-Oct-09	1,210,372	-	(1,210,372)	-	1.25	27-Oct-12
27-Oct-09	1,729,108	-	(1,729,108)	-	0.75	15-Mar-10
27-Oct-09	1,729,108	-	(1,729,108)	-	0.75	15-Mar-11
27-Oct-09	1,729,108	-	(1,729,108)	-	0.75	15-Mar-12
27-Oct-09	1,729,108	-	(1,729,108)	-	0.75	15-Mar-13
26-Mar-10	172,910	-	(172,910)	-	0.75	26-Mar-11
26-Mar-10	172,910	-	(172,910)	-	0.75	26-Mar-12
26-Mar-10	172,910	-	(172,910)	-	0.75	26-Mar-13
28-Apr-10	3,988,320	-	(3,988,320)	-	1.00	28-Apr-14
14-Nov-11	10,241,770	-	(10,241,770)	-	0.79	14-Nov-13
14-Nov-11	5,120,885	-	(5,120,885)	-	0.79	14-Nov-14
14-Nov-11	5,225,944	-	(5,225,944)	-	0.79	14-Nov-15
4-Jan-13	200,000	-	(200,000)	-	0.75	4-Jan-15
4-Jan-13	100,000	-	(100,000)	-	0.75	4-Jan-16
4-Jan-13	100,000	-	(100,000)	-	0.75	4-Jan-17
8-Mar-13	1,747,029	-	(1,747,029)	-	0.80	8-Mar-15
8-Mar-13	873,514	-	(873,514)	-	0.80	8-Mar-16
8-Mar-13	873,514	-	(873,514)	-	0.80	8-Mar-17
25-Jun-13	500,000	-	(500,000)	-	0.75	25-Jun-15
25-Jun-13	250,000	-	(250,000)	-	0.75	25-Jun-16
25-Jun-13	250,000	-	(250,000)	-	0.75	25-Jun-17
17-Oct-13	300,000	-	(300,000)	-	0.75	17-Oct-15
17-Oct-13	150,000	-	(150,000)	-	0.75	17-Oct-16
17-Oct-13	150,000	-	(150,000)	-	0.75	17-Oct-17
15-Nov-13	100,000	-	(100,000)	-	0.85	15-Nov-15
15-Nov-13	50,000	-	(50,000)	-	0.85	15-Nov-16
15-Nov-13	50,000	-	(50,000)	-	0.85	15-Nov-17
7-Jan-14	1,250,000	-	(1,250,000)	-	0.80	7-Jan-15
7-Jan-14	1,250,000	-	(1,250,000)	-	0.80	7-Jan-16
7-Jan-14	1,250,000	-	(1,250,000)	-	0.80	7-Jan-17
7-Jan-14	1,250,000	-	(1,250,000)	-	0.80	7-Jan-18
5-Mar-14	2,100,000	-	(2,100,000)	-	0.75	5-Mar-16
5-Mar-14	1,050,000	-	(1,050,000)	-	0.75	5-Mar-17
5-Mar-14	1,050,000	-	(1,050,000)	-	0.75	5-Mar-18

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**32. Share option scheme (Continued)**

Date of grant	Balance at 1 January 2015 No.	Granted during the year No.	Cancelled/ expired No.	Balance at 31 December 2015 No.	Subscription price S\$	Vesting date
<b><u>2009 Scheme</u></b> (Continued)						
8-Apr-14	100,000	-	(100,000)	-	0.75	8-Apr-16
8-Apr-14	50,000	-	(50,000)	-	0.75	8-Apr-17
8-Apr-14	50,000	-	(50,000)	-	0.75	8-Apr-18
16-May-14	466,139	-	(466,139)	-	0.75	16-May-16
16-May-14	233,068	-	(233,068)	-	0.75	16-May-17
16-May-14	233,068	-	(233,068)	-	0.75	16-May-18
3-Jul-14	1,500,000	-	(1,500,000)	-	0.75	3-Jul-16
3-Jul-14	750,000	-	(750,000)	-	0.75	3-Jul-17
3-Jul-14	750,000	-	(750,000)	-	0.75	3-Jul-18
	<u>55,015,351</u>	<u>-</u>	<u>(55,015,351)</u>	<u>-</u>		
<b>Total</b>	<u>55,015,351</u>	<u>-</u>	<u>(55,015,351)</u>	<u>-</u>		

There were nil share options granted in 2015 (2014: 13,332,275).

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The estimate of the fair value of share options as at the date of grant is estimated by the Directors using the Black Scholes model (or using Monte Carlo simulation, where the share option contain performance criteria), taking into account the terms and conditions upon which the options were granted. The inputs to the model used and the fair value at measurement date are shown below.

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32. Share option scheme (Continued)										
Date of grant	Expected dividend yield (%)	Performance conditions	Expected volatility (%)	Risk-free interest rate (%)	Expected life of options (years)	Exercise price (\$\$)	Share price at date of grant (\$\$)	Fair value at measurement date (\$\$)	Valuation model	
<b>Share options granted under the 2000 Scheme</b>										
1 January 2007	0	No	70	3.03	5	0.0467	0.14	0.0837	Black-Scholes	
1 January 2007	0	No	70	3.03	5	0.0433	0.13	0.0859	Black-Scholes	
1 January 2007	0	No	70	3.03	5	0.0333	0.1	0.0934	Black-Scholes	
27 August 2007	0	No	70	2.59	5	0.055	0.165	0.0979	Black-Scholes	
30 June 2009	0	No	70	1.45	5	0.03	0.03	0.0175	Black-Scholes	
<b>Share options granted under the 2009 Scheme</b>										
27 October 2009	0	No	70	1.44	8	0.015	0.025	0.0193	Black-Scholes	
27 October 2009	0	No	70	1.44	8	0.025	0.025	0.0174	Black-Scholes	
16 March 2010	0	No	70	1.30	8	0.015	0.015	0.0104	Black-Scholes	
26 March 2010	0	No	70	1.32	8	0.015	0.015	0.0104	Black-Scholes	
28 April 2010	0	No	70	1.12	8	0.02	0.02	0.0138	Black-Scholes	
28 April 2010	0	No	70	1.12	8	0.02	0.02	0.0116	Black-Scholes	
28 April 2010	0	Yes	70	1.12	8	0.02	0.02	0.0123	Monte Carlo	
6 July 2010	0	No	70	0.80	8	0.015	0.02	0.0146	Black-Scholes	
6 July 2010	0	Yes	70	0.80	8	0.015	0.02	0.0133	Monte Carlo	
14 September 2010	0	No	70	0.72	8	0.015	0.015	0.0103	Black-Scholes	
14 September 2010	0	Yes	70	0.72	8	0.015	0.015	0.0080	Monte Carlo	
2 December 2010	0	No	70	1.23	8	0.016	0.015	0.0102	Black-Scholes	

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**32. Share option scheme (Continued)**

Date of grant	Expected dividend yield (%)	Performance conditions	Expected volatility (%)	Risk-free interest rate (%)	Expected life of options (years)	Exercise price (\$\$)	Share price at date of grant (\$\$)	Fair value at measurement date (\$\$)	Valuation model
<b>Share options granted under the 2009 Scheme (Continued)</b>									
21 June 2011	0	No	70	1.05	8	0.015	0.01	0.0062	Black-Scholes
14 November 2011	0	No	70	0.56	8	0.0158	0.016	0.0110	Black-Scholes
14 November 2011	0	Yes	70	0.56	8	0.0158	0.016	0.0088	Monte Carlo
14 November 2011	0	No	70	0.56	5	0.0158	0.016	0.0092	Black-Scholes
21 December 2011	0	No	70	0.61	8	0.0178	0.018	0.0124	Black-Scholes
21 December 2011	0	Yes	70	0.61	8	0.0178	0.018	0.0108	Monte Carlo
4 January 2013	0	No	70	0.91	8	0.75	0.75	0.51	Black-Scholes
8 March 2013	0	No	70	0.96	8	0.80	0.75	0.51	Black-Scholes
25 June 2013	0	No	69	2.09	8	0.75	0.66	0.44	Black-Scholes
17 October 2013	0	No	69	1.56	8	0.75	0.72	0.49	Black-Scholes
15 November 2013	0	No	69	1.45	8	0.85	0.84	0.58	Black-Scholes
7 January 2014	0	No	65	1.09	4	0.80	0.77	0.37	Black-Scholes
8 March 2014	0	No	69	2.44	8	0.75	0.70	0.48	Black-Scholes
8 April 2014	0	No	68	2.48	8	0.75	0.66	0.43	Black-Scholes
16 May 2014	0	No	66	1.28	4	0.75	0.66	0.31	Black-Scholes
3 July 2014	0	No	66	2.33	8	0.75	0.54	0.34	Black-Scholes

The expected volatility is based on the historic volatility of the telecommunication services industry, adjusted for any expected changes to future volatility due to publicly available information.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

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**33. Financial risk management objectives and policies**

The Group's activities expose it to credit risks, market risks (including foreign currency risks and interest rate risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Group uses financial instruments such as foreign currency forward contracts and interest rate swaps to hedge certain financial risk exposures.

The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by a central finance team in accordance with the policies set by the management. Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between cost of risks occurring and the cost of managing risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis as indicated below.

***Credit risk***

Credit risk is the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group has no significant concentration of credit risk because trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial conditions of trade receivables.

For banks and financial institutions, only independently rated and regulated parties are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management.

With respect to credit risk arising from the other financial assets of the Group and the Company, which comprise cash and cash equivalents and other receivables, the Group's exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amount of these instruments. The management does not expect counterparties to fail to meet their obligations.

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**33. Financial risk management objectives and policies (Continued)**

*Liquidity risk*

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group and the Company manage the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's and the Company's business operations, future capital expenditure and for working capital purposes. The Group's and the Company's objectives are to maintain a balance between continuing of funding and flexibility through the use of convertible bond issues and may consider other fund raising exercise such as right issues, private placements or equity-related exercise.

The Group prepares weekly rolling cash flow forecasts which are reviewed by management. Liquidity is managed centrally by the Group finance function.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive (or pay). The table includes both interest and principal cash flows.

	Effective interest rate %	Up to 3 months €'m	Between 3 and 12 months €'m	1 to 2 years €'m	2 to 4 years €'m	Over 4 years €'m	Total €'m
<b>Group</b>							
<b>Financial assets</b>							
Cash and cash equivalents	0	12.7	-	-	-	-	12.7
Trade and other receivables	0	11.9	-	-	-	-	11.9
<b>As at 31 December 2015</b>		<b>24.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.6</b>
<hr/>							
Cash and cash equivalents	0	13.4	-	-	-	-	13.4
Trade and other receivables	0	10.6	-	-	-	-	10.6
<b>As at 31 December 2014</b>		<b>24.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.0</b>
<hr/>							
<b>Financial liabilities</b>							
Trade and other payables	0	20.3	0.4	0.4	-	-	21.1
Obligations under finance leases	8	0.3	1.3	1.2	0.7	-	3.5
Bank loan	4	0.3	1.2	3.1	45.0	-	49.6
<b>As at 31 December 2015</b>		<b>20.9</b>	<b>2.9</b>	<b>4.7</b>	<b>45.7</b>	<b>-</b>	<b>74.2</b>
<hr/>							
Trade and other payables	0	21.1	-	-	-	-	21.1
Obligations under finance leases	8	0.4	1.2	1.6	1.9	-	5.1
Bank loan	4	-	0.7	0.7	0.7	21.5	23.6
<b>As at 31 December 2014</b>		<b>21.5</b>	<b>1.9</b>	<b>2.3</b>	<b>2.6</b>	<b>21.5</b>	<b>49.8</b>



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**33. Financial risk management objectives and policies (Continued)**

*Liquidity risk (Continued)*

	Effective interest rate	Up to 3 months	Between 3 and 12 months	1 to 2 years	2 to 4 years	Total
	%	€'m	€'m	€'m	€'m	€'m
<b>Company</b>						
<b>Financial assets</b>						
Cash and cash equivalents	0	0.2	-	-	-	0.2
<b>As at 31 December 2015</b>		<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>
Cash and cash equivalents	0	0.4	-	-	-	0.4
<b>As at 31 December 2014</b>		<b>0.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>
<b>Financial liabilities</b>						
Other payables	0	0.2	-	-	-	0.2
<b>As at 31 December 2015</b>		<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>
Other payables	0	2.5	-	-	-	2.5
<b>As at 31 December 2014</b>		<b>2.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.5</b>

*Interest rate risk*

Interest rate risk is the risk that fluctuations in interest rates could result in changes in interest income and expense as well as the value of financial instruments.

The Group's income and operating cash flows are substantially independent of changes in market interest rate. The Group has no significant interest-bearing assets and liabilities other than the bank loan drawn down during the financial year.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings. The Group does not use derivative financial instruments to hedge its interest rate risk.

*Interest rate sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rate risks for non-derivative instruments at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole year. The sensitivity analysis assumes an instantaneous 5% change in the interest rates from the end of the financial year, with all variables held constant.

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**33. Financial risk management objectives and policies (Continued)**

*Interest rate sensitivity analysis (Continued)*

	Increase/(Decrease)	
	Consolidated statement of profit or loss and other comprehensive income	
	2015	2014
	€'m	€'m
<b>Group</b>		
<b>Bank Loan</b>		
Interest rate increases by 5%	(2.5)	(1.04)
Interest rate decreases by 5%	2.5	1.04
	<u>2.5</u>	<u>1.04</u>

*Foreign currency risk*

Foreign currency risk is the risk that changes in exchange rates could result in fluctuation in the value of assets, liabilities, revenue and costs where the underlying transactions and balances are held in foreign currency.

The Group mainly operates in the Euro zone, most of the transactions in relation to the European business are concluded in Euro and the functional currency of all subsidiaries is Euro.

The Group did not use derivative financial instruments to hedge its foreign currency risk in financial year 2015 and 2014.

*Foreign currency sensitivity analysis*

The Group is mainly exposed to Pound sterling and Singapore dollars.

The following table details the Group's sensitivity to a change of 10 eurocent against the Pound sterling. The sensitivity analysis assumes an instantaneous change of 10 eurocent for a Pound sterling in the foreign currency exchange rates from the statement of financial position date, with all variables held constant.

