

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

Subject to the restrictions set out below, if you sell or transfer or have sold or transferred all of your Existing Shares (other than ex-rights) held in certificated form before close of business on 30 March 2016 please send this document, together with any Provisional Allotment Letter, duly renounced, if and when received, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. This document and/or the Provisional Allotment Letter should not, however, be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to (subject to certain exceptions), the Excluded Territories. If you sell or have sold or otherwise transferred all or some of your Existing Shares (other than ex-rights) held in uncertificated form before the ex-rights date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Existing Shares (other than ex-rights) held in certificated form before the ex-rights date, you should refer to the instructions regarding split applications in Part III (*Terms and Conditions of the Rights Issue*) of this document and the Provisional Allotment Letter.

The distribution of this document, any other offering or public material relating to the Rights Issue and/or the Provisional Allotment Letter and/or the transfer of Nil Paid Rights, Fully Paid Rights and/or Rights Issue Shares into jurisdictions other than the UK, may be restricted by law and therefore persons into whose possession this document and/or any accompanying documents come should inform themselves about and observe any such restrictions. In particular, subject to certain exceptions, this document and the Provisional Allotment Letter should not be distributed, forwarded to or transmitted in or into the United States or any of the other Excluded Territories. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions. The Nil Paid Rights, the Fully Paid Rights and the New Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Tribal Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 04128850)

Proposed Disposal of Synergy

Proposed 1 for 1 Rights Issue of 94,849,241 Rights Issue Shares of 5 pence each at 22 pence per share

Proposed Subscriptions for 5,681,817 Subscription Shares at 22 pence per share

Proposed Share Matching Plan

Proposed Delisting and AIM Admission

Notice of General Meeting

Sponsor, Financial Adviser and Underwriter

Investec Bank plc

This document comprises a prospectus and circular relating to Tribal, the proposed Disposal of Synergy, the proposed Rights Issue, the proposed CEO Subscription, the proposed NED Subscription, the proposed Share Matching Plan and the proposed Delisting and AIM Admission, and has been prepared in accordance with the Prospectus Rules made under section 73A of the FSMA and has been approved by the Financial Conduct Authority (the “FCA”) under the FSMA. This document has been made available to the public in accordance with paragraph 3.2 of the Prospectus Rules. This document does not constitute an admission document drawn up in accordance with the AIM Rules.

The Existing Shares have been admitted to the Premium Listing segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange. An application will be made to the UK Listing Authority for the Rights Issue Shares and the Subscription Shares to be admitted to the premium segment of the Official List, and to the London Stock Exchange for the Rights Issue Shares (nil and fully paid) and the Subscription Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities (together “**Admission**”). It is expected that Admission will become effective and that dealings in the Rights Issue Shares (nil paid) will commence on the Main Market of the London Stock Exchange at 8.00 a.m. (London time) on 4 April 2016 and that dealings in the Rights Issue Shares (fully paid), as well as the Subscription Shares, will commence on the Main Market of the London Stock Exchange at 8.00 a.m. (London time) on 19 April 2016.

Application will also be made for the Shares (including both the Existing Shares and the New Shares) to be admitted to trading on AIM. Subject to the passing of the Resolutions at the General Meeting, it is expected that admission of the Shares will become effective and that dealings of the Shares will commence on AIM on or around 3 May 2016 (“**AIM Admission**”).

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. In the event that the Delisting takes effect and the Shares are admitted to trading on AIM the Shares will not be admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

A Notice of a General Meeting of Tribal Group plc to be held at the offices of Osborne Clarke LLP, One London Wall, London EC2Y 5EB at 9.30 a.m. on 1 April 2016 is set out at the end of this document. The Form of Proxy for use at the General Meeting accompanies this document.

The action to be taken by Shareholders in respect of the General Meeting is set out on page 68 of this document. If you hold your Existing Shares in certificated form, whether or not you plan to attend the General Meeting you are encouraged to complete the accompanying Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post or, during normal business hours only, by hand, to Capita Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 9.30 a.m. on 30 March 2016 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). The completion and return of a Form of Proxy will not prevent you from attending and voting at the meeting in person should you wish to do so.

If you hold your Existing Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID 9RA01) by no later than 9.30 a.m. on 30 March 2016 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). The completion and return of the Form of Proxy will not prevent you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

The latest time and date for acceptance and payment in full for the Rights Issue Shares under the Rights Issue is expected to be 11.00 a.m. (London time) on 18 April 2016. The procedure for acceptance and payment are set out in Part III (*Terms and Conditions of the Rights Issue*) of this document and, for Qualifying Non-CREST Shareholders only, will also be set out in the Provisional Allotment Letter. Qualifying CREST Shareholders should refer to paragraph 4 of Part III (*Terms and Conditions of the Rights Issue*) of this document.

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I (*Letter from the Chairman of Tribal*) of this document. You should read the whole of this document, any accompanying document and any documents incorporated herein by reference. Shareholders and any other person contemplating a purchase of Nil Paid Rights, Fully Paid Rights or Rights Issue Shares should review in particular the risk factors set out in this document for a discussion of certain risks and uncertainties and other factors that should be considered when deciding on what action to take in relation to the Rights Issue and deciding whether or not to purchase the Nil Paid Rights, Fully Paid Rights or Rights Issue Shares. You should not rely solely on the information summarised in the Chairman's Letter.

Subject to the passing of the Rights Issue Resolutions at the General Meeting, it is expected that Qualifying Non-CREST Shareholders (other than Excluded Shareholders) will be sent Provisional Allotment Letters on 1 April 2016 and that Qualifying CREST Shareholders (other than Excluded Shareholders) will receive a credit note to the appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled on 4 April 2016. The Nil Paid Rights so credited are expected to be enabled for settlement by Euroclear as soon as practicable after Admission. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Rights Issue.