	Increase/(Decrease)	
	Consolidated statement of profit or loss and other comprehensive income	
	2015	2014
	€'m	€'m
<b>Group</b>		
<b>Pound Sterling</b>		
Strengthens against Euro	0.2	0.5
Weakens against Euro	(0.2)	(0.5)
	<u>0.2</u>	<u>(0.5)</u>

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**34. Fair value of financial assets and financial liabilities**

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

A summary of the financial instrument held by category is provided below:

	2015	2014
	€'m	€'m
<b>Group</b>		
<b>Financial assets</b>		
Cash and cash equivalents	12.7	13.4
Trade and other receivables	11.9	10.6
Total loans and receivables	<u>24.6</u>	<u>24.0</u>
<b>Financial liabilities</b>		
Trade and other payables	21.1	21.1
Obligations under finance lease	3.0	4.4
Interest bearing borrowings	46.9	19.2
Total financial liabilities at amortised cost	<u>71.0</u>	<u>44.7</u>

**35. Capital management policies and objectives**

The management's policy is to ensure that the Group is able to continue as a going concern and to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group regards the equity attributable to shareholders as capital. Equity is represented by net assets.

The Group's management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group balances its overall capital structure through new share issues, the issue of new debt and the redemption of existing debt. The Group's overall strategy remains unchanged from 2014.

	Group	
	2015	2014
	€'m	€'m
Interest bearing borrowings	46.9	19.2
Obligations under finance leases	3.0	4.4
Cash and cash equivalents	(12.7)	(13.4)
Net debt	<u>37.2</u>	<u>10.2</u>
Total equity	188.3	193.6
Total capital	<u>225.5</u>	<u>203.8</u>
Gearing ratio	<u>16.5%</u>	<u>5.0%</u>

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings less cash and cash equivalents. The total capital is calculated as equity plus net debt.

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**35. Capital management policies and objectives (Continued)**

The Board regularly reviews the funding profile of the Group and determines the issue or redemption of financial instruments to meet the Group's funding requirement while ensuring an appropriate balance between debt and equity.

The Company also purchases its own shares from the market and the timing of these purchases depends on market prices. Primarily, such actions are intended to enhance the return to the Company's shareholders and to be used for issuing shares under the Group's share options scheme. Buy and sell decisions are made on a specific transaction basis by the management. The Company does not have a defined share buy-back plan.

The management believes that employees' participation in the capital of the Company will increase the shareholders' value and therefore will maintain the Group's share option scheme, which is extended to both key management personnel and to certain classes of employees of the Group.

There are no further changes in the Group's approach to capital management during the financial year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

**36. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of euNetworks Group Limited on 23 March 2016.

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## APPENDIX 6 STATEMENTS OF PROSPECTS

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### 1. STATEMENTS OF PROSPECTS

While the macroeconomy in Europe remains unsettled, and pricing pressures are prevalent in some markets and for some products, bandwidth demand continues to grow. The Group's depth and scale continues to develop further enabling euNetworks to serve a focused set of sophisticated customers in diverse segments whose bandwidth requirements are increasing. Further incremental growth opportunities are supported by specific strategic network development projects.

euNetworks considers that it can achieve revenue growth at rates consistent with the Group's organic performance in the most recent financial year by growing market share in its focus products: Fibre, Wavelengths, and Ethernet. In 2Q2016, euNetworks grew revenues 10% versus the same period in the prior year.

Further, as euNetworks continues to scale, both gross profit and recurring Adjusted EBITDA (earnings before interest, taxes, depreciation and amortisation, before the deduction of share option expenses) are expected to grow at a greater rate than revenue.

These improvements will derive from euNetworks' continued focus on high gross margin sales of 80% in aggregate or better (in 2Q2016 average gross margin on new sales was 82%), and cost management at all levels. This is a continuation of trends evident in the most recent financial year ended 31 December 2015.

As at 30 June 2016, euNetworks' contracts are for periods generally ranging from 1 year to 5 years, with an overall average contract length of just over 3 years.

As at 30 June 2016, about 70% of contracts are within contract terms; more than half of these in-term contracts extend into 2017 or beyond.

The remaining 30% of contracts roll over on a month-to-month basis.

The sale of multiple products to customers adds further stability to the contract base. As at 30 June 2016, more than 70% of the Group's recurring revenues are attributed to customers who take three or more services from the Group.

These factors plus a focus on continued connection of new carrier-neutral data centres to its network footprint should enable euNetworks to achieve revenue growth consistent with its most recent financial year revenue growth rates over the next two calendar years.

### 2. BASES AND ASSUMPTIONS

The statements of prospects set out above (the "**Statements of Prospects**") were arrived at on bases consistent with the accounting policies normally adopted by the Company and have been made based on the following assumptions and/or information available as at the date on which the Statements of Prospects were made:

- (i) there will be no changes in the political, socio-economic, legal or regulatory conditions that will materially affect the activities of the Group, the industries or the countries in which the Group operates, in FY2016;

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**APPENDIX 6**  
**STATEMENTS OF PROSPECTS**

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- (ii) there will be no material changes in the structure of the Group or the principal activities of the Group;
- (iii) there will be no significant disruptions arising from industrial, political or legislative actions in any of the countries that will affect the operations of our Group, suppliers or customers;
- (iv) there will be no material adverse changes in the market competition, particularly in the countries which the Group operates in;
- (v) there will be no changes in the basis and rates of inflation, provident fund contributions, and tariffs in the countries which the Group operates in;
- (vi) there will be no material changes in the key management personnel of our Group which may impact the Group's business, operations and future viability;
- (vii) there will be no material change in the relationships the Group has with major suppliers, customers and financial institutions which may affect the Group's financial performance;
- (viii) there will be no material effect on the Group arising from any changes in the economic and financial positions of the Group, its suppliers and its customers;
- (ix) there will be no material capital expenditures except those expenditures projected for the normal course of business and expenditures to support an approved network development programme to accelerate product development, datacentre connection, and network extension;
- (x) there will be no exceptional circumstances that will require provisions to be made by our Group in respect of any contingent liability or arbitration threatened or otherwise, incomplete contracts or other assets;
- (xi) there will be no material change to the existing employment benefits and incentive scheme of the Group;
- (xii) there will be no material impairment to the carrying values of assets of the Group;
- (xiii) there will be no changes to the accounting policies normally adopted in the preparation of the financial statements of the Group;
- (xiv) there will be no material change to the working capital ratios of the Group;
- (xv) there will be no material impact to the Group arising from the transaction costs relating to the Acquisition;
- (xvi) there will be no material changes in the management and organisation structure of the Group;
- (xvii) the total market for bandwidth services in Europe will continue to grow in line with historical growth;

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**APPENDIX 6**  
**STATEMENTS OF PROSPECTS**

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- (xviii) mobile operators across Europe, especially in Germany, will continue their plans to build out mobile towers requiring fibre connection in metro markets where the Group is present;
- (xix) cost savings measures defined in 2015 and continuing in 2016 will continue to improve the Group's cost efficiency across all functions (network expense; network operating expense; selling, general and administrative expenses; and capital expenditure) with sustainable effects;
- (xx) returns associated with connecting additional data centres and completing network extensions will, on the whole, be comparable to historical returns for similar data centre connections or network extensions within similar markets;
- (xxi) significant network development projects involving third parties will be managed to a similar timeline and within similar contract terms to historical projects of similar size and scope;
- (xxii) pricing trends by product will continue to follow their historical trends; that is, the price for a service with similar bandwidth and latency characteristics will converge to a price floor, partially or wholly offset by the introduction of higher bandwidth or lower latency services;
- (xxiii) there will be no material changes to the provisions for property re-instatement at the end of their leases from those held at 31 December 2015;
- (xxiv) additional borrowings of the Group will be drawn down and/or repaid in the normal course of business in order to fund working capital and for network investment purposes;
- (xxv) there will be no material business acquisitions or disposals by the Group;
- (xxvi) there will be no material disruption to the business of the Group arising from industrial or labour disputes with, or strikes by, its employees or the supply of labour;
- (xxvii) there will be no material changes in the bases or rates of taxation as of 31 December 2015, which may affect the Group's performance;
- (xxviii) whilst an improved balance of revenue and costs in British Pound Sterling has reduced exposure to currency movements, exchange rates and interest rates are assumed not to differ materially from those prevailing as at 31 December 2015;
- (xxix) overhead costs (such as staff costs and depreciation expenses) are assumed to grow to and cater for the expansion of the business of the Group;
- (xxx) credit terms from major suppliers of the Group (including third-party network vendors and local construction partners) and credit terms to customers of the Group will not differ materially from the past; and
- (xxxi) there will be no significant bad debts or customer insolvencies arising for the Group.

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**APPENDIX 7**  
**LETTER FROM THE AUDITORS ON THE STATEMENTS OF PROSPECTS**

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BDO LLP  
Chartered Accountants  
600 North Bridge Road  
#23-01 Parkview Square  
Singapore 188778

Our Ref: AUD2/E531/PA/KN

23 August 2016

The Board of Directors  
euNetworks Group Limited  
15 Worship Street,  
London EC2A 2DT,  
United Kingdom

Dear Sirs

**EXAMINATION OF STATEMENTS OF PROSPECTS MADE BY EUNETWORKS GROUP LIMITED (THE "COMPANY") IN THE SCHEME DOCUMENT (AS DEFINED BELOW)**

This letter is provided solely for the Directors of the Company (the "Directors") and has been prepared for inclusion in the scheme document (the "Scheme Document") to be issued by the Company to its shareholders in connection with the proposed acquisition by EUN (UK) Limited (the "Offeror") and EUN Holdings, LLP (the "Partnership") of all the issued and paid-up ordinary shares in the capital of the Company (excluding treasury shares) other than those already held by the Partnership, to be effected by way of a scheme of arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore, as jointly announced by the Company, the Offeror, the Partnership and EUN Holdings (UK) Limited on 29 July 2016.

With reference to the statements of prospects made by the Company in the Scheme Document as set out in Appendix 6 to the Scheme Document ("Statements of Prospects"), we are providing this letter solely to the Directors to state whether, based on the examination of the evidence supporting the assumptions on which the Statements of Prospects is based, anything has come to our attention which causes us to believe that such assumptions do not provide a reasonable basis for the Statements of Prospects and to express an opinion as to whether the Statements of Prospects is properly prepared on the basis of such assumptions and is prepared and presented on a consistent basis with historical financial statements of the Company and its subsidiaries (collectively, the "Group") and using appropriate accounting principles and policies in accordance with the Singapore Financial Reporting Standards.

We have examined the Statements of Prospects in accordance with Singapore Standards on Assurance Engagements applicable to the examination of prospective financial information. The Directors are responsible for the Statements of Prospects, including the assumptions on which it is based.

Based on our examination of the evidence supporting the assumptions on which the Statements of Prospects is based, nothing has come to our attention which causes us to believe that such assumptions do not provide a reasonable basis for the Statements of Prospects. Further, in our opinion, the Statements of Prospects is properly prepared on the basis of such assumptions and is presented on a consistent basis with historical financial statements of the Group and using appropriate accounting principles and policies in accordance with the Singapore Financial Reporting Standards.



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**APPENDIX 7**  
**LETTER FROM THE AUDITORS ON THE STATEMENTS OF PROSPECTS**

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*Our Ref: AUD2/E531/PA/KN  
23 August 2016*

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material.

The procedures were performed solely for the use of the Directors for the purposes set out above and our letter is not to be used for other purposes without our prior knowledge or written consent. We do not assume responsibility towards or accept liability to any other persons for the contents of this report.

Yours truly

A handwritten signature in black ink, appearing to be 'BDOUP'.

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**APPENDIX 8**  
**LETTER FROM THE IFA ON THE STATEMENTS OF PROSPECTS**

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23 August 2016

**The Board of Directors**

**euNetworks Group Limited**  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

Dear Sirs

**PROPOSED ACQUISITION OF EUNETWORKS GROUP LIMITED (THE "COMPANY") BY EUN (UK) LIMITED AND EUN HOLDINGS, LLP OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF THE COMPANY BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT, CHAPTER 50 OF SINGAPORE AND IN ACCORDANCE WITH THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS ("CODE") (THE "ACQUISITION")**

*Unless otherwise defined or the context otherwise requires, all terms used in this letter shall have the same meanings as defined in the Scheme Document (as defined below) and the Offeror Letter to Shareholders (as set out in the Scheme Document), as the case may be.*

This letter has been prepared for inclusion in the scheme document dated 23 August 2016 issued by the Company to its shareholders in relation to the Acquisition (the "**Scheme Document**").

The Scheme Document contains certain statements of prospects made by the Company which are reproduced in Appendix 6 to the Scheme Document (the "**Statements of Prospects**").

We have reviewed and held discussions with the Directors and the management of the Company in relation to the Statements of Prospects as well as the underlying bases and assumptions for the Statements of Prospects prepared by the Company. We have also considered the letter from BDO LLP dated 23 August 2016 and addressed to the Board of Directors (a copy which is reproduced in Appendix 7 to the Scheme Document) relating to their examination of the Statements of Prospects and the accounting policies, bases and assumptions upon which the Statements of Prospects were prepared.

Based on the above, we are of the opinion that the Statements of Prospects (for which the Directors are solely responsible) have been made by the Directors after due and careful enquiry.

For the purpose of rendering our opinion in this letter, we have relied upon and assumed the accuracy and completeness of all financial and other information provided to, or discussed with us. Save as provided in this letter, we do not express any other opinion on the Statements of Prospects.

This letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Code and not for any other purpose. We do not accept any responsibility to any person, other than the Directors, in respect of, arising out of, or in connection with this letter.