Investors should only rely on the information contained in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised by Tribal, the Directors or Investec. No representation or warranty, express or implied, is made by Investec as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Investec as to the past, present or future. In particular, the contents of Tribal's website do not form part of this document and investors should not rely on them. Without prejudice to any legal or regulatory obligation on Tribal to publish a supplementary prospectus pursuant to section 87G of the FSMA and Prospectus Rule 3.4, neither the delivery of this document nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group taken as a whole since the date of this document or that the information in it is correct as of any time after the date of this document.

Persons into whose possession this document comes should inform themselves about and observe any applicable restrictions and legal, exchange control or regulatory requirements in relation to the distribution of this document and the Rights Issue. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction. The contents of this document should not be construed as legal, business or tax advice.

Investec, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Tribal and no-one else in connection with the Disposal, Rights Issue, CEO Subscription, NED Subscription, Share Matching Plan, Delisting and AIM Admission, and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Disposal, Rights Issue, CEO Subscription, NED Subscription, Share Matching Plan, Delisting and AIM Admission, and will not be responsible to anyone other than Tribal for providing the protections afforded to its clients nor for the giving of advice in relation to the Disposal, Rights Issue, CEO Subscription, NED Subscription, Share Matching Plan, Delisting and AIM Admission, or any other matter or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA or the regulatory regime established thereunder, Investec accepts no responsibility whatsoever for the contents of this document, including its accuracy, completeness or for any other statement made or purported to be made by it, or on its behalf, in connection with Tribal, the Shares or the Rights Issue. Investec, its subsidiaries, branches and affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Notice to Overseas Shareholders

Except as otherwise set out herein, the Rights Issue described in this document is not being and will not be made to Shareholders or investors in the United States or any Excluded Territory. All Excluded Shareholders and any person (including,

without limitation, a nominee or trustee) who has a contractual or legal obligation to forward this document or any Provisional Allotment Letter, if received, or other document to a jurisdiction outside the UK should read Part III (*Terms and Conditions of the Rights Issue*) of this document.

The Rights Issue Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan, New Zealand or South Africa. The Rights Issue Shares may not be offered or sold in any jurisdiction, or to or for the account or benefit of any national, resident or citizen in Australia, Canada, Japan, New Zealand or South Africa.

Notice to US shareholders

Except as otherwise provided for herein, this document does not constitute an offer of Nil Paid Rights, Fully Paid Rights, New Shares or Provisional Allotment Letters to any Shareholder with a registered address in, or who is resident in, the United States. None of the Nil Paid Rights, the Fully Paid Rights, the New Shares or the Provisional Allotment Letters has been or will be registered under the Securities Act or under securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The Company reserves the right to deliver the Nil Paid Rights and Provisional Allotment Letters to, and the Fully Paid Rights and the New Shares may be acquired by, a limited number of persons in the United States reasonably believed to be "Qualified Institutional Buyers" or QIBs within the meaning of Rule 144A under the Securities Act ("QIBs"), in offerings exempt from, or in a transaction not subject to, the registration requirements under the Securities Act. The New Shares being offered outside the United States are being offered in reliance on Regulation S. Subject to certain limited exceptions, neither this document nor the Provisional Allotment Letters will be distributed in or into the United States.

The Nil Paid Rights, the Fully Paid Rights, the New Shares and the Provisional Allotment Letters have not been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon, or endorsed the merits of, the offering of the Nil Paid Rights, the Fully Paid Rights, the New Shares or the Provisional Allotment Letters or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or purchase, any securities other than the Nil Paid Rights, the Fully Paid Rights and the Rights Issue Shares or any offer or invitation to sell or issue, or any solicitation of any offer to purchase, such Nil Paid Rights, Fully Paid Rights or Rights Issue Shares by any person in any circumstances in which such offer or solicitation is unlawful. Nothing in this document constitutes an offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or purchase, the Subscription Shares or Share Matching Plan Shares.

The distribution of this document and the offer and sale of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company or Investec to permit a public offering of the Shares under the applicable securities laws of any jurisdiction other than the UK (including the United States). Other than in the UK, no action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Notice to EEA investors

In relation to each EEA State (except for the UK) which has implemented the Prospectus Directive (each a "**relevant member state**"), no Nil Paid Rights, Fully Paid Rights or Rights Issue Shares have been offered or will be offered pursuant to the Rights Issue to the public in that relevant member state prior to the publication of a prospectus in relation to the Nil Paid Rights, Fully Paid Rights and Rights Issue Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, offers of Nil Paid Rights, Fully Paid Rights or Rights Issue Shares may be made to the public in that relevant member state at any time:

- (A) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (B) to fewer than 100 or, if the relevant member state has implemented the relevant provision of the PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such relevant member state; or
- (C) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Nil Paid Rights, Fully Paid Rights or Rights Issue Shares shall result in a requirement for the publication by the Company or Investec of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in that relevant member state.

For this purpose, the expression "offer of any Nil Paid Rights, Fully Paid Rights or Rights Issue Shares to the public" in relation to any Rights Issue Shares, Nil Paid Rights and Fully Paid Rights in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Rights Issue and any Nil Paid Rights, Fully Paid Rights and Rights Issue Shares to be offered so as to enable an investor to decide to subscribe for or acquire any Nil Paid Rights, Fully Paid Rights or Rights Issue Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it in

the Rights Issue have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of Investec has been obtained to each such proposed offer or resale. The Company, Investec and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified Investec of such fact in writing may, with the consent of Investec, be permitted to subscribe for or purchase Shares in the Rights Issue.

Notice to all investors

Capitalised terms have the meanings ascribed to them in the “Definitions” section on page 182 of this document.

Certain information in relation to the Company is incorporated by reference into this document. You should refer to paragraph 18 of Part XII (*Additional Information – Documents Incorporated by Reference*) of this document.

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information for any purposes other than in considering an acquisition of Nil Paid Rights, Fully Paid Rights or Rights Issue Shares is prohibited, except to the extent such information is otherwise publicly available. By accepting delivery of, or accessing, this document, each offeree of the Nil Paid Rights, the Fully Paid Rights or the Rights Issue Shares agrees to the foregoing.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by Tribal. Subject to FSMA, the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, neither the delivery of this document nor any acquisition or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Tribal since the date of this document or that the information in this document is correct as at any time after this date. Without limitation, the contents of the Group’s website, or any links accessible through the Group’s website, do not form part of this document.

The contents of this document are not to be construed as legal, business or tax advice. None of the Company or Investec, or any of their respective representatives, is making any representation to any offeree or purchaser of the Rights Issue Shares regarding the legality of an investment in the Rights Issue Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each prospective investor should consult his, her or its own legal adviser, financial adviser or tax adviser as to the legal, financial or tax-related aspects of a purchase of the Rights Issue Shares.

The date of this document is 16 March 2016.

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of the words “not applicable”.

Section A – Introduction and warnings		
Element	Disclosure Requirement	Disclosure
A.1	Warning to investors	<p>This summary should be read as an introduction to this document.</p> <p>Any decision to invest in the Nil Paid Rights, the Fully Paid Rights and/or the New Shares should be based on consideration of this document as a whole by the investor.</p> <p>Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in the Nil Paid Rights, the Fully Paid Rights, and/or the New Shares.</p>
A.2	Subsequent resale or final placement of securities by financial intermediaries	Not applicable: The Company is not engaging any financial intermediaries for subsequent resale or final placement of the securities after publication of this document.

Section B – Issuer		
Element	Disclosure Requirement	Disclosure
B.1	Legal and commercial name	The Company's legal name is Tribal Group plc.
B.2	Domicile/legal form/legislation/country of incorporation	The Company is domiciled in England and Wales. The Company was incorporated and registered in England and Wales on 15 December 2000 with registered number 04128850 as a public company limited by shares. The

		principal legislation under which the Company operates is the Act and regulations made thereunder.
B.3	Current operations and principal activities and markets	<p>The Group provides software and services that primarily support the management of institutions which deliver education and training. Tribal mainly works with universities, colleges and schools in the UK, Asia Pacific and other countries in the English-speaking world. It works with managers, administrators and senior academic staff to enhance the quality of education and experience their institutions offer to their students.</p> <p>Tribal is a leading provider of student management systems to universities, colleges and schools in its established markets of the UK, Australia and New Zealand. Tribal serves an excellent installed customer base including some of the world's leading universities, colleges and schools, from which recurring annual support revenues in excess of £30 million were generated during the year ended 31 December 2015.</p> <p>Tribal's software business operates through a traditional software revenue model. Customers are provided with a licence to the software, and implementation services are then provided to enable customers to configure the software to suit their requirements. Following installation, support and maintenance services are provided to assist customers in their ongoing use of the software, and to keep software installed on customer sites up to date.</p> <p>Tribal's services, which support the improvement of universities, colleges and schools performance, are typically provided through long-term contracts.</p> <p>Tribal also owns the Synergy business, which constitutes a suite of software modules targeted at and used by bodies in the children's services sector of local government in the UK. This is a non-core business which, subject to the Disposal Resolution being passed by Shareholders, is proposed to be sold to Servelec for consideration of £20.25 million.</p>
B.4a	Significant recent trends affecting the Group and its industry	<p>The Board believes that the three key trends affecting the Group's markets are funding pressures, changes to student recruitment, and developing delivery models.</p> <p>Fiscal pressure is leading to decreasing levels of funding, and the rise of student debt. Financial constraints also result in longer decision-making cycles in the Group's markets. Education managers need to find a way to reduce costs and operate efficiently to balance these financial constraints against increasing expectations. It also means they increasingly focus only on economically viable activities, and must have a clear view of their organisations' performance across a range of measures. The needs of education managers are becoming similar to those managers of commercial enterprises.</p>