Yours faithfully  
For and on behalf of  
**SAC Advisors Private Limited**

Bernard Lim Aik Kwang  
Executive Director

Tee Chun Siang  
Senior Manager

SAC Advisors Private Limited  
1 Robinson Road, #21-02 AIA Tower,  
Singapore 048542  
Tel: +65 6221 5590 Fax: +65 6221 5597  
Business Registration No.: 200713620D  
Licensed by MAS

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## APPENDIX 9 SCHEME CONDITIONS

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*All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.*

The Acquisition is conditional upon the following:

1. **Shareholders' Approval:** the approval of the Scheme by the Shareholders in compliance with the requirements under Section 210 of the Companies Act;
2. **Court Order:** the grant of the Court Order and such Court Order having become final;
3. **ACRA Lodgement:** the lodgement of the Court Order with ACRA;
4. **Regulatory Approvals:** the receipt of the following confirmations from the SIC prior to the Court Meeting that:
  - (i) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code shall not apply to the proposed Scheme, subject to any conditions the SIC may deem fit to impose;
  - (ii) the SIC has no objections to the conditions set out in this **Appendix 9** to this Scheme Document; and
  - (iii) the Deeds of Undertaking by each respective Undertaking Shareholder, in and of themselves, do not amount to an agreement or understanding to cooperate between each Undertaking Shareholder and the Offeror to obtain or consolidate effective control of the Company through the Acquisition, and accordingly, each of the Undertaking Shareholders is allowed to attend and vote on the Scheme at the Court Meeting unless it is otherwise acting in concert with the Offeror,

and such confirmations not being revoked or withdrawn on or before the Record Date;

5. **No Prescribed Occurrence:** between the date of the Implementation Agreement and the Record Date, no Prescribed Occurrence occurs, other than as contemplated or required by the Implementation Agreement or the Scheme;
6. **Company's Warranties and Covenants:**
  - (i) the Company's Warranties being true and correct in all material respects as at the date of the Implementation Agreement and as at the Record Date as though made on and as at that date except to the extent any such Company's Warranty expressly relates to an earlier date (in which case as at such earlier date), provided that such condition precedent shall only be regarded as being breached or not being fulfilled or satisfied if:
    - (a) the Company's Warranty set out in **paragraph 5 of Appendix 14** to this Scheme Document is untrue or incorrect in any material respect; or

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## APPENDIX 9 SCHEME CONDITIONS

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- (b) the Company's Warranties (other than the Company's Warranty set out in **paragraph 5** of **Appendix 14** to this Scheme Document) being untrue and incorrect have, whether individually or in the aggregate, resulted in the occurrence of a Material Adverse Effect; and
  - (ii) the Company shall have, as at the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date;
- 7. Offeror's Warranties and Covenants:**
  - (i) the Offeror's Warranties being true and correct as at the date of the Implementation Agreement and as at the Record Date as though made on and as at that date except to the extent any such Offeror's Warranty expressly relates to an earlier date (in which case as at such earlier date); and
  - (ii) the Offeror shall have, as at the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date;
- 8. Partnership's Warranties and Covenants:**
  - (i) the Partnership's Warranties being true and correct as at the date of the Implementation Agreement and as at the Record Date as though made on and as at that date except to the extent any such Partnership's Warranty expressly relates to an earlier date (in which case as at such earlier date); and
  - (ii) the Partnership shall have, as at the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date; and
- 9. Irrevocable Undertakings:** contemporaneous with the execution of the Implementation Agreement, each Undertaking Shareholder enters into a deed of undertaking in favour of the Offeror to vote its Shares in favour of the Scheme at the Court Meeting (each, a "**Deed of Undertaking**").

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## APPENDIX 10 PRESCRIBED OCCURRENCES

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*All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.*

### 1. Company's Prescribed Occurrences

For the purpose of this Scheme Document, a “**Company's Prescribed Occurrence**” means any of the following:

- 1.1 **Conversion of Shares:** the Company converting all or any of the Shares into a larger or smaller number of Shares;
- 1.2 **Share Buy-back:** the Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act;
- 1.3 **Reduction of Share Capital:** the Company resolving to reduce its share capital in any way;
- 1.4 **Allotment of Shares:** the Company making any allotment or issuance of, or granting any option or other security to subscribe for or convertible into, any Shares, other than an allotment and issuance of Shares pursuant to the valid exercise of the Columbia Warrants;
- 1.5 **Injunctions:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or any part thereof by the Company;
- 1.6 **Resolution for Winding-Up:** any Group Company other than an Excluded Subsidiary resolving that it be wound up;
- 1.7 **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of any Group Company other than an Excluded Subsidiary;
- 1.8 **Order of Court for Winding-Up:** the making of an order by a court of competent jurisdiction for the winding-up of any Group Company other than an Excluded Subsidiary;
- 1.9 **Composition:** any Group Company other than an Excluded Subsidiary entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
- 1.10 **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to all or a substantial part of the property or assets of any Group Company other than an Excluded Subsidiary;
- 1.11 **Insolvency:** any Group Company other than an Excluded Subsidiary becoming or being deemed by law or a court of competent jurisdiction to be insolvent or stops or suspends or defaults on or threatens to stop or suspend or default on payment of its debts of a material amount as they fall due; or

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## APPENDIX 10 PRESCRIBED OCCURRENCES

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**1.12 Scheme Document:** the Company failing to comply with its obligation in respect of the despatch of the Scheme Document to Shareholders under the relevant provisions of the Implementation Agreement.

### 2. Offeror's Prescribed Occurrences

For the purpose of this Scheme Document, an “**Offeror's Prescribed Occurrence**” means any of the following:

**2.1 Injunctions:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or any part thereof by the Offeror;

**2.2 Resolution for Winding-Up:** the Offeror resolving that it be wound up;

**2.3 Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of the Offeror;

**2.4 Order of Court for Winding-Up:** the making of an order by a court of competent jurisdiction for the winding-up of the Offeror;

**2.5 Composition:** the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;

**2.6 Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to all or a substantial part of the property or assets of the Offeror; or

**2.7 Insolvency:** the Offeror becoming or being deemed by law or a court of competent jurisdiction to be insolvent or stops or suspends or defaults on or threatens to stop or suspend or default on payment of its debts of a material amount as they fall due.

### 3. Partnership's Prescribed Occurrences

For the purpose of this Scheme Document, a “**Partnership's Prescribed Occurrence**” means any of the following:

**3.1 Injunctions:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or any part thereof by the Partnership;

**3.2 Resolution for Winding-Up:** the Partnership resolving that it be wound up or dissolved;

**3.3 Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of the Partnership;

**3.4 Order of Court for Winding-Up:** the making of an order by a court of competent jurisdiction for the winding-up or dissolution of the Partnership;

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## APPENDIX 10 PRESCRIBED OCCURRENCES

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- 3.5 Composition:** the Partnership entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
- 3.6 Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to all or a substantial part of the property or assets of the Partnership; or
- 3.7 Insolvency:** the Partnership becoming or being deemed by law or a court of competent jurisdiction to be insolvent or stops or suspends or defaults on or threatens to stop or suspend or default on payment of its debts of a material amount as they fall due.

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**APPENDIX 11**  
**OBLIGATIONS OF THE COMPANY, THE OFFEROR AND**  
**THE PARTNERSHIP IN RELATION TO THE SCHEME**

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*All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.*

**1. The Company's Obligations**

- 1.1 Joint Announcement:** the issue of the Joint Announcement, jointly with the Offeror, the Offeror's Holdco and the Partnership, on the Joint Announcement Date;
- 1.2 Scheme Document:** the preparation and despatch of this Scheme Document and all other documents which are required to be prepared and circulated by it in connection with the Scheme and to carry into effect the Implementation Agreement, in each case, in compliance with all applicable laws and regulations and the despatch of the Offerors' Letter together with this Scheme Document;
- 1.3 Court Meeting:** the application to the Court for order(s) convening the Court Meeting and for any ancillary orders relating thereto (all such applications and orders, including the originating summons for the Scheme, to be in such form and substance as shall have been approved by the Offeror) and the convening of the Court Meeting;
- 1.4 Despatch of Documents:** instructing its share registrar to promptly (but in any event no later than 90 days after the Joint Announcement Date) despatch to the entitled Shareholders this Scheme Document and the appropriate forms of proxy for use at the Court Meeting following the grant of the order of the Court convening the Court Meeting and lodging the same with the SIC;
- 1.5 Court Order:** if the Scheme is approved by the Scheme Shareholders at the Court Meeting, applying to the Court, within such time frames as shall be agreed between the Offeror and the Company in writing, for seeking its sanction and confirmation of the Scheme;
- 1.6 ACRA Lodgement:** following the grant of the Court Order, delivering the same to ACRA for lodgement on such date as shall be agreed between the Offeror and the Company in writing;
- 1.7 Conduct of Business by the Company:** during the period from the date of the Implementation Agreement to the Effective Date, save insofar as consented to in writing by the Partnership or the Offeror (such consent not to be unreasonably withheld, conditioned or delayed), carrying on its businesses only in the ordinary and usual course, save that the Company or any other Group Company shall be entitled to, and no consent of the Partnership or the Offeror shall be required for the Company or such Group Company to:
- 1.7.1** draw down, utilise or otherwise exercise its rights, or take or refrain from taking any step for the purposes of complying with, performing, satisfying or observing the warranties, undertakings or obligations given by or imposed upon it under or pursuant to the Company Facilities Agreement;
- 1.7.2** undertake or take any step with a view to commencing a liquidation, dissolution, winding-up or re-organisation of the assets, business, operations or capital of any Excluded Subsidiary or other process whereby the operations or business of such



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**APPENDIX 11**  
**OBLIGATIONS OF THE COMPANY, THE OFFEROR AND**  
**THE PARTNERSHIP IN RELATION TO THE SCHEME**

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Excluded Subsidiary are suspended or terminated or the assets of such Excluded Subsidiary are distributed among its creditors, shareholders and/or contributories, including the following:

- (i) the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of such Excluded Subsidiary;
- (ii) the entry by an Excluded Subsidiary into any arrangement or general assignment or composition for the benefit of its creditors generally; and
- (iii) the appointment of a receiver or a receiver and manager in relation to all or a substantial part of the business or assets of such Excluded Subsidiary,

or any other arrangement, procedure or act analogous to or to effect any of the foregoing under the laws of any jurisdiction;

**1.7.3** evaluate, initiate any approaches, engage in or continue discussions or negotiations, carry out due diligence or other investigations, make or give indicative offers, expressions of interest, letters of intent or proposals or make, enter into or agree on indicative terms, arrangements or understandings in relation to any investment in or acquisition or disposal of any assets, shares or other interests in or of any company, partnership or other business venture (the “**Potential Investment or Divestment**”) and, following (a) the Partnership or the Offeror having consented in writing to a Potential Investment or Divestment and (b) the SIC having consented (where applicable), to undertake, execute or enter into definitive agreements in respect of, or arrangements or take steps to implement, complete and consummate, such Potential Investment or Divestment; and

**1.7.4** do any act or thing (including taking any step referred to or contemplated by **paragraph 1.7.3** above) in relation to any Potential Investment or Divestment which Columbia V has consented to in writing prior to the date of the Implementation Agreement; and

**1.8 No Solicitation:** during the period from the date of the Implementation Agreement to the Record Date:

**1.8.1** the Company shall not, and shall not authorise or permit any of its affiliates or any of its or their representatives to, directly or indirectly, (a) encourage, solicit, initiate, facilitate or continue inquiries regarding a Competing Offer; (b) enter into discussions or negotiations with, or provide any information to, any person concerning a Competing Offer; or (c) enter into any agreements or other instruments (whether or not binding) regarding a Competing Offer and the Company shall immediately cease and cause to be terminated, and shall cause its affiliates and all of its and their representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any persons conducted as at the date of the Implementation Agreement with respect to, or that could lead to, a Competing Offer, save that this **paragraph 1.8.1** shall not apply to the making of normal presentations,

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**APPENDIX 11**  
**OBLIGATIONS OF THE COMPANY, THE OFFEROR AND**  
**THE PARTNERSHIP IN RELATION TO THE SCHEME**

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by and on behalf of any Group Company, to brokers, portfolio investors and analysts in the ordinary and usual course of business and the provision of information by or on behalf of the Company to any applicable Governmental Agency; and

**1.8.2** the Company shall promptly notify the Offeror if any proposals or offers are received with respect to a Competing Offer by the Company or any of its representatives, indicating in connection with such notice, the identity of the person or group of persons making such offer or proposal and the material terms and conditions thereof,

provided that a Group Company shall not be prohibited or restricted from doing, or be required or obliged to do, any act or thing (including taking or refraining from taking any step contemplated by this **paragraph 1.8**) in relation to any unsolicited or uninitiated Competing Offer received by such Group Company or any Competing Offer which has not been induced or encouraged by such Group Company for the purposes of:

- (i) complying with the Code or any other laws, rules or regulations applicable to a Group Company;
- (ii) permitting the directors of a Group Company to act in the best interests of such Group Company or to comply with or discharge their fiduciary duties or legal or regulatory obligations that they may be subject to under applicable laws, rules and regulations (including obligations under the Code); and
- (iii) complying with any contractual obligation to which a Group Company is party.

**2. The Offeror's Obligations**

**2.1 Joint Announcement:** the issue of the Joint Announcement, jointly with the Company, the Offeror's Holdco and the Partnership, on the Joint Announcement Date;

**2.2 Offeror's Documents:** the preparation of the Offerors' Letter for inclusion in this Scheme Document and all other documents which are required to be prepared and circulated by it in connection with the Scheme and to carry into effect the Implementation Agreement, in each case, in compliance with all applicable laws and regulations;

**2.3 Provision of Information:** from the date of the Implementation Agreement until the Effective Date, the Offeror will furnish to the Company and its advisers such information (including the information concerning the Offeror or its affiliates provided by or on behalf of the Offeror to the Company for inclusion in this Scheme Document) relating to the Offeror and its affiliates as the Company and its advisers may reasonably request for the purpose of the preparation of this Scheme Document in accordance with the Implementation Agreement;

**2.4 Representation:** (if necessary) ensure that the Offeror, through its legal counsel, is represented at Court hearings convened for the purpose of Section 210 of the Companies Act at which, if requested by the Court, the Offeror shall do all things and take all steps as are reasonably possible to ensure the fulfilment of its obligations under the Implementation Agreement and the Scheme;

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**APPENDIX 11**  
**OBLIGATIONS OF THE COMPANY, THE OFFEROR AND**  
**THE PARTNERSHIP IN RELATION TO THE SCHEME**

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- 2.5 Satisfaction of Cash Consideration:** subject to the fulfilment or waiver of the conditions as set out in **Appendix 9** to this Scheme Document, it will be bound by the Scheme, and will pay the Cash Consideration pursuant to the Scheme and on the terms set out in the Implementation Agreement and this Scheme Document; and
- 2.6 Directors' Responsibility:** it shall, and shall ensure that its directors shall, take responsibility as required by applicable law and regulation for the information concerning the Offeror or its affiliates provided by or on behalf of the Offeror to the Company for inclusion in this Scheme Document.
- 3. The Partnership's Obligations**
- 3.1 Joint Announcement:** the issue of the Joint Announcement, jointly with the Company, the Offeror and the Offeror's Holdco, on the Joint Announcement Date;
- 3.2 Scheme:** subject to the fulfilment or waiver of the conditions as set out in **Appendix 9** to this Scheme Document, the Partnership shall be bound by the Scheme and will:
- 3.2.1** receive and accept the transfer of the Shares being acquired for the Equity Consideration from the Shareholders pursuant to the Scheme and shall procure and ensure that the Internal Transfer is promptly implemented; and
- 3.2.2** issue the Equity Consideration pursuant to the Scheme and on the terms set out in the Implementation Agreement, this Scheme Document and the Equity Consideration Election Form;
- 3.3 Offeror's Documents:** provide all assistance and co-operation to the Offeror in the preparation of all documents which are required to be prepared and circulated by the Offeror in connection with the Scheme and to carry into effect the Implementation Agreement, in each case, in compliance with all applicable laws and regulations;
- 3.4 Partnership's Documents:** the preparation of the Offerors' Letter for inclusion in this Scheme Document, the Equity Consideration Election Form and all documents which are required to be prepared and circulated by it in connection with the Scheme (and, in particular, the issuance of the Equity Consideration) and to carry into effect the Implementation Agreement, in each case, in compliance with all applicable laws and regulations;
- 3.5 Provision of Information:** from the date of the Implementation Agreement until the Effective Date, the Partnership will furnish to the Company and its advisers such information (including the information concerning the Partnership or its affiliates provided by or on behalf of the Partnership to the Company for inclusion in this Scheme Document) relating to the Partnership and its affiliates as the Company and its advisers may reasonably request for the purpose of the preparation of this Scheme Document in accordance with the Implementation Agreement;

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**APPENDIX 11**  
**OBLIGATIONS OF THE COMPANY, THE OFFEROR AND**  
**THE PARTNERSHIP IN RELATION TO THE SCHEME**

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- 3.6 Offeror's Corporate Approvals:** it shall provide all corporate approvals required by the Offeror's Holdco, and procure and ensure that the Offeror's Holdco provides all corporate approvals required by the Offeror, for the implementation by the Offeror of the Scheme on the terms set out in the Implementation Agreement and this Scheme Document and performance of the transactions contemplated thereby, as expeditiously as practicable;
- 3.7 Offeror's Obligations:** it shall procure and ensure that the Offeror performs and complies in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it (including executing all documents and doing all acts and things necessary for the implementation of and consummation of the transactions contemplated under the Scheme, as expeditiously as practicable);
- 3.8 Representation:** (if necessary) ensure that the Partnership, through its legal counsel, is represented at Court hearings convened for the purpose of Section 210 of the Companies Act at which, if requested by the Court, the Partnership shall do all things and take all steps as are reasonably possible to ensure the fulfilment of its obligations under the Implementation Agreement and the Scheme; and
- 3.9 Managers' Responsibility:** it shall, and shall ensure that its managers shall, take responsibility as required by applicable law and regulation for the information concerning the Partnership or its affiliates provided by or on behalf of the Partnership to the Company for inclusion in this Scheme Document.