		<p>In an increasingly competitive and globalised market, optimising student recruitment and retention is key to institutions' financial well-being. This will mean streamlining the admissions process and using effective multi-channel marketing and recruitment tools, including student satisfaction as a marketing message. It will mean focusing on the right candidates at an early stage, matching students to the right institutions and courses, and removing barriers for applicants.</p> <p>Technology presents new teaching and learning methods which can be deployed across multiple media, bringing about an increase in distance learning and the creation of the virtual campus. Students can have far more choice in the components that make up a qualification, and institutions can collaborate to build courses which span education sectors or cross borders.</p> <p>Thus, education packages and curriculum planning are becoming far more complex. Institutions must also demonstrate continual improvement, not only in their offer, but also in educational outcomes.</p>																								
B.5	Description of the Group	The Company is the ultimate holding company of the Group.																								
B.6	Major shareholders	<p>As at 15 March 2016 (being the latest practicable date prior to the publication of this document), insofar as it is known to the Company, the following persons are interested directly or indirectly in 3% or more of the voting rights in respect of the issued ordinary share capital of the Company:</p> <table> <tr> <th><i>Name</i></th><th><i>Number of Shares</i></th><th><i>Percentage of issued Shares</i></th></tr> <tr> <td>RWC Partners Ltd</td><td>19,593,700</td><td>20.66</td></tr> <tr> <td>Schroders</td><td>10,229,876</td><td>10.86</td></tr> <tr> <td>Strategic Equity Capital plc</td><td>9,320,095</td><td>9.83</td></tr> <tr> <td>Legal & General Group</td><td>7,236,111</td><td>7.63</td></tr> <tr> <td>Crystal Amber Advisors</td><td>6,093,301</td><td>6.42</td></tr> <tr> <td>Majedie Asset Mgt</td><td>4,745,242</td><td>5.00</td></tr> <tr> <td>Henderson Group plc</td><td>3,925,000</td><td>4.14</td></tr> </table> <p>None of the Company's major shareholders has different voting rights attached to the shares they hold in the Company.</p> <p>As at 15 March 2016 (being the latest practicable date prior to the publication of this document), the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.</p>	<i>Name</i>	<i>Number of Shares</i>	<i>Percentage of issued Shares</i>	RWC Partners Ltd	19,593,700	20.66	Schroders	10,229,876	10.86	Strategic Equity Capital plc	9,320,095	9.83	Legal & General Group	7,236,111	7.63	Crystal Amber Advisors	6,093,301	6.42	Majedie Asset Mgt	4,745,242	5.00	Henderson Group plc	3,925,000	4.14
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B.7	Selected historical key financial information	Selected audited historical financial information relating to the Group has been extracted without material adjustment from the Group’s 2015, 2014 and 2013 financial statements which are incorporated by reference in this document. Prospective investors should review the following selected financial information together with the whole of this document and any documents incorporated by reference herein and should not rely on the selected financial information below.			
		2015	2014	2013	
		£000s	£000s	£000s	
	Revenue	106,725	123,703	125,485	
	Cost of sales	(68,676)	(74,028)	(75,466)	
	Gross profit	38,049	49,675	50,019	
	Other administration expenses	(35,165)	(35,166)	(34,260)	
	Other items outside ordinary course of trading	(46,420)	(17,079)	(30)	
	Amortisation of IFRS 3 intangibles	(1,686)	(1,729)	(231)	
	Operating profit/(loss)	(45,222)	(4,299)	15,498	
	<i>Adjusted operating profit*</i>	2,884	14,509	15,759	
	Investment income	49	58	37	
	Other gains and losses	–	–	(453)	
	Finance costs	(1,083)	(1,149)	(1,235)	
	Finance costs – outside normal course of trading	(1,041)	(876)	(350)	
	Profit/(loss) before tax	(47,297)	(6,266)	13,497	
	Tax on underlying profit/(loss)	(697)	(2,830)	(2,889)	
	Tax on items outside normal course of trading	2,558	1,348	169	
	Tax credit (charge)	1,861	(1,482)	(2,720)	
	Profit/(loss) for the year from continuing operations	(45,436)	(7,748)	10,777	
	Profit/(loss) from discontinued operations	(80)	(196)	788	
	Profit/(loss) for the year	(45,516)	(7,944)	11,565	
	Earnings per share (EPS)				
	Basic and diluted from continuing operations	(48.1p)	(8.4p)	11.5p	
	Basic and diluted from continuing and discontinued operations	(48.2p)	(8.4p)	12.3p	
	Non IFRS financial KPIs				
	Basic and diluted adjusted EPS	1.2p	11.3p	12.5p	

		<p>* Adjusted operating profit for the Group represents Group operating profit from continuing operations adjusted to exclude trading losses of closed businesses (where relevant), intangible asset amortisation and net other exceptional costs.</p> <p>Results of operations</p> <p>The Group's revenue decreased to £106.7 million in the year ended 31 December 2015 from £123.7 million in 2014 and £125.5 million in 2013. Adjusted operating profit for the Group for the year ended 31 December 2015 decreased to £2.9 million from £14.5 million in 2014 and £15.8 million in 2013. Adjusted EBITDA in FY15 was £8.2 million down from £19.7 million in FY14. In addition, the Group announced a writedown of £8.0 million of product development costs on 9 April 2015 and recognised goodwill impairments charges of £38.8 million in its accounts for the year ended 31 December 2015.</p> <p>Performance in the year ended 31 December 2013 continued a period of several years of good growth as the Group developed its software business and secured a range of significant software contracts for larger universities and state education providers. As the Group moved into 2014, overall trading performance weakened a little as the Group was coming to the end of an intensive period of growth and concentrated on delivery of its major software contracts in Australia. However, the year ended 31 December 2015 was a challenging period as the business was adversely affected in two key areas.</p> <p>During the course of 2015, the Group's sales team increasingly lost momentum, with uncertainty around the Group's direction and leadership affecting the business particularly during the second half of the year. The retirement of its former Chief Executive in June 2015 took place at the same time as its larger customers and prospective clients were considering carefully their technology strategies, which affected their procurement plans. This resulted in unexpected losses of new customer bids, where previously win rates had been high, and reduced confidence among key sales staff. This reduced sales momentum had a material impact on short term profitability due to the high margin generated by software licence revenues.</p> <p>At the same time, the Group experienced significant operational challenges on its large software projects for the Student Administration and Learning Management (SALM) programme in New South Wales and for the TAFE Queensland programme. As a result, related contract revenues slowed, while, for reasons of continuity, the Group retained its project teams and therefore did not materially reduce its related cost base. The impact of much reduced revenues and limited cost mitigation had a material impact on profitability in 2015. Adjusted EBITDA reduced to £8.2 million for the 2015 financial year compared to £19.7 million</p>
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	in the 2014 financial year and £20.0 million in the 2013 financial year.		
	Liquidity and capital resources		
	<i>2015</i> <i>£000s</i>	<i>2014</i> <i>£000s</i>	<i>2013</i> <i>£000s</i>
Net cash from operating activities	(6,216)	19,717	18,646
Net cash outflow from investing activities	(11,278)	(21,222)	(10,392)
Net cash from/(used in) financing activities	10,107	3,460	(8,577)
Net increase/(decrease) in cash and cash equivalents	(7,387)	1,955	(323)
Cash and cash equivalents at beginning of year	9,345	7,555	8,424
Effect of foreign exchange rate changes	(222)	(165)	(546)
Cash and cash equivalents at end of year	1,736	9,345	7,555
	<p>During 2014, the Group's underlying activities generated strong operating cash flows of £19.7 million (FY13: £18.6 million). The Group's strong cash collection profile in FY14 included significant milestone receipts relating in part to work on to the SALM programme during 2013.</p> <p>In 2015, the Group's underlying activities experienced significant adverse working capital movements. At the start of the year, the Group anticipated certain negative working capital movements associated with contracted changes to payment schedules in relation to its Ofsted contracts, and the forthcoming expiry of a non-core contract associated with which £6.6 million of advance cash receipts were recorded at 31 December 2014. Additional key negative working capital movements arose associated with the SALM contract renegotiation, where despite contractual completion in early October 2015, significant cash receipts associated with the Group's historical delivery remained outstanding at 31 December 2015. Alongside the SALM contract working capital position, cash receipts expected in FY15 in respect of the TAFE Queensland contract were not received. Discussions in relation to this contract are ongoing, and it is uncertain as to whether any amounts will be received in respect of past or future work. No such revenues or cash receipts have been assumed to be received by the Group in its forecasts.</p> <p>Cash flow from investing activities totalled £11.3 million (FY14: £21.2 million; FY13: £10.4 million), including £4.1 million (FY14: £4.8 million; FY13: £6.9 million) on software product development, £2.7 million (FY14: £1.7 million; FY13: £1.6 million) on enhancements to office premises and replacement of IT systems and equipment</p>		

and £4.5 million (FY14: £15.1 million; FY13: £2.5 million) on acquisitions.

The following table presents the Group's Net Debt position at the dates indicated.

	2015 £000s	2014 £000s	2013 £000s
Cash at bank and in hand	3,896	9,345	7,555
Overdraft	(2,160)	–	–
Syndicated bank facility (net of bank arrangement fees)	(34,207)	(21,023)	(12,114)
Net debt	(32,471)	(11,678)	(4,559)

Group net debt increased to £32.5 million at 31 December 2015 from £11.7 million at 31 December 2014, and from £4.6 million at 31 December 2013. The increase was primarily as a result of acquisition-related payments and significant working capital movements during FY15.

Selected unaudited financial information related to Synergy has been extracted from the Group's accounting records as Synergy has not previously been a separately reported business unit. In preparing the information relating to it, as shown in the table below, it has been necessary to reanalyse the general ledger and other accounting records for the Group's subsidiary company, Tribal Education Limited, in which the Synergy business resides. This has also entailed the allocation of certain costs and balances between Synergy and the other businesses within that subsidiary and the Group as a whole. Such allocations provide a reasonable basis for the presentation of the financial information for the Synergy business to enable shareholders to make a fully informed voting decision. Prospective investors should review the following selected financial information together with the whole of this document and any documents incorporated by reference herein and should not rely on the selected financial information set out below.

		2015 £m	2014 £m	2013 £m
		Revenue	6.3	6.6
		Cost of sales	(2.8)	(2.5)
		Gross profit	3.5	4.1
		Other administrative expenses	(0.8)	(0.9)
		Operating profit after other administrative expenses but before exceptional administrative expenses, amortisation of IFRS3 intangibles and goodwill impairment	2.7	3.2
		Exceptional administrative expenses	(1.0)	–
		Total administrative expenses	(1.8)	(0.9)
		Operating profit	1.7	3.2
		Finance costs	–	–
		Profit before tax	1.7	3.2
		Tax	(0.5)	(0.7)
		Profit for the year	1.2	2.5
		<p>There has been no significant change in the financial or trading position of the Group or Synergy since 31 December 2015, being the end of the period for which the Group's last audited consolidated accounts were published.</p>		
B.8	Selected key pro forma financial information	<p>The unaudited consolidated pro forma income statement and unaudited pro forma statement of net assets have been prepared in a manner consistent with the accounting policies adopted in preparing the financial information as at 31 December 2015 and for the three years ended 31 December 2015.</p> <p>The unaudited pro forma income statement has been prepared to illustrate the effect on the earnings of the Group as if the Disposal and Rights Issue had taken place on 1 January 2015. The unaudited consolidated pro forma statement of net assets of the Group has been prepared to illustrate the effect on net assets of the Group of the Disposal and the Rights Issue as if they had taken place as at 31 December 2015.</p> <p>The unaudited consolidated pro forma financial information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results.</p>		