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## APPENDIX 12 THE OFFEROR'S WARRANTIES TO THE COMPANY

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*All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.*

**The Offeror represents and warrants to the Company that:**

**1. Incorporation**

The Offeror is a company duly incorporated and validly existing under the laws of UK. As of the date of the Implementation Agreement, the sole shareholder of the Offeror is the Offeror's Holdco, and in turn, the sole shareholder of the Offeror's Holdco is the Partnership which holds 100 ordinary shares in the capital of the Offeror's Holdco.

**2. Power**

The Offeror has the corporate power and authority to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

**3. Authority**

The Offeror has taken all necessary corporate action and obtained all necessary corporate approval to authorise entry into the Implementation Agreement and the performance of the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

**4. Consents**

All actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents from third parties) in order to:

- (i) enable the Offeror lawfully to enter into, exercise its rights and perform and comply with its obligations under the Implementation Agreement; and
- (ii) ensure that those obligations are valid, legally binding and enforceable,

have been taken, fulfilled and done.

**5. Regulatory**

The Offeror has obtained and complied with all Regulatory Approvals applicable to it in all material respects and such Regulatory Approvals have not been revoked or withdrawn and are in full force and effect.

**6. Binding Obligation**

The Offeror's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

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**APPENDIX 12**  
**THE OFFEROR'S WARRANTIES TO THE COMPANY**

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**7. No Breach**

Neither the execution, delivery nor performance by the Offeror of the Implementation Agreement nor any transaction contemplated under the Implementation Agreement will result in the breach of, or constitute a default under, any provision of its constitutional documents or will result in the material breach of, or constitute a material default under, any agreement or instrument to which the Offeror is a party or by which the Offeror is bound.

**8. Sufficiency of Financial Resources**

On and from the Joint Announcement Date until completion and settlement of the Acquisition and the Scheme, the Offeror will have sufficient financial resources to undertake and complete the Acquisition, including to acquire all the Shares as at the Books Closure Date pursuant to the Scheme (other than such Shares in respect of which an Undertaking Shareholder has, pursuant to the terms of the Deed of Undertaking entered into by it, undertaken to elect to receive the Equity Consideration in lieu of the Cash Consideration) for and on the basis of the Cash Consideration.

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## APPENDIX 13 THE PARTNERSHIP'S WARRANTIES TO THE COMPANY

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*All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.*

**The Partnership represents and warrants to the Company that:**

### **1. Incorporation**

The Partnership is a limited liability partnership duly organised and validly existing under the laws of Delaware. The partners of the Partnership are, as of the date of the Implementation Agreement, the Existing Partners. Upon the Scheme becoming effective and binding in accordance with its terms and completion of the issuance of the Equity Consideration in settlement of the Scheme, the Existing Partners and such Shareholders who receive the Equity Consideration will hold, collectively, 100 per cent. of all the partnership interests in the Partnership.

### **2. Power**

The Partnership has the requisite power and authority to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

### **3. Authority**

The Partnership has taken all necessary action and obtained all necessary partnership approval to authorise entry into the Implementation Agreement and the performance of the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

### **4. Consents**

All actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary material consents from third parties) in order to:

- (i) enable the Partnership lawfully to enter into, exercise its rights and perform and comply with its obligations under the Implementation Agreement; and
- (ii) ensure that those obligations are valid, legally binding and enforceable,

have been taken, fulfilled and done.

### **5. Regulatory**

The Partnership has obtained and complied with all Regulatory Approvals applicable to it in all material respects and such Regulatory Approvals have not been revoked or withdrawn and are in full force and effect.

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**APPENDIX 13**  
**THE PARTNERSHIP'S WARRANTIES TO THE COMPANY**

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**6. Binding Obligation**

The Partnership's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

**7. No Breach**

Neither the execution, delivery nor performance by the Partnership of the Implementation Agreement nor any transaction contemplated under the Implementation Agreement will result in the breach of, or constitute a default under, any provision of its constitutional documents or will result in the material breach of, or constitute a material default under, any agreement or instrument to which the Partnership is a party or by which the Partnership is bound.

**8. Offeror's Sufficiency of Financial Resources**

On and from the Joint Announcement Date until completion and settlement of the Acquisition and the Scheme, the Offeror will have sufficient financial resources to undertake and complete the Acquisition, including to acquire all the Shares as at the Books Closure Date pursuant to the Scheme (other than such Shares in respect of which an Undertaking Shareholder has, pursuant to the Deed of Undertaking entered into by it, undertaken to elect to receive the Equity Consideration in lieu of the Cash Consideration) for and on the basis of the Cash Consideration.



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## APPENDIX 14 THE COMPANY'S WARRANTIES TO THE OFFEROR

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*All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.*

**The Company represents and warrants to the Offeror that:**

### **1. Group Companies**

#### **1.1 Incorporation**

Each Group Company is duly incorporated or registered and is validly existing under its laws of incorporation. The Company owns, directly or indirectly through certain of its subsidiaries, 100 per cent. of the shares or equity interests in or of each of its subsidiaries and such shares or equity interests are free from any Encumbrances.

#### **1.2 Shares**

All the Shares have been duly authorised and validly issued, are each fully paid or credited as fully-paid and rank *pari passu* in all respects with each other.

As at the date of the Implementation Agreement:

- (i) the issued share capital of the Company comprises 437,517,419 issued Shares (excluding Shares held in treasury);
- (ii) the Company has 13,855,200 Shares held in treasury; and
- (iii) there are no outstanding warrants, options or other securities or rights to acquire (whether by purchase, grant, conversion, exchange, exercise or otherwise) any Shares, other than the Columbia Warrants.

### **2. Accounts**

#### **2.1 FY2015 Accounts**

The FY2015 Accounts have been properly drawn up in accordance with the Companies Act and Singapore Financial Reporting Standards. The FY2015 Accounts give a true and fair view of the financial position of the Group as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group, in each case, for the financial year ended 31 December 2015.

#### **2.2 Business since 31 December 2015**

Since 31 December 2015, except (i) as otherwise contemplated, required or permitted under the Implementation Agreement, or (ii) as may be affected by actions contemplated, required or permitted by the Implementation Agreement, the business of the Company has been carried on, in all material respects, in the ordinary and usual course of business, save and except for events that may occur as a result of an act of God.

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## APPENDIX 14 THE COMPANY'S WARRANTIES TO THE OFFEROR

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### 3. Legal Matters

#### 3.1 Applicable Laws and Constitutional Documents

**3.1.1** So far as the Company is aware, there are no breaches in any material respect by any Group Company of applicable laws in each country in which such Group Company carries on business or operations which are still subsisting, except (i) that where any such breach arises by reason only of any law having been enacted between the date of the Implementation Agreement and the Record Date which has retrospective effect, such Group Company shall not be regarded as having been in breach of this paragraph or (ii) for such breaches which do not individually or in the aggregate have a Material Adverse Effect.

**3.1.2** There have not been any material breaches by any Group Company of its constitutional documents which are still subsisting.

#### 3.2 Licences

**3.2.1** So far as the Company is aware, there have been no breaches in the 12 months prior to the date of the Implementation Agreement of any licences issued or granted by Governmental Agencies to a Group Company and necessary for the carrying on of the businesses and operations of such Group Company as now carried on (the "**Group Company Licences**") that would individually or in the aggregate have a Material Adverse Effect.

**3.2.2** So far as the Company is aware, there is no investigation, enquiry or proceeding outstanding which is likely to result in the suspension, cancellation or revocation of any of the Group Company Licences that would have a Material Adverse Effect.

#### 3.3 Litigation or Arbitration

As at the date of the Implementation Agreement, no litigation, arbitration or administrative proceeding is current or pending which could restrain the Company's entry into, exercise of the Company's rights under and/or performance or enforcement of or compliance with its obligations under the Implementation Agreement.

#### 3.4 Insolvency

No order has been made or petition has been presented or resolution has been passed for the winding-up or administration or for the appointment of a provisional liquidator of any Group Company (other than an Excluded Subsidiary), nor, so far as the Company is aware, has any person threatened to present such a petition or convened or threatened to convene a meeting of any Group Company (other than an Excluded Subsidiary) to consider a resolution to wind up such Group Company (other than an Excluded Subsidiary) or any analogous resolutions.

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## APPENDIX 14 THE COMPANY'S WARRANTIES TO THE OFFEROR

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### 3.5 Power and Authority

The Company has all the necessary corporate power and authority to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

### 3.6 Binding Obligations

The Company's obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

## 4. Contractual Arrangements

### 4.1 Effect of the Implementation Agreement

The execution and delivery of, and the performance by the Company of its obligations under the Implementation Agreement and the transactions contemplated hereunder:

**4.1.1** do not and will not result in a breach of any provision of the Constitution of the Company; or

**4.1.2** do not and will not result in the breach of, or constitute a default under, any agreement or instrument to which any Group Company is now a party or by which such Group Company is bound that individually or in the aggregate would have a Material Adverse Effect.

## 5. Company Facilities Agreement

There is no continuing default or event of default by or in respect of any Group Company of or under its obligations under the Company Facilities Agreement which has not been remedied or waived and which is likely to result in the lenders under the Company Facilities Agreement terminating or demanding immediate repayment of all outstanding amounts under the Company Facilities Agreement.

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**APPENDIX 15  
THE SCHEME**

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**IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

Originating Summons    )  
No. 789 of 2016         )

**IN THE MATTER OF SECTION 210 OF  
THE COMPANIES ACT, CHAPTER 50**

And

**IN THE MATTER OF EUNETWORKS  
GROUP LIMITED**  
(Company Registration No. 199905625E)

...Applicant

**SCHEME OF ARRANGEMENT**

under Section 210 of the Companies Act, Chapter 50

Between

euNetworks Group Limited

And

Scheme Shareholders (as defined herein)

And

EUN (UK) Limited

And

EUN Holdings, LLP

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## APPENDIX 15 THE SCHEME

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### PRELIMINARY

In this Scheme of Arrangement, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings:

<b>“Accompanying Documents”</b>	:	Has the meaning ascribed to it in <b>Clause 5</b> herein
<b>“Bank Account”</b>	:	Has the meaning ascribed to it in <b>Clause 6.3(i)</b> herein
<b>“Books Closure Date”</b>	:	A date and time to be announced (before the Effective Date) by the Company on which the Transfer Books and the Register of Members will be closed in order to determine the entitlements of the Scheme Shareholders in respect of this Scheme
<b>“Cash Consideration”</b>	:	Has the meaning ascribed to it in <b>Clause 5(i)</b> herein
<b>“Catalist”</b>	:	The Catalist Board of the SGX-ST (then known as the SGX-ST Dealing and Automated Quotation System)
<b>“Common A Interests”</b>	:	Common A interests in the Partnership carrying such rights as set out in the Partnership Agreement
<b>“Common B Interests”</b>	:	Common B interests in the Partnership carrying such rights as set out in the Partnership Agreement
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore
<b>“Company”</b>	:	euNetworks Group Limited
<b>“Court”</b>	:	The High Court of the Republic of Singapore or, where applicable on appeal, the Court of Appeal of the Republic of Singapore
<b>“Effective Date”</b>	:	The date on which this Scheme, if approved, becomes effective and binding in accordance with its terms
<b>“Election Form”</b>	:	The form of election allowing Entitled Scheme Shareholders to make a Partnership Interest Election pursuant to this Scheme, to be despatched to Entitled Scheme Shareholders following the Books Closure Date
<b>“Election Period”</b>	:	The period commencing from a date to be announced by the Company, the Offeror and the Partnership (which is expected to be a date falling after the Books Closure Date) and ending on a date to be determined by the Company, the Offeror and the Partnership, during which the duly completed Election Forms (together with the Accompanying Documents) shall be received by the Share Registrar to determine the Partnership Interest Election exercised by Entitled Scheme Shareholders

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**APPENDIX 15  
THE SCHEME**

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<b>“Encumbrances”</b>	:	Any liens, equities, mortgages, charges, hypothecations, pledges, retention of title, trust arrangements, preferential rights, rights of pre-emption and other rights or interests conferring security or similar rights in favour of a third party or any agreements, arrangements or obligations to create any of the foregoing
<b>“Entitled Depository Agents”</b>	:	Entitled Scheme Shareholders who are depository agents
<b>“Entitled Scheme Shareholders”</b>	:	Scheme Shareholders as at 5.00 p.m. (Singapore time) on the Books Closure Date
<b>“Equity Consideration”</b>	:	Has the meaning ascribed to it in <b>Clause 5(ii)</b> herein
<b>“Governmental Agency”</b>	:	Any court of competent jurisdiction or government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity in Singapore, the United Kingdom, US or otherwise
<b>“Implementation Agreement”</b>	:	The scheme implementation agreement dated 29 July 2016 entered into between the Offeror, the Partnership and the Company setting out the terms and conditions on which the Offeror, the Partnership and the Company will implement this Scheme
<b>“Joint Announcement Date”</b>	:	29 July 2016, being the date of the joint announcement by the Company, the Offeror, the Offeror’s Holdco and the Partnership in relation to, <i>inter alia</i> , this Scheme
<b>“Latest Practicable Date”</b>	:	16 August 2016, being the latest practicable date prior to the printing of the Scheme Document
<b>“Long-Stop Date”</b>	:	The date falling six months after the Joint Announcement Date (or such other date as the Offeror and the Company may agree in writing)
<b>“Offeror”</b>	:	EUN (UK) Limited (Company Registration Number: 9203923), a company incorporated under the laws of the United Kingdom, which is wholly-owned by the Offeror’s Holdco
<b>“Offeror Financial Adviser”</b>	:	Ernst & Young Corporate Finance Pte Ltd
<b>“Offeror Letter to Shareholders”</b>	:	The letter from the Offeror to Shareholders as set out in <b>Appendix 2</b> to the Scheme Document

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**APPENDIX 15  
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<b>“Offeror’s Holdco”</b>	:	EUN Holdings (UK) Limited (Company Registration Number: 9203914), a company incorporated under the laws of the United Kingdom, which is wholly-owned by the Partnership and is also the sole shareholder of the Offeror
<b>“Partnership”</b>	:	EUN Holdings, LLP, a limited liability partnership formed under the laws of the State of Delaware, US
<b>“Partnership Agreement”</b>	:	The Second Amended and Restated Limited Liability Partnership Agreement of the Partnership dated 29 July 2016 entered into among the Partnership and the partners of the Partnership holding Preferred Interests, Common A Interests and Common B Interests as at the Latest Practicable Date
<b>“Partnership Interest Election”</b>	:	Has the meaning ascribed to it in <b>Clause 5(ii)</b> herein
<b>“Partnership Interests”</b>	:	Interests in the Partnership
<b>“Platform”</b>	:	Has the meaning ascribed to it in <b>Clause 7</b> herein
<b>“Preferred Interests”</b>	:	Preferred interests in the Partnership carrying such rights as set out in the Partnership Agreement
<b>“Register of Members”</b>	:	The register of members of the Company
<b>“Scheme”</b>	:	This scheme of arrangement in its present form or with or subject to any modification thereof or amendment or addition thereto in accordance with its terms (including <b>Clause 11</b> herein) or condition(s) approved or imposed by the Court
<b>“Scheme Document”</b>	:	The document dated 23 August 2016 containing this Scheme and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update the document(s) from time to time
<b>“Scheme Shareholders”</b>	:	Shareholders other than the Partnership
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
<b>“Shareholders”</b>	:	Persons who are registered as holders of Shares in the Register of Members
<b>“Shares”</b>	:	Issued and paid-up ordinary shares in the capital of the Company

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## APPENDIX 15 THE SCHEME

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<b>“Singapore Business Day”</b>	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
<b>“Transfer Books”</b>	:	The transfer books of the Company
<b>“US”</b>	:	The United States of America
<b>“S\$”</b>	:	Singapore Dollars, the lawful currency of the Republic of Singapore

The expressions **“depository agent”** and **“sub-account holder”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

The expressions **“subsidiary”** and **“related corporation”** shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

The term **“Shareholder”**, in relation to any Share, includes a person entitled to that Share by transmission.

Words importing the singular shall, where applicable, include the plural and vice versa and words indicating a specific gender shall, where applicable, include the other genders (male, female or neuter). References to persons shall, where applicable, include corporations.

A reference to an enactment or statutory provision shall include a reference to any subordinate legislation and any regulation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision, subordinate legislation or regulation as from time to time amended, consolidated, modified, re-enacted or replaced, whether before or after the date of this Scheme.

Any reference to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise specified.

### RECITALS

- (A) The Company is a limited liability company and was incorporated in Singapore on 18 September 1999. The Company was first listed on 26 January 2000 on the Main Board of the SGX-ST and its listing was subsequently transferred on 22 October 2004 to Catalist. Following a mandatory general offer by the Partnership for the Company set out in the offer document dated 1 December 2014 issued by J.P. Morgan (S.E.A.) Limited for and on behalf of the Partnership, the Company was delisted from Catalist, but remains a public company. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$558,401,295.94 comprising 437,517,419 Shares, which excludes 13,855,200 Shares held in treasury.
- (B) The primary purpose of this Scheme is the acquisition by the Offeror and the Partnership of all the Shares (excluding treasury shares) other than those already held by the Partnership.



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## APPENDIX 15 THE SCHEME

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- (C) The Company, the Offeror and the Partnership have entered into the Implementation Agreement to set out their respective rights and obligations with respect to this Scheme and the implementation thereof.
- (D) Each of the Offeror and the Partnership has agreed to appear by legal counsel at the hearing of the Originating Summons to sanction this Scheme, and to consent thereto, and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

### PART I

#### CONDITIONS PRECEDENT

1. This Scheme is conditional upon each condition precedent set out in Clause 3.1 of the Implementation Agreement (as reproduced in **Appendix 9** to the Scheme Document) being satisfied or, subject to the terms of the Implementation Agreement, being waived.

### PART II

#### TRANSFER OF THE SHARES

2. With effect from the Effective Date, all the Shares (excluding treasury shares) held by the Entitled Scheme Shareholders that are acquired for the Cash Consideration will be transferred to the Offeror as follows:
  - (i) fully paid;
  - (ii) free from all Encumbrances; and
  - (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared by the Company on or after the Joint Announcement Date.
3. With effect from the Effective Date, all the Shares (excluding treasury shares) held by the Entitled Scheme Shareholders that are acquired for the Equity Consideration will be transferred to the Partnership as follows:
  - (i) fully paid;
  - (ii) free from all Encumbrances; and
  - (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared by the Company on or after the Joint Announcement Date.

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## APPENDIX 15 THE SCHEME

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4. For the purpose of effecting the transfer of the Shares provided for in **Clause 2** and **Clause 3** of this Scheme, the Company shall authorise any person to execute or effect on behalf of all such Entitled Scheme Shareholders instrument(s) or instruction(s) of transfer of all the Shares held by such Entitled Scheme Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Scheme Shareholder.

### PART III

#### PAYMENT OF CONSIDERATION

5. In consideration for the transfer of the Shares to the Offeror under **Clause 2** of this Scheme and the transfer of the Shares to the Partnership under **Clause 3** of this Scheme and subject to **Clause 1** of this Scheme, each of the Entitled Scheme Shareholders will be entitled to receive a sum in cash or, in lieu thereof, Preferred Interests and Common A Interests as follows:

- (i) **\$1.16 to be paid by the Offeror for each Share** (the “**Cash Consideration**”); or
- (ii) where the Entitled Scheme Shareholder has made a valid election to receive Preferred Interests and Common A Interests in lieu of the Cash Consideration for his Shares (the “**Partnership Interest Election**”), **0.10 Preferred Interest and 0.10 Common A Interest to be issued by the Partnership for each Share** (the “**Equity Consideration**”).

For the avoidance of doubt, with the exception of Entitled Depository Agents, each Entitled Scheme Shareholder is only entitled to receive the Cash Consideration or, in lieu thereof, the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder’s name, but not a mixture of both.

In order to make a valid Partnership Interest Election, in addition to the Election Form, each Entitled Scheme Shareholder (or its nominee) is also required to submit the relevant supporting documents including the appropriate US Internal Revenue Service Form W-8 or W-9 and an accredited investor questionnaire for such Entitled Scheme Shareholder (or its nominee, provided that such nominee is the appropriate person for such forms) (the “**Accompanying Documents**”). For the avoidance of doubt, each Entitled Scheme Shareholder is only entitled to appoint one nominee (in place of the Entitled Scheme Shareholder) to receive the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder’s name.

In the absence of any valid Partnership Interest Election made by such Entitled Scheme Shareholder or in the event of any failure by such Entitled Scheme Shareholder to make a valid Partnership Interest Election, the Entitled Scheme Shareholder shall only be entitled to receive the Cash Consideration for all the Shares registered in such Entitled Scheme Shareholder’s name.

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## APPENDIX 15 THE SCHEME

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### ***Arrangements applicable to Entitled Scheme Shareholders that are Entitled Depository Agents***

An Election Form will be despatched to each Entitled Depository Agent to enable it to indicate the number of Shares it holds on behalf of each sub-account holder who has directed the Entitled Depository Agent to make the Partnership Interest Election. Entitled Depository Agents must not permit a sub-account holder to achieve a mixture of the Equity Consideration and the Cash Consideration for the Shares held on behalf of the sub-account holder. By submitting the completed Election Form, an Entitled Depository Agent confirms and represents to the Offeror, the Partnership and the Company that:

- (a) in relation to each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election, the Partnership Interest Election has been exercised in respect of all (but not some) of the Shares held by the Entitled Depository Agent for such sub-account holder;
- (b) each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election is a person to whom the Equity Consideration may be lawfully issued; and
- (c) to the best of its knowledge and belief, since the Joint Announcement Date, it has not transferred any Shares held for a sub-account holder for the purposes of facilitating a mixture of the Equity Consideration and the Cash Consideration for such Shares.

In order to make a valid Partnership Interest Election in respect of any sub-account holder, in addition to the Election Form, each Entitled Depository Agent is also required to submit the relevant Accompanying Documents for each such sub-account holder.

In the absence of any valid Partnership Interest Election made by such Entitled Depository Agent for a sub-account holder or in the event of any failure by such Entitled Depository Agent to make a valid Partnership Interest Election in respect of any sub-account holder, the Entitled Depository Agent shall only be entitled to receive the Cash Consideration for all the Shares it holds on behalf of such sub-account holder.

### ***Arrangements applicable to Entitled Scheme Shareholders generally***

An Entitled Scheme Shareholder who wishes to receive the Equity Consideration in lieu of Cash Consideration in respect of all its Shares (or an Entitled Depository Agent who wishes to receive the Equity Consideration in lieu of Cash Consideration in respect of all the Shares held on behalf of any sub-account holder(s)) must make a valid Partnership Interest Election by returning the completed Election Form with the relevant Accompanying Documents in accordance with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Forms and/or the Accompanying Documents during the Election Period.

An Entitled Scheme Shareholder who wishes to receive the Cash Consideration in respect of all of such Entitled Scheme Shareholder's Shares does not need to complete and return the Election Form or the Accompanying Documents.

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## APPENDIX 15 THE SCHEME

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Following the Books Closure Date, the Election Forms and Accompanying Documents are expected to be despatched on or around the third Singapore Business Day from the Books Closure Date to all Entitled Scheme Shareholders at their respective addresses shown in the Register of Members at their own risk. Such Election Forms and Accompanying Documents may also be collected at the Share Registrar's office situated at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during the Election Period.

With the exception of Entitled Depository Agents, the Partnership Interest Election must be exercised in respect of all (but not some) of the Shares registered in each Entitled Scheme Shareholder's name as at the Books Closure Date.

The Election Forms and relevant Accompanying Documents must be received on or before the end of the Election Period. If the Share Registrar fails to receive from any Entitled Scheme Shareholder an Election Form or the relevant Accompanying Documents by the end of the Election Period, such Entitled Scheme Shareholder shall be deemed to have elected to receive Cash Consideration in respect of all its Shares.

The Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar will be authorised and entitled, at their sole and absolute discretion, to reject or treat as invalid any Election Form or Accompanying Document which is not entirely in order or which does not comply with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Form and/or the Accompanying Documents, or which is left blank, or otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents.

Any decision to reject any Election Form or Accompanying Document received by the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar on the grounds that it has been left blank or is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents will be final and binding, and none of the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and the Share Registrar accepts any responsibility or liability for the consequences of such a decision.

None of the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and the Share Registrar shall be required to notify any Entitled Scheme Shareholder if such Entitled Scheme Shareholder's Election Form or any Accompanying Document is not received or is not in compliance with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Form and/or the Accompanying Documents, or is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect.

In respect of the Equity Consideration, the aggregate Preferred Interests and Common A Interests that are issuable to any Entitled Scheme Shareholder (or its nominee) in respect of the Shares held by such Entitled Scheme Shareholder will be rounded down, in each case, to the nearest whole number.

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## APPENDIX 15 THE SCHEME

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The Equity Consideration to be issued pursuant to the Scheme becoming effective and binding in accordance with its terms will, when issued, be validly authorised, validly issued and outstanding, fully paid and non-assessable and free from Encumbrances (other than restrictions arising out of the Partnership Agreement or applicable securities laws) and all consents, authorisations, approvals or waivers from any Governmental Agencies or third parties necessary for such issuance have been or will, prior to such issuance, be obtained.

### 6. Cash Consideration

- 6.1 The Offeror shall, not later than seven Singapore Business Days after the Effective Date, and against the transfer of the Shares set out in **Clause 2** of this Scheme, despatch the Cash Consideration to the Entitled Scheme Shareholders who have not made any valid Partnership Interest Election during the Election Period, by sending a cheque for the aggregate cash amount payable to and made out in favour of each Entitled Scheme Shareholder, or in the case of joint Entitled Scheme Shareholders, to and made out in favour of the first named Entitled Scheme Shareholder, in each case, by ordinary post to such Entitled Scheme Shareholder's address appearing in the Register of Members on the Books Closure Date, at the sole risk of such Entitled Scheme Shareholder.
- 6.2 The encashment of any cheque shall be deemed as good discharge to the Offeror and the Company for the moneys represented thereby.
- 6.3 (i) On and after the day being six calendar months after the posting of such cheques relating to the Cash Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account (the "**Bank Account**") in the name of the Company or any of its related corporations with a licenced bank in London, the United Kingdom selected by the Company or any of its related corporations. Following the payment of the Cash Consideration into the Bank Account, the Offeror will send a letter to each Entitled Scheme Shareholder whose cheque has not been cashed (or has been returned uncashed) at such Entitled Scheme Shareholder's address as shown in the Register of Members informing the Entitled Scheme Shareholder that the relevant Cash Consideration is being held on trust for such Entitled Scheme Shareholder by the Company or its related corporation or the successor entity of the Company or its related corporation. Such letter would also provide contact details for such Entitled Scheme Shareholder to make enquiries.

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## APPENDIX 15 THE SCHEME

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- (ii) The Company or its related corporation or the successor entity of the Company or its related corporation shall hold such moneys until the expiration of six years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to **Clause 6.1** of this Scheme to persons who satisfy the Company or its related corporation or the successor entity of the Company or its related corporation that they are respectively entitled thereto and that the cheques referred to in **Clause 6.1** of this Scheme for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to **Clause 5(i)** of this Scheme.
- (iii) On the expiry of six years from the Effective Date, each of the Company and the Offeror shall be released from any further obligation to make any payments of the Cash Consideration under this Scheme and the Company or its related corporation or the successor entity of the Company or its related corporation shall transfer to the Official Receiver the balance (if any) of the sums then standing to the credit of the Bank Account.
- (iv) **Clause 6.3(iii)** of this Scheme shall take effect subject to any prohibition or condition imposed by law.