Unaudited pro forma income statement of the Group				
		<i>Adjustments</i>		<i>Pro forma</i>
	<i>Group</i>	<i>Synergy</i>	<i>Finance</i>	<i>Continuing</i>
	<i>31 Dec 2015</i>	<i>31 Dec 2015</i>	<i>31 Dec 2015</i>	<i>31 Dec 2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Revenue	106.7	(6.3)	–	100.4
Cost of sales	(68.7)	2.8	–	(65.9)
Gross profit	38.0	(3.5)	–	34.5
Other administrative expenses	(35.1)	0.8	–	(34.3)
Operating profit after other administrative expenses but before exceptional administrative expenses, amortisation of IFRS3 intangibles and goodwill impairment	2.9	(2.7)	–	0.2
Exceptional administrative expenses	(48.1)	1.0	–	(47.1)
Total administrative expenses	(83.2)	1.8	–	(81.4)
Operating profit/loss	(45.2)	(1.7)	–	(46.9)
Finance costs	(2.1)	–	1.0	(1.1)
Profit before tax	(47.3)	(1.7)	1.0	(48.0)
Tax	1.9	0.5	–	2.4
Profit/loss for the year from continuing operations	(45.4)	(1.2)	1.0	(45.6)
Unaudited pro forma statement of net assets of the Group				
		<i>Adjustments</i>		<i>Pro forma</i>
	<i>Group</i>	<i>Synergy</i>		<i>Continuing</i>
	<i>31 Dec</i>	<i>Business</i>		<i>Group</i>
	<i>2015</i>	<i>2015</i>	<i>Transaction</i>	<i>31 Dec</i>
	<i>£m</i>	<i>£m</i>	<i>adjustments</i>	<i>2015</i>
			<i>£m</i>	<i>£m</i>
Non-current assets				
– Goodwill	38.3	(19.1)	–	19.2
– Other intangible assets	14.8	(0.5)	–	14.3
Property, plant and equipment	3.4	(0.2)	–	3.2
Retirement benefit surplus	0.1	–	–	0.1
Deferred tax asset	3.2	–	–	3.2
	59.8	(19.8)	–	40.0
Current assets				
Inventories	0.1	–	–	0.1
Trade and other receivables	26.0	(1.4)	–	24.6
Cash and cash equivalents	3.9	–	2.4	6.3
	30.0	(1.4)	2.4	31.0

		Adjustments				Proforma
		Group	Synergy	Transaction	Other	Continuing
		31 Dec	31 Dec	adjustments	adjustments	Group
		2015	2015			2015
		£m	£m	£m	£m	£m
	Current liabilities					
	Trade and other payables	(7.0)	0.2	–	–	(6.8)
	Accruals	(9.7)	0.2	–	–	(9.5)
	Deferred income	(22.4)	2.4	–	–	(20.0)
	Tax liabilities	(0.2)	0.5	–	(0.5)	(0.2)
	Overdraft	(2.1)	–	2.1	–	–
	Provisions	(3.8)	–	–	–	(3.8)
		<u>(45.2)</u>	<u>3.3</u>	<u>2.1</u>	<u>(0.5)</u>	<u>(40.3)</u>
	Net current assets/liabilities	<u>(15.2)</u>	<u>1.9</u>	<u>4.5</u>	<u>(0.5)</u>	<u>(9.3)</u>
	Non-current liabilities					
	Bank loans	(34.2)	–	34.2	–	–
	Deferred tax liabilities	(2.1)	–	–	–	(2.1)
	Provisions	(2.1)	–	–	–	(2.1)
		<u>(38.4)</u>	<u>–</u>	<u>34.2</u>	<u>–</u>	<u>(4.2)</u>
	Net assets	<u>6.2</u>	<u>(17.9)</u>	<u>38.7</u>	<u>(0.5)</u>	<u>26.5</u>
B.9	Profit forecast or estimate	Not applicable.				
B.10	Audit report on the historical financial information – qualifications	Not applicable. There are no qualifications included in any audit report on the historical financial information included in this document. The audit report on the financial statements for the financial year ended 31 December 2015 contains an emphasis of matter statement which notes that if the Disposal and the Rights Issue do not complete, the Group is forecast to breach its covenants on the Facility Agreement which, in the absence of a waiver, would result in the Group's debt facilities becoming repayable on demand. In this event, the Group does not anticipate that it would have the funds available to repay such amounts at that time, and would need to take alternative steps in order to be able to continue as a going concern. While the auditors have concluded that the Directors' use of the going concern basis of accounting in preparation of the financial statements is appropriate, these conditions indicate the existence of a material uncertainty which, if the Disposal and the Rights Issue do not complete, may give rise to a significant doubt over the Group's ability to continue as a going concern.				
B.11	Insufficient working capital	Not applicable. The Company is of the opinion that, taking into account the net proceeds of the Disposal and the Rights Issue and the bank facilities available to the Group, the working capital available to the Group is sufficient for its present requirements, that is, for at least the 12 months following the date of publication of this document.				

Section C – Securities		
Element	Disclosure Requirement	Disclosure
C.1	Type and class of securities being offered	<p>94,849,241 Rights Issue Shares in the capital of the Company. The nominal value of the total issued share capital of the Company immediately following the Rights Issue will be £9,484,924.10.</p> <p>If the CEO Subscription also takes place, an additional 1,136,363 CEO Subscription Shares will be issued. If the NED Subscription takes place, an additional 4,545,454 NED Subscription Shares will be issued. Accordingly, the total nominal value of the issued share capital immediately following the Rights Issue and Subscriptions will be £9,769,014.95.</p> <p>The ISIN code for the Nil Paid Rights is GB00BDD99636 and for the Fully Paid Rights is GB00BDD99859.</p>
C.2	Currency of the securities issue	The New Shares are denominated in sterling and will be quoted and traded in sterling.
C.3	Number of issued and fully paid Shares and par value	<p>As at the date of this document there are 94,849,241 Shares in issue (all of which are fully paid).</p> <p>The Shares have a par value of 5 pence.</p>
C.4	Rights attached to the Shares	<p>The Shares rank equally for voting purposes. On a show of hands, each Shareholder has one vote and on a poll each Shareholder has one vote for every Share held.</p> <p>Each Share ranks equally for any dividend declared or any distributions made on a winding up of the Company.</p> <p>Each Share ranks equally in the right to receive a relative proportion of shares in the case of a capitalisation of reserves.</p>
C.5	Restrictions on transfer	The New Shares are freely transferable and there are no restrictions on transfer in the UK. Notwithstanding the foregoing, if any New Shares are acquired by Qualifying Shareholders with registered addresses in the United States or in any other Excluded Territory, the New Shares may be subject to restrictions on transfer under the legal or regulatory requirements of the applicable jurisdiction.
C.6	Application for admission to trading on regulated market	<p>Application will be made to the London Stock Exchange for the New Shares to be admitted to trading on its Main Market for listed securities.</p> <p>The London Stock Exchange's Main Market is a regulated market.</p> <p>Subject to the passing of the AIM Resolution, application will subsequently be made to the London Stock Exchange for the New Shares to be admitted to trading on AIM and to be delisted from the Official List and the Main Market of the London Stock Exchange.</p> <p>AIM is not a regulated market.</p>