### 7. Equity Consideration

The Partnership shall, not later than seven Singapore Business Days after the Effective Date, and against the transfer of the Shares set out in **Clause 3** of this Scheme, issue the Equity Consideration to Entitled Scheme Shareholders who made valid Partnership Interest Election(s) during the Election Period. Immediately after the Equity Consideration is issued by the Partnership, the Partnership will credit the relevant amount of Partnership Interests to the Entitled Scheme Shareholder's (or its nominee's) or the relevant sub-account holder's account (at the direction of the Entitled Depository Agent to the Partnership) on the esharesinc.com platform (the "**Platform**"). Each Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder, will receive electronic mail from the Platform to such Entitled Scheme Shareholder's (or its nominee's) or relevant sub-account holder's electronic mailing address as provided in the Election Form, at the sole risk of such Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder, requiring them to register with the Platform after which such Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder will receive electronic certificates for the relevant amount of Partnership Interests.

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## APPENDIX 15 THE SCHEME

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8. From the Effective Date, all existing share certificates representing a former holding of Shares by the Entitled Scheme Shareholders will cease to be evidence of title of the Shares represented thereby. The Entitled Scheme Shareholders are required to forward these existing share certificates representing their former holding of Shares to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven Singapore Business Days after the Effective Date for cancellation.

### PART IV

#### EFFECTIVE DATE

9. Subject to the satisfaction (or, where applicable, waiver) of the conditions precedent set out in **Clause 1** of this Scheme, this Scheme shall become effective and binding upon a copy of the order of the Court sanctioning this Scheme under Section 210 of the Companies Act being duly lodged with the Accounting and Corporate Regulatory Authority of Singapore for registration.
10. Unless this Scheme shall have become effective and binding as aforesaid on or before the Long-Stop Date (or such other date as the Court on the application of the Company or the Offeror may allow), this Scheme shall lapse.
11. The Company, the Offeror and the Partnership may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.
12. In the event that this Scheme does not become effective and binding for any reason, the costs and expenses incurred by the Company in connection with this Scheme will be borne by the Company.
13. This Scheme and all actions taken or made or deemed to be taken or made hereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. Each of the Company, the Offeror, the Partnership and the Scheme Shareholders submits to the non-exclusive jurisdiction of the courts of Singapore. A person who is not a party to this Scheme or any contracts made pursuant to this Scheme has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term or provision of this Scheme or such contract (as the case may be).

Dated 23 August 2016

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**APPENDIX 16  
NOTICE OF COURT MEETING**

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**IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

Originating Summons    )  
No. 789 of 2016         )

**IN THE MATTER OF SECTION 210  
OF THE  
COMPANIES ACT, CHAPTER 50**

And

**IN THE MATTER OF  
EUNETWORKS GROUP LIMITED**  
(Company Registration No. 199905625E)

...Applicant

**SCHEME OF ARRANGEMENT**

under Section 210 of the Companies Act, Chapter 50

Between

euNetworks Group Limited

And

Scheme Shareholders (as defined herein)

And

EUN (UK) Limited

And

EUN Holdings, LLP



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## APPENDIX 16 NOTICE OF COURT MEETING

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### NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that by an Order of Court made in the above matter, the High Court of the Republic of Singapore (the “**Court**”) has directed a meeting (the “**Court Meeting**”) of Scheme Shareholders (as defined in the Schedule hereto) of euNetworks Group Limited (the “**Company**”) to be convened and such Court Meeting shall be held at Meeting Room 329, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 7 September 2016 at 9.30 a.m., for the purpose of considering and, if thought fit, approving (with or without modification) the following resolution:

“That the Scheme of Arrangement dated 23 August 2016 proposed to be made pursuant to Section 210 of the Companies Act, Chapter 50 of Singapore, between (i) the Company, (ii) Scheme Shareholders, (iii) EUN (UK) Limited and (iv) EUN Holdings, LLP, a copy of which has been circulated with the Notice convening this Court Meeting, be and is hereby approved.”

A copy of the said Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to Section 211 of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”), are incorporated in the Scheme Document (as defined in the Schedule hereto) of which this Notice forms part.

Scheme Shareholders (including any Overseas Shareholders (as defined in the Schedule hereto)) may obtain copies of the Scheme Document and any related documents during normal business hours and up to the date of the Court Meeting from the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may write in to the registered office at the same address to request for the Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three Singapore Business Days (as defined in the Schedule hereto) prior to the date of the Court Meeting.

A Scheme Shareholder may vote in person at the Court Meeting or may appoint one (and not more than one) proxy, whether a member of the Company or not, to attend and vote in his stead.

A form of proxy (“**Proxy Form**”) applicable for the Court Meeting is enclosed with the Scheme Document of which this Notice forms part.

It is requested that Proxy Forms be deposited with the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Court Meeting.

Each Proxy Form must be executed by the appointor or his attorney duly authorised in writing. Where a Proxy Form is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney or a duly authorised officer of the corporation.

A corporation which is a Scheme Shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Court Meeting, in accordance with Section 179 of the Companies Act.

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## APPENDIX 16 NOTICE OF COURT MEETING

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In the case of joint holders of Shares, any one of such persons may vote, but if more than one of such persons be present at the Court Meeting, the person whose name stands first in the Register of Members (as defined in the Schedule hereto) shall alone be entitled to vote.

By the said Order of Court, the Court has appointed Lam Kwok Chong, or failing him, any director of the Company, to act as Chairman of the Court Meeting and has directed the Chairman to report the results thereof to the Court.

The said Scheme of Arrangement will be subject to, *inter alia*, the subsequent approval of the Court.

### THE SCHEDULE

<b>Expression</b>	<b>Meaning</b>
<b>“Overseas Shareholders”</b>	Scheme Shareholders whose addresses are outside Singapore, as shown in the Register of Members
<b>“Partnership”</b>	EUN Holdings, LLP, a limited liability partnership formed under the laws of the State of Delaware, the United States of America
<b>“Register of Members”</b>	The register of members of the Company
<b>“Scheme Document”</b>	The document dated 23 August 2016 containing the said Scheme of Arrangement and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update the document(s) from time to time
<b>“Scheme Shareholders”</b>	Shareholders other than the Partnership
<b>“Shareholders”</b>	Persons who are registered as holders of Shares in the Register of Members
<b>“Shares”</b>	Issued and paid-up ordinary shares in the capital of the Company
<b>“Singapore Business Day”</b>	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore

#### ***Personal data privacy:***

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Court Meeting and/or any adjournment thereof, a Scheme Shareholder (i) consents to the collection, use and disclosure of the Scheme Shareholder’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Court Meeting (including any adjournment*

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**APPENDIX 16**  
**NOTICE OF COURT MEETING**

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*thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Court Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the Scheme Shareholder discloses the personal data of the Scheme Shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents), the Scheme Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Scheme Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Scheme Shareholder’s breach of warranty.*

Dated this 23<sup>rd</sup> day of August 2016

Allen & Gledhill LLP  
One Marina Boulevard #28-00  
Singapore 018989

Solicitors for  
**euNetworks Group Limited**

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**PROXY FORM FOR COURT MEETING**

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**IMPORTANT:**Personal data privacy

By submitting an instrument appointing a proxy and/or representative, the member accepts and agrees to the personal data privacy terms set out in the Notice of Court Meeting dated 23 August 2016.

**EUNETWORKS GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199905625E)

**FORM OF PROXY FOR USE AT THE COURT MEETING (OR ANY ADJOURNMENT  
THEREOF) OF THE SCHEME SHAREHOLDERS (AS DEFINED BELOW)**

**IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

Originating Summons    )  
No. 789 of 2016         )

**IN THE MATTER OF SECTION 210 OF  
THE COMPANIES ACT, CHAPTER 50**

And

**IN THE MATTER OF  
EUNETWORKS GROUP LIMITED  
(Registration No. 199905625E)**

**SCHEME OF ARRANGEMENT**

under Section 210 of the Companies Act, Chapter 50

Between

euNetworks Group Limited

And

Scheme Shareholders (as defined herein)

And

EUN (UK) Limited

And

EUN Holdings, LLP

---

**PROXY FORM FOR COURT MEETING**

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\*I/We, \_\_\_\_\_ (Name(s))

\_\_\_\_\_ (NRIC/Passport/Co.Reg.No(s)) of

\_\_\_\_\_ (Address(es))

being a member/members (a “**Shareholder**” or the “**Shareholders**”) holding ordinary shares (“**Shares**”) in the capital of euNetworks Group Limited (the “**Company**”), hereby appoint the following person:

Name	Address	NRIC/Passport Number

or failing \*him/her, the Chairman of the Meeting or such other person the Chairman may designate, as \*my/our proxy to attend, speak and vote for \*me/us on \*my/our behalf at the Court Meeting, to be held at Meeting Room 329, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Wednesday, 7 September 2016 at 9.30 a.m. and at any adjournment thereof for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme of Arrangement referred to in the notice convening the Court Meeting (the “**Scheme**”), and at such Court Meeting (or at any adjournment thereof) to vote for \*me/us and in \*my/our name(s) for the said Scheme (either with or without modification, as \*my/our proxy may approve) or against the said Scheme as hereunder indicated.

\*I/We direct \*my/our proxy to vote for or against the Scheme at the Court Meeting. If no specific direction as to voting is given, \*my/our proxy will vote or abstain from voting at \*his/her discretion as \*he/she will on any other matter arising at the Court Meeting. If no person is named in the above boxes, the Chairman of the Court Meeting or such other person the Chairman may designate shall be \*my/our proxy to vote, for or against the Scheme at the Court Meeting, for \*me/us and on \*my/our behalf at the Court Meeting and at any adjournment thereof.

If you wish to vote “for” the Scheme referred to in the notice convening the Court Meeting, please indicate with a tick (✓) in the box marked “For” as set out below. If you wish to vote “against” the Scheme referred to in the notice convening the Court Meeting, please indicate with a tick (✓) in the box marked “Against” as set out below. **DO NOT TICK IN BOTH BOXES.**

Resolution	For	Against
To approve the Scheme of Arrangement		

\* Delete where applicable.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

<b>Number of Shares held:</b>

\_\_\_\_\_  
Signature(s) of Shareholder(s) or Common Seal

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## PROXY FORM FOR COURT MEETING

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**Notes:**

1. A Shareholder other than EUN Holdings, LLP (the “**Scheme Shareholder**”) entitled to attend and vote at the Court Meeting is entitled to appoint one (and not more than one) proxy to attend and vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy by this instrument shall not preclude a Scheme Shareholder from attending and voting in person at the Court Meeting. If a Scheme Shareholder attends the Court Meeting in person, the appointment of a proxy shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy to the Court Meeting.
2. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney or a duly authorised officer of the corporation.
3. A corporation which is a Scheme Shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Court Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
4. The instrument appointing a proxy (together with the power of attorney, if any, under which it is signed or a duly certified copy thereof, if failing previous registration with the Company) must be deposited at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time set for holding the Court Meeting.
5. A Scheme Shareholder should insert the number of Shares held in the instrument of proxy and in respect of which he wishes to cast his vote. If no number is inserted, this form of proxy shall be deemed to relate to all the Shares registered in your name(s) in the Register of Members of the Company.
6. In the case of joint holders of Shares, any one of such persons may vote, but if more than one of such persons be present at the Court Meeting, the person whose name stands first on the Register of Members shall alone be entitled to vote.
7. Any alteration made to this form of proxy shall be initialled by the person who signs it.
8. The Company shall be entitled to reject the instrument appointing a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy.

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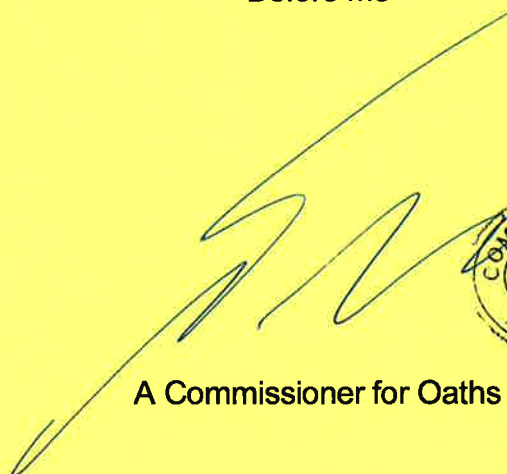
referred to in the affidavit of

**Lam Kwok Chong**

and sworn before me

this 8th day of September 2016

Before me



A Commissioner for Oaths

IN THE MATTER OF SECTION 210 OF THE COMPANIES ACT, CHAPTER 50

And

IN THE MATTER OF EUNETWORKS GROUP LIMITED (Company Registration No. 199905625E)

...Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act, Chapter 50

Between

euNetworks Group Limited

And

Scheme Shareholders (as defined herein)

And

EUN (UK) Limited

And

EUN Holdings, LLP

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that by an Order of Court made in the above matter, the High Court of the Republic of Singapore (the "Court") has directed a meeting (the "Court Meeting") of Scheme Shareholders (as defined in the Schedule hereto) of euNetworks Group Limited (the "Company") to be convened and such Court Meeting shall be held at Meeting Room 329, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on 7 September 2016 at 9.30 a.m., for the purpose of considering and, if thought fit, approving (with or without modification) the following resolution:

"That the Scheme of Arrangement dated 23 August 2016 proposed to be made pursuant to Section 210 of the Companies Act, Chapter 50 of Singapore, between (i) the Company, (ii) Scheme Shareholders, (iii) EUN (UK) Limited and (iv) EUN Holdings, LLP, a copy of which has been circulated with the Notice convening this Court Meeting, be and is hereby approved."

A copy of the said Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to Section 211 of the Companies Act, Chapter 50 of Singapore ("Companies Act"), are incorporated in the Scheme Document (as defined in the Schedule hereto) of which this Notice forms part.

Scheme Shareholders (including any Overseas Shareholders (as defined in the Schedule hereto)) may obtain copies of the Scheme Document and any related documents during normal business hours and up to the date of the Court Meeting from the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may write in to the registered office at the same address to request for the Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three Singapore Business Days (as defined in the Schedule hereto) prior to the date of the Court Meeting.

A Scheme Shareholder may vote in person at the Court Meeting or may appoint one (and not more than one) proxy, whether a member of the Company or not, to attend and vote in his stead.

A form of proxy ("Proxy Form") applicable for the Court Meeting is enclosed with the Scheme Document of which this Notice forms part.

It is requested that Proxy Forms be deposited with the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Court Meeting.

Each Proxy Form must be executed by the appointor or his attorney duly authorised in writing. Where a Proxy Form is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney or a duly authorised officer of the corporation.

A corporation which is a Scheme Shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Court Meeting, in accordance with Section 179 of the Companies Act.

In the case of joint holders of Shares, any one of such persons may vote, but if more than one of such persons be present at the Court Meeting, the person whose name stands first in the Register of Members (as defined in the Schedule hereto) shall alone be entitled to vote.

By the said Order of Court, the Court has appointed Lam Kwok Chong, or failing him, any director of the Company, to act as Chairman of the Court Meeting and has directed the Chairman to report the results thereof to the Court.

The said Scheme of Arrangement will be subject to, inter alia, the subsequent approval of the Court.

THE SCHEDULE

Table with 2 columns: Expression and Meaning. Rows include Overseas Shareholders, Partnership, Register of Members, Scheme Document, Scheme Shareholders, Shareholders, Shares, and Singapore Business Day.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Court Meeting and/or any adjournment thereof, a Scheme Shareholder (i) consents to the collection, use and disclosure of the Scheme Shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Court Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Court Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Scheme Shareholder discloses the personal data of the Scheme Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the Scheme Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Scheme Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Scheme Shareholder's breach of warranty.

Dated this 23rd day of August 2016

Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989

Solicitors for euNetworks Group Limited

This is the exhibit marked "**LKC-6**"



referred to in the affidavit of

**Lam Kwok Chong**

and sworn before me

this 8th day of September 2016

Before me



A Commissioner for Oaths

CERTIFIED TRUE EXTRACT OF THE RESOLUTION PASSED AT THE COURT-CONVENED MEETING OF EUNETWORKS GROUP LIMITED (THE "**COMPANY**") HELD ON 7 SEPTEMBER 2016

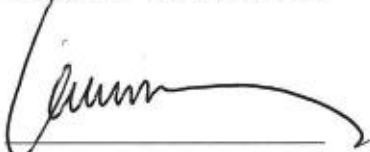
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NOTED THAT pursuant to an order of the High Court of the Republic of Singapore made on 18 August 2016 in Originating Summons No. 789 of 2016, it was ordered that, *inter alia*, the Company be at liberty to convene a meeting of the holders of ordinary shares in the capital of the Company, other than EUN Holdings, LLP (the "**Scheme Shareholders**") (the "**Court Meeting**") for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore between (i) the Company; (ii) EUN (UK) Limited; (iii) EUN Holdings, LLP; and (iv) the Scheme Shareholders.

CERTIFIED THAT at the Court Meeting held on 7 September 2016 at 9.30 a.m. at Meeting Room 329, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, the following resolution was passed:

"That the Scheme of Arrangement dated 23 August 2016 proposed to be made pursuant to Section 210 of the Companies Act, Chapter 50 of Singapore, between (i) the Company, (ii) Scheme Shareholders, (iii) EUN (UK) Limited and (iv) EUN Holdings, LLP, a copy of which has been circulated with the Notice convening this Court Meeting, be and is hereby approved."

CERTIFIED TRUE EXTRACT



**Lam Kwok Chong**

Chairman of the Meeting

Date: 7 September 2016

This is the exhibit marked "LKC-7"

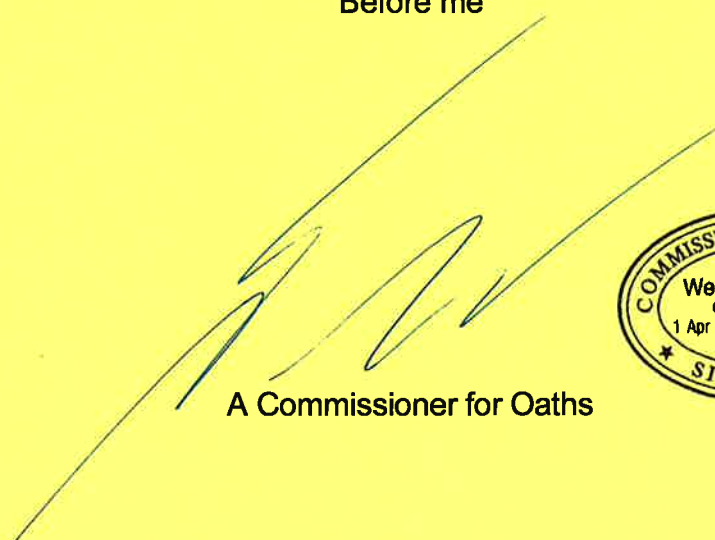
referred to in the affidavit of

**Lam Kwok Chong**

and sworn before me

this 8th day of September 2016

Before me



A Commissioner for Oaths



IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Originating Summons  
No. 789 of 2016

**IN THE MATTER OF SECTION 210 OF  
THE COMPANIES ACT, CHAPTER 50**

And

**IN THE MATTER OF EUNETWORKS  
GROUP LIMITED**

(Company Registration No.  
199905625E)

...Applicant

**REPORT BY CHAIRMAN**  
**ON THE RESULTS OF THE COURT MEETING**

I, LAM KWOK CHONG (NRIC No. S0011919I), of 27 Nim Green, Seletar Hills Estate, Singapore 807618, a director of euNetworks Group Limited (the “**Company**”), being one of the persons appointed by an Order of this Honourable Court dated 18 August 2016 and made in Originating Summons No. 789 of 2016 to act as Chairman of the meeting (the “**Court Meeting**”) of holders of ordinary shares in the capital of the Company (the “**Shares**”) other than EUN Holdings, LLP (the “**Scheme Shareholders**”) convened pursuant to the said Order and summoned by notice dated 23 August 2016 and held on 7 September 2016 at 9.30 a.m. at Meeting Room 329, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, do hereby

report to this Honourable Court the results of the Court Meeting as follows:

1. The Scheme of Arrangement dated 23 August 2016 (the "**Scheme**") proposed to be made pursuant to Section 210 of the Companies Act, Chapter 50 of Singapore between (a) the Company; (b) EUN (UK) Limited; (c) EUN Holdings, LLP; and (d) the Scheme Shareholders, being a copy of the Scheme annexed hereto and signed by me, was considered at the Court Meeting.
2. At the Court Meeting, no amendment to the Scheme was proposed. After I had addressed the Court Meeting, I submitted the following resolution (the "**Resolution**"):

"That the Scheme of Arrangement dated 23 August 2016 proposed to be made pursuant to Section 210 of the Companies Act, Chapter 50 of Singapore, between (i) the Company, (ii) Scheme Shareholders, (iii) EUN (UK) Limited and (iv) EUN Holdings, LLP, a copy of which has been circulated with the Notice convening this Court Meeting, be and is hereby approved."




3. The Resolution was approved by a majority in number representing not less than three-fourths in value of the Scheme Shareholders present and voting either in person or by proxy. The number of Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting and the number of Shares held by such Scheme Shareholders are set out in the second column of the table below. The votes given by such Scheme Shareholders for and against the Resolution are stated in the third and fourth columns respectively of the said table:

TABLE						
(1)	(2)		(3)		(4)	
How Present	No. of Scheme Shareholders present and voting		No. of Scheme Shareholders present and voting "For"		No. of Scheme Shareholders present and voting "Against"	
	No. of Scheme Shareholders casting valid votes	Valid votes cast (Shares)	No. of Scheme Shareholders casting valid votes "for"	Valid votes cast (Shares)	No. of Scheme Shareholders casting valid votes "against"	Valid votes cast (Shares)
In person	10	2,746,440	10	2,746,440	0	0
By proxy	23	121,087,273	21	118,661,873	2	2,425,400
<b>Total</b>	33 (100%)	123,833,713 (100%)	31 (93.94%)	121,408,313 (98.04%)	2 (6.06%)	2,425,400 (1.96%)

4. A printed copy of the Scheme approved and adopted as aforesaid at the Court Meeting is annexed hereto and signed by me.

Dated the 7th day of September 2016.

A handwritten signature in black ink, appearing to read 'Lam Kwok Chong', is written above a horizontal line.

**Lam Kwok Chong**  
Chairman of the Court Meeting

**Annex**

*(Please see attached)*

A handwritten signature in black ink, appearing to be 'Crum', with a long horizontal flourish extending to the right.

**IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

Originating Summons )  
No. 789 of 2016 )

**IN THE MATTER OF SECTION  
210 OF THE COMPANIES ACT,  
CHAPTER 50**

And

**IN THE MATTER OF  
EUNETWORKS GROUP  
LIMITED**

(Company Registration No.  
199905625E)

...Applicant

**SCHEME OF ARRANGEMENT**

under Section 210 of the Companies Act, Chapter 50

Between

euNetworks Group Limited

And

Scheme Shareholders (as defined herein)

And

EUN (UK) Limited

And

EUN Holdings, LLP

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**PRELIMINARY**

In this Scheme of Arrangement, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings:

<b>“Accompanying Documents”</b>	:	Has the meaning ascribed to it in <b>Clause 5</b> herein
<b>“Bank Account”</b>	:	Has the meaning ascribed to it in <b>Clause 6.3(i)</b> herein
<b>“Books Closure Date”</b>	:	A date and time to be announced (before the Effective Date) by the Company on which the Transfer Books and the Register of Members will be closed in order to determine the entitlements of the Scheme Shareholders in respect of this Scheme
<b>“Cash Consideration”</b>	:	Has the meaning ascribed to it in <b>Clause 5(i)</b> herein
<b>“Catalist”</b>	:	The Catalist Board of the SGX-ST (then known as the SGX-ST Dealing and Automated Quotation System)
<b>“Common A Interests”</b>	:	Common A interests in the Partnership carrying such rights as set out in the Partnership Agreement
<b>“Common B Interests”</b>	:	Common B interests in the Partnership carrying such rights as set out in the Partnership Agreement
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore
<b>“Company”</b>	:	euNetworks Group Limited
<b>“Court”</b>	:	The High Court of the Republic of Singapore or, where applicable on appeal, the Court of Appeal of the Republic of Singapore
<b>“Effective Date”</b>	:	The date on which this Scheme, if approved, becomes effective and binding in accordance with its terms
<b>“Election Form”</b>	:	The form of election allowing Entitled Scheme Shareholders to make a Partnership Interest Election pursuant to this Scheme, to be despatched



		to Entitled Scheme Shareholders following the Books Closure Date
<b>“Election Period”</b>	:	The period commencing from a date to be announced by the Company, the Offeror and the Partnership (which is expected to be a date falling after the Books Closure Date) and ending on a date to be determined by the Company, the Offeror and the Partnership, during which the duly completed Election Forms (together with the Accompanying Documents) shall be received by the Share Registrar to determine the Partnership Interest Election exercised by Entitled Scheme Shareholders
<b>“Encumbrances”</b>	:	Any liens, equities, mortgages, charges, hypothecations, pledges, retention of title, trust arrangements, preferential rights, rights of pre-emption and other rights or interests conferring security or similar rights in favour of a third party or any agreements, arrangements or obligations to create any of the foregoing
<b>“Entitled Depository Agents”</b>	:	Entitled Scheme Shareholders who are depository agents
<b>“Entitled Scheme Shareholders”</b>	:	Scheme Shareholders as at 5.00 p.m. (Singapore time) on the Books Closure Date
<b>“Equity Consideration”</b>	:	Has the meaning ascribed to it in <b>Clause 5(ii)</b> herein
<b>“Governmental Agency”</b>	:	Any court of competent jurisdiction or government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity in Singapore, the United Kingdom, US or otherwise
<b>“Implementation Agreement”</b>	:	The scheme implementation agreement dated 29 July 2016 entered into between the Offeror, the Partnership and the Company setting out the terms and conditions on which the Offeror, the Partnership and the Company will implement this Scheme
<b>“Joint Announcement Date”</b>	:	29 July 2016, being the date of the joint announcement by the Company, the Offeror, the Offeror’s Holdco and the Partnership in relation to,



*inter alia*, this Scheme

<b>“Latest Practicable Date”</b>	:	16 August 2016, being the latest practicable date prior to the printing of the Scheme Document
<b>“Long-Stop Date”</b>	:	The date falling six months after the Joint Announcement Date (or such other date as the Offeror and the Company may agree in writing)
<b>“Offeror”</b>	:	EUN (UK) Limited (Company Registration Number: 9203923), a company incorporated under the laws of the United Kingdom, which is wholly-owned by the Offeror’s Holdco
<b>“Offeror Financial Adviser”</b>	:	Ernst & Young Corporate Finance Pte Ltd
<b>“Offeror Letter to Shareholders”</b>	:	The letter from the Offeror to Shareholders as set out in <b>Appendix 2</b> to the Scheme Document
<b>“Offeror’s Holdco”</b>	:	EUN Holdings (UK) Limited (Company Registration Number: 9203914), a company incorporated under the laws of the United Kingdom, which is wholly-owned by the Partnership and is also the sole shareholder of the Offeror
<b>“Partnership”</b>	:	EUN Holdings, LLP, a limited liability partnership formed under the laws of the State of Delaware, US
<b>“Partnership Agreement”</b>	:	The Second Amended and Restated Limited Liability Partnership Agreement of the Partnership dated 29 July 2016 entered into among the Partnership and the partners of the Partnership holding Preferred Interests, Common A Interests and Common B Interests as at the Latest Practicable Date
<b>“Partnership Interest Election”</b>	:	Has the meaning ascribed to it in <b>Clause 5(ii)</b> herein
<b>“Partnership Interests”</b>	:	Interests in the Partnership
<b>“Platform”</b>	:	Has the meaning ascribed to it in <b>Clause 7</b> herein
<b>“Preferred Interests”</b>	:	Preferred interests in the Partnership carrying such rights as set out in the Partnership Agreement



<b>“Register of Members”</b>	:	The register of members of the Company
<b>“Scheme”</b>	:	This scheme of arrangement in its present form or with or subject to any modification thereof or amendment or addition thereto in accordance with its terms (including <b>Clause 11</b> herein) or condition(s) approved or imposed by the Court
<b>“Scheme Document”</b>	:	The document dated 23 August 2016 containing this Scheme and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update the document(s) from time to time
<b>“Scheme Shareholders”</b>	:	Shareholders other than the Partnership
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
<b>“Shareholders”</b>	:	Persons who are registered as holders of Shares in the Register of Members
<b>“Shares”</b>	:	Issued and paid-up ordinary shares in the capital of the Company
<b>“Singapore Business Day”</b>	:	A day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore
<b>“Transfer Books”</b>	:	The transfer books of the Company
<b>“US”</b>	:	The United States of America
<b>“S\$”</b>	:	Singapore Dollars, the lawful currency of the Republic of Singapore

The expressions **“depository agent”** and **“sub-account holder”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

The expressions **“subsidiary”** and **“related corporation”** shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.