C.7	Dividend policy	The Group has historically operated a progressive dividend policy. The Directors have decided that it is not appropriate, in the context of the Rights Issue, to declare a final dividend in respect of the 2015 financial year. However, the Company expects to resume its progressive dividend policy, starting from a lower base, in due course once the Group has returned to delivering strong financial performance and significant cash generation.
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Section D – Risks		
Element	Disclosure Requirement	Disclosure
D.1	Key information on key risks relating to the Group or its industry	<ul style="list-style-type: none"> • Unless both the Rights Issue and the Disposal complete, the Board is of the view that the Company would not have sufficient working capital. • The markets in which the Group operates are highly competitive. Tribal's competitive positioning, whether in the nature of its offering or its pricing, may come under pressure from competitors. • Rapid political or economic change in the Group's geographical markets may lead to abrupt changes in policy priorities in areas of the Group's customer base. This could affect customer appetite and purchasing patterns and customers' internal processes can impact customer buying behaviour with increased procurement life cycles. • The Group's sector has experienced, and will continue to experience, a gradual shift due to the emergence and growth of Cloud-based and SaaS ("Software as a Service") models. Failure to develop products which keep pace with these changes could mean the Group's offering becomes obsolete. • Delivery of major customer programmes and large software projects has been delayed, often due to factors outside the Group's control, resulting in delayed and/or potentially lost revenue streams and cash receipts. • Contracts with customers are often on customer friendly terms. • The Group has undergone significant management changes which may cause short term disruption. • The Group needs to attract and retain high calibre people, with the right skills particularly in sales, business development and implementation roles. • A significant programme failure, or the crystallisation of cyber and data protection risks, combined with high profile media coverage, would damage customer confidence and restrict the Group's business development activities. The Group's increasing involvement in large programmes brings a potentially higher profile and risk of reputational damage in the event of delivery shortcomings.

		<ul style="list-style-type: none"> • Loss of control of the Group's key intellectual property, whether through the misappropriation of software code or through the leakage of human capital, would undermine the Group's differentiation in the market. • The Group is subject to adverse fluctuations in currency exchange rates and interest rates, any of which may have a material adverse effect on its results of operations, cash flows or financial condition. • The sale of Synergy will mean that the Continuing Group loses a stable source of revenues and profits. • The smaller size and more concentrated nature of the Continuing Group may make it vulnerable to takeover offers which may not reflect the full value of the Continuing Group. • The Disposal may not complete in which case the Rights Issue would not proceed.
D.3	Key information on key risks relating to the Shares	<ul style="list-style-type: none"> • The value of an investment in the New Shares may go down as well as up. The price of the New Shares may fall in response to a range of external factors including the results of the Group, appointments to and resignations from the Board and executive management team, speculation in the market regarding the Group's business or other events affecting the Group and general stock market conditions. • The public trading market price of the Shares may decline below the Issue Price and the Nil Paid Rights could become worthless. In the event that the market price of the Shares drops prior to the latest time and date for acceptance under the Rights Issue, Shareholders who take up rights under the Rights Issue may suffer immediate unrealised loss as a result. • Admission of the Nil Paid Rights, the Fully Paid Rights and the New Shares may not occur when expected. • Qualifying Shareholders who do not subscribe for Rights Issue Shares in the Rights Issue will experience dilution in their shareholding in the Company. • There is no guarantee that the Company will pay dividends. • An active market in the Shares may not develop on AIM and the Shares may be subject to greater fluctuations in value. • The regulatory regime for AIM companies is less rigorous than for those companies on the premium segment of the Official List, which means that the Company can take a broader range of actions without Shareholder consent and may make the Shares less desirable.

Section E – Offer		
Element	Disclosure Requirement	Disclosure
E.1	Total net proceeds and estimated total expenses	<p>The consideration for the Disposal of Synergy (net of expenses) is £19.5 million, to be paid by Servelec Corelogic Limited to Tribal in cash on completion, which, subject to Shareholder approval, is expected to be 1 April 2016.</p> <p>The net proceeds of the Rights Issue receivable by the Company are expected to be approximately £19.2 million net of expenses of the Rights Issue.</p> <p>The total expenses of the Rights Issue are estimated at £1.8 million, excluding recoverable VAT, (including underwriting commissions, the UK Listing Authority listing fee, professional fees and expenses and the costs of printing and distribution of documents) and are payable by the Company.</p> <p>No expenses will be charged by the Company to Shareholders who take up their rights in the Rights Issue.</p> <p>The total proceeds of the CEO Subscription will be £250,000. The total proceeds of the NED Subscription will be £1,000,000. There are no expenses associated with the Subscriptions. There are no expenses associated with the Share Matching Plan.</p>
E.2a	Reasons for the Rights Issue, use of proceeds, estimated net amount of the proceeds	<p>Given the increased volatility of Tribal's profitability and cashflow resulting from its increased exposure to larger contracts, together with tightened market conditions and the constraints of the financial covenant tests in the Group's Facility Agreement, the Board considers that it is appropriate to reduce the Group's net debt.</p> <p>If the lending banks under the Group's Facility Agreement had not waived the covenants in the facility for the period ended 31 December 2015, the Group would have breached the net debt to EBITDA covenant in the Facility Agreement. The net debt to EBITDA covenant is next tested for the year ending 30 June 2016 and every six months thereafter. Given the volatility of the Group's results in recent periods, the Board believes that without a significant reduction in the Group's net debt, there is a material risk that the Group would breach the net debt to EBITDA covenant when tested on 30 June 2016.</p> <p>In addition, certain of Tribal's customers have expressed concerns about the strength of the Group's financial position and the Board's view is that these concerns have impacted on the Group's sales and contributed to the loss of sales momentum.</p> <p>Finally, perceptions about Tribal's financial position may contribute to an inability to retain and/or hire appropriately skilled and experienced management required to drive the business forwards.</p>