The term “**Shareholder**”, in relation to any Share, includes a person entitled to that Share by transmission.

Words importing the singular shall, where applicable, include the plural and vice versa and words indicating a specific gender shall, where applicable, include the other genders (male, female or neuter). References to persons shall, where applicable, include corporations.

A reference to an enactment or statutory provision shall include a reference to any subordinate legislation and any regulation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision, subordinate legislation or regulation as from time to time amended, consolidated, modified, re-enacted or replaced, whether before or after the date of this Scheme.

Any reference to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise specified.

#### RECITALS

- (A) The Company is a limited liability company and was incorporated in Singapore on 18 September 1999. The Company was first listed on 26 January 2000 on the Main Board of the SGX-ST and its listing was subsequently transferred on 22 October 2004 to Catalist. Following a mandatory general offer by the Partnership for the Company set out in the offer document dated 1 December 2014 issued by J.P. Morgan (S.E.A.) Limited for and on behalf of the Partnership, the Company was delisted from Catalist, but remains a public company. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$558,401,295.94 comprising 437,517,419 Shares, which excludes 13,855,200 Shares held in treasury.
- (B) The primary purpose of this Scheme is the acquisition by the Offeror and the Partnership of all the Shares (excluding treasury shares) other than those already held by the Partnership.
- (C) The Company, the Offeror and the Partnership have entered into the Implementation Agreement to set out their respective rights and obligations with respect to this Scheme and the implementation thereof.
- (D) Each of the Offeror and the Partnership has agreed to appear by legal counsel at the hearing of the Originating Summons to sanction this Scheme, and to consent thereto, and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.



**PART I****CONDITIONS PRECEDENT**

1. This Scheme is conditional upon each condition precedent set out in Clause 3.1 of the Implementation Agreement (as reproduced in **Appendix 9** to the Scheme Document) being satisfied or, subject to the terms of the Implementation Agreement, being waived.

**PART II****TRANSFER OF THE SHARES**

2. With effect from the Effective Date, all the Shares (excluding treasury shares) held by the Entitled Scheme Shareholders that are acquired for the Cash Consideration will be transferred to the Offeror as follows:
  - (i) fully paid;
  - (ii) free from all Encumbrances; and
  - (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared by the Company on or after the Joint Announcement Date.
3. With effect from the Effective Date, all the Shares (excluding treasury shares) held by the Entitled Scheme Shareholders that are acquired for the Equity Consideration will be transferred to the Partnership as follows:
  - (i) fully paid;
  - (ii) free from all Encumbrances; and
  - (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared by the Company on or after the Joint Announcement Date.
4. For the purpose of effecting the transfer of the Shares provided for in **Clause 2** and **Clause 3** of this Scheme, the Company shall authorise any person to execute or effect on behalf of all such Entitled Scheme Shareholders instrument(s) or instruction(s) of transfer of all the Shares held by such Entitled Scheme Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Scheme Shareholder.



## PART III

## PAYMENT OF CONSIDERATION

5. In consideration for the transfer of the Shares to the Offeror under **Clause 2** of this Scheme and the transfer of the Shares to the Partnership under **Clause 3** of this Scheme and subject to **Clause 1** of this Scheme, each of the Entitled Scheme Shareholders will be entitled to receive a sum in cash or, in lieu thereof, Preferred Interests and Common A Interests as follows:
- (i) **\$1.16 to be paid by the Offeror for each Share** (the "Cash Consideration"); or
  - (ii) where the Entitled Scheme Shareholder has made a valid election to receive Preferred Interests and Common A Interests in lieu of the Cash Consideration for his Shares (the "**Partnership Interest Election**"), **0.10 Preferred Interest and 0.10 Common A Interest to be issued by the Partnership for each Share** (the "Equity Consideration").

For the avoidance of doubt, with the exception of Entitled Depository Agents, each Entitled Scheme Shareholder is only entitled to receive the Cash Consideration or, in lieu thereof, the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder's name, but not a mixture of both.

In order to make a valid Partnership Interest Election, in addition to the Election Form, each Entitled Scheme Shareholder (or its nominee) is also required to submit the relevant supporting documents including the appropriate US Internal Revenue Service Form W-8 or W-9 and an accredited investor questionnaire for such Entitled Scheme Shareholder (or its nominee, provided that such nominee is the appropriate person for such forms) (the "**Accompanying Documents**"). For the avoidance of doubt, each Entitled Scheme Shareholder is only entitled to appoint one nominee (in place of the Entitled Scheme Shareholder) to receive the Equity Consideration for all the Shares registered in such Entitled Scheme Shareholder's name.

In the absence of any valid Partnership Interest Election made by such Entitled Scheme Shareholder or in the event of any failure by such Entitled Scheme Shareholder to make a valid Partnership Interest Election, the Entitled Scheme Shareholder shall only be entitled to receive the Cash Consideration for all the Shares registered in such Entitled Scheme Shareholder's name.

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***Arrangements applicable to Entitled Scheme Shareholders that are Entitled Depository Agents***

An Election Form will be despatched to each Entitled Depository Agent to enable it to indicate the number of Shares it holds on behalf of each sub-account holder who has directed the Entitled Depository Agent to make the Partnership Interest Election. Entitled Depository Agents must not permit a sub-account holder to achieve a mixture of the Equity Consideration and the Cash Consideration for the Shares held on behalf of the sub-account holder. By submitting the completed Election Form, an Entitled Depository Agent confirms and represents to the Offeror, the Partnership and the Company that:

- (a) in relation to each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election, the Partnership Interest Election has been exercised in respect of all (but not some) of the Shares held by the Entitled Depository Agent for such sub-account holder;
- (b) each sub-account holder in respect of which the Entitled Depository Agent exercises the Partnership Interest Election is a person to whom the Equity Consideration may be lawfully issued; and
- (c) to the best of its knowledge and belief, since the Joint Announcement Date, it has not transferred any Shares held for a sub-account holder for the purposes of facilitating a mixture of the Equity Consideration and the Cash Consideration for such Shares.

In order to make a valid Partnership Interest Election in respect of any sub-account holder, in addition to the Election Form, each Entitled Depository Agent is also required to submit the relevant Accompanying Documents for each such sub-account holder.

In the absence of any valid Partnership Interest Election made by such Entitled Depository Agent for a sub-account holder or in the event of any failure by such Entitled Depository Agent to make a valid Partnership Interest Election in respect of any sub-account holder, the Entitled Depository Agent shall only be entitled to receive the Cash Consideration for all the Shares it holds on behalf of such sub-account holder.

***Arrangements applicable to Entitled Scheme Shareholders generally***

An Entitled Scheme Shareholder who wishes to receive the Equity Consideration in lieu of Cash Consideration in respect of all its Shares (or an Entitled Depository Agent who wishes to receive the Equity Consideration in lieu of Cash Consideration in respect of all the Shares held on behalf of any sub-account holder(s)) must make a valid Partnership Interest Election by returning the completed Election Form with the relevant Accompanying Documents in

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accordance with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Forms and/or the Accompanying Documents during the Election Period.

An Entitled Scheme Shareholder who wishes to receive the Cash Consideration in respect of all of such Entitled Scheme Shareholder's Shares does not need to complete and return the Election Form or the Accompanying Documents.


Following the Books Closure Date, the Election Forms and Accompanying Documents are expected to be despatched on or around the third Singapore Business Day from the Books Closure Date to all Entitled Scheme Shareholders at their respective addresses shown in the Register of Members at their own risk. Such Election Forms and Accompanying Documents may also be collected at the Share Registrar's office situated at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during the Election Period.

With the exception of Entitled Depository Agents, the Partnership Interest Election must be exercised in respect of all (but not some) of the Shares registered in each Entitled Scheme Shareholder's name as at the Books Closure Date.

The Election Forms and relevant Accompanying Documents must be received on or before the end of the Election Period. If the Share Registrar fails to receive from any Entitled Scheme Shareholder an Election Form or the relevant Accompanying Documents by the end of the Election Period, such Entitled Scheme Shareholder shall be deemed to have elected to receive Cash Consideration in respect of all its Shares.

The Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar will be authorised and entitled, at their sole and absolute discretion, to reject or treat as invalid any Election Form or Accompanying Document which is not entirely in order or which does not comply with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Form and/or the Accompanying Documents, or which is left blank, or otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents.

Any decision to reject any Election Form or Accompanying Document received by the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and/or the Share Registrar on the grounds that it has been left blank or is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect including where applicable failing to provide the relevant Accompanying Documents will be final and binding, and none of the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and the Share Registrar accepts any responsibility or liability for the consequences of such a decision.

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None of the Partnership, the Offeror's Holdco, the Offeror, the Offeror Financial Adviser, the Company and the Share Registrar shall be required to notify any Entitled Scheme Shareholder if such Entitled Scheme Shareholder's Election Form or any Accompanying Document is not received or is not in compliance with the provisions and instructions set out in the Scheme Document, the Offeror Letter to Shareholders, the Election Form and/or the Accompanying Documents, or is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect.

In respect of the Equity Consideration, the aggregate Preferred Interests and Common A Interests that are issuable to any Entitled Scheme Shareholder (or its nominee) in respect of the Shares held by such Entitled Scheme Shareholder will be rounded down, in each case, to the nearest whole number.

The Equity Consideration to be issued pursuant to the Scheme becoming effective and binding in accordance with its terms will, when issued, be validly authorised, validly issued and outstanding, fully paid and non-assessable and free from Encumbrances (other than restrictions arising out of the Partnership Agreement or applicable securities laws) and all consents, authorisations, approvals or waivers from any Governmental Agencies or third parties necessary for such issuance have been or will, prior to such issuance, be obtained.

6. Cash Consideration

- 6.1 The Offeror shall, not later than seven Singapore Business Days after the Effective Date, and against the transfer of the Shares set out in **Clause 2** of this Scheme, despatch the Cash Consideration to the Entitled Scheme Shareholders who have not made any valid Partnership Interest Election during the Election Period, by sending a cheque for the aggregate cash amount payable to and made out in favour of each Entitled Scheme Shareholder, or in the case of joint Entitled Scheme Shareholders, to and made out in favour of the first named Entitled Scheme Shareholder, in each case, by ordinary post to such Entitled Scheme Shareholder's address appearing in the Register of Members on the Books Closure Date, at the sole risk of such Entitled Scheme Shareholder.
- 6.2 The encashment of any cheque shall be deemed as good discharge to the Offeror and the Company for the moneys represented thereby.
- 6.3 (i) On and after the day being six calendar months after the posting of such cheques relating to the Cash Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account (the "**Bank Account**") in the name of the Company or any of its related corporations with a licenced bank in London, the United Kingdom selected by the Company or any of its

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related corporations. Following the payment of the Cash Consideration into the Bank Account, the Offeror will send a letter to each Entitled Scheme Shareholder whose cheque has not been cashed (or has been returned uncashed) at such Entitled Scheme Shareholder's address as shown in the Register of Members informing the Entitled Scheme Shareholder that the relevant Cash Consideration is being held on trust for such Entitled Scheme Shareholder by the Company or its related corporation or the successor entity of the Company or its related corporation. Such letter would also provide contact details for such Entitled Scheme Shareholder to make enquiries.

- (ii) The Company or its related corporation or the successor entity of the Company or its related corporation shall hold such moneys until the expiration of six years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to **Clause 6.1** of this Scheme to persons who satisfy the Company or its related corporation or the successor entity of the Company or its related corporation that they are respectively entitled thereto and that the cheques referred to in **Clause 6.1** of this Scheme for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to **Clause 5(i)** of this Scheme.
- (iii) On the expiry of six years from the Effective Date, each of the Company and the Offeror shall be released from any further obligation to make any payments of the Cash Consideration under this Scheme and the Company or its related corporation or the successor entity of the Company or its related corporation shall transfer to the Official Receiver the balance (if any) of the sums then standing to the credit of the Bank Account.
- (iv) **Clause 6.3(iii)** of this Scheme shall take effect subject to any prohibition or condition imposed by law.

#### 7. Equity Consideration

The Partnership shall, not later than seven Singapore Business Days after the Effective Date, and against the transfer of the Shares set out in **Clause 3** of this Scheme, issue the Equity Consideration to Entitled Scheme Shareholders who made valid Partnership Interest Election(s) during the Election Period. Immediately after the Equity Consideration is issued by the Partnership, the Partnership will credit the relevant amount of Partnership Interests to the Entitled Scheme Shareholder's (or its nominee's) or the relevant sub-account holder's account (at the direction of the Entitled Depository Agent to the Partnership) on





the esharesinc.com platform (the "Platform"). Each Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder, will receive electronic mail from the Platform to such Entitled Scheme Shareholder's (or its nominee's) or relevant sub-account holder's electronic mailing address as provided in the Election Form, at the sole risk of such Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder, requiring them to register with the Platform after which such Entitled Scheme Shareholder (or its nominee) or relevant sub-account holder will receive electronic certificates for the relevant amount of Partnership Interests.

8. From the Effective Date, all existing share certificates representing a former holding of Shares by the Entitled Scheme Shareholders will cease to be evidence of title of the Shares represented thereby. The Entitled Scheme Shareholders are required to forward these existing share certificates representing their former holding of Shares to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 as soon as possible, but not later than seven Singapore Business Days after the Effective Date for cancellation.

#### PART IV

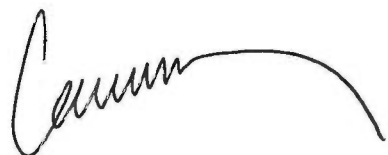
#### EFFECTIVE DATE

9. Subject to the satisfaction (or, where applicable, waiver) of the conditions precedent set out in **Clause 1** of this Scheme, this Scheme shall become effective and binding upon a copy of the order of the Court sanctioning this Scheme under Section 210 of the Companies Act being duly lodged with the Accounting and Corporate Regulatory Authority of Singapore for registration.
10. Unless this Scheme shall have become effective and binding as aforesaid on or before the Long-Stop Date (or such other date as the Court on the application of the Company or the Offeror may allow), this Scheme shall lapse.
11. The Company, the Offeror and the Partnership may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.
12. In the event that this Scheme does not become effective and binding for any reason, the costs and expenses incurred by the Company in connection with this Scheme will be borne by the Company.
13. This Scheme and all actions taken or made or deemed to be taken or made hereunder shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. Each of the Company, the Offeror, the Partnership and the Scheme Shareholders submits to the non-exclusive jurisdiction of the courts of Singapore. A person who is not a party to this Scheme or any contracts

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made pursuant to this Scheme has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term or provision of this Scheme or such contract (as the case may be).

Dated 23 August 2016

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