	<p>The Board has investigated a number of options in order to improve the Group's balance sheet position and to reduce the risk of any covenant breach, including conducting a larger equity raise without disposing of any assets, and has considered the possibility of negotiating amendments to the existing lending arrangements without undertaking an equity capital raising. Following this process, the Board has concluded that the Disposal and the the Rights Issue together are in the best interests of the Company and its Shareholders as a whole. The net proceeds of the Disposal and the Rights Issue would be sufficient, in the view of the Board, to remove any material risk of a breach of covenants in the Facility Agreement in the next 12 months, and accordingly in view of the timing concerns given the next testing date of the Group's net debt to EBITDA covenant, the Board believes that the Disposal and the Rights Issue are the appropriate course to address the concerns set out above.</p> <p>The consideration for the Disposal is £20.25 million, to be paid by Servelec Corelogic Limited to Tribal in cash on completion, expected to be 1 April 2016. As a result of the Rights Issue, Tribal expects to raise net proceeds of approximately £19.2 million.</p> <p>In total, the Group expects to raise £38.7 million after expenses from the Disposal and the Rights Issue.</p> <p>The net proceeds from the Disposal and the Rights Issue will be applied to reduce the Group's net debt.</p> <p>The Rights Issue and the Disposal are subject to the approval of Shareholders pursuant to the Rights Issue Resolutions and the Disposal Resolutions, respectively. In the event that these Resolutions are not passed, the risks above could be realised.</p> <p>In order to permit Ian Bowles (the Company's new Chief Executive) to invest in the Company, the Board has agreed that the Company should issue the CEO Subscription Shares to Mr Bowles at the Subscription Price, raising total proceeds of £250,000. In addition, in order to permit Richard Last and Roger McDowell (the Company's new Chairman and Senior Independent Director, respectively) to invest in the Company, the Board has agreed that the Company should issue the NED Subscription Shares to Mr Last and Mr McDowell at the Subscription Price, raising total proceeds of £1,000,000. The proceeds of the Subscriptions are not required to ensure that the Company has sufficient working capital, however, the Board has determined that the Subscriptions are the most efficient way of permitting these Directors to acquire a significant stake in the Company, which will align their interests with those of Shareholders.</p> <p>Further, the Company proposes that a Share Matching Plan should be adopted for the benefit of Richard Last and Roger McDowell. Pursuant to options granted under the Share</p>
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		Matching Plan, up to a total of 3,405,998 additional Share Matching Plan Shares may subsequently be issued to Mr Last and Mr McDowell at nil cost to them.
E.3	Terms and conditions of the Rights Issue	<p>The Rights Issue is expected to raise gross proceeds of approximately £21 million through the issue of 94,849,241 Rights Issue Shares at 22 pence per Rights Issue Share.</p> <p>Subject to the fulfilment of the conditions set out below, the Rights Issue Shares will be offered by way of rights to Qualifying Shareholders on the basis of 1 Rights Issue Share at 22 pence each for every 1 Existing Share held by Qualifying Shareholders on the Record Date and so in proportion to any number of Shares each Qualifying Shareholder then holds.</p> <p>The Rights Issue is fully underwritten by Investec on the terms and conditions of the Underwriting Agreement and is conditional upon (among other things) (i) the Underwriting Agreement having been become unconditional in all respects (save for the condition relating to Admission) and (ii) Admission of the Rights Issue Shares becoming effective by not later than 8.00 a.m. on 24 April 2016 (or such later date as Investec may determine). The Underwriting Agreement is conditional upon certain matters being satisfied (including completion of the Disposal) and may be terminated by Investec prior to Admission of the Rights Issue Shares upon the occurrence of certain specified events, in which case the Rights Issue will not proceed. The Rights Issue is not capable of termination following Admission of the Rights Issue Shares. The Company reserves the right to decide not to proceed with the Rights Issue at any time prior to Admission of the Rights Issue Shares and commencement of dealings in the Rights Issue Shares (nil paid).</p> <p>Subject to the above conditions being satisfied, it is intended that (i) the Provisional Allotment Letters will be despatched to Qualifying Non-CREST Shareholders (other than Excluded Shareholders) on or about 1 April 2016, (ii) the stock accounts of Qualifying CREST Shareholders (other than Excluded Shareholders) will be credited with such Shareholder' entitlements to Nil Paid Rights, with effect from 8.00 a.m. on 4 April 2016; (iii) the Rights Issue Shares will be credited to the appropriate stock accounts of relevant Qualifying CREST Shareholders (or their renounces) who validly take up their rights as soon as practicable after 8.00 a.m. on 19 April 2016 and (iv) the share certificates for the Rights Issue Shares to be held in certificated form will be despatched to relevant Qualifying Non-CREST Shareholders (or their nominees) who validly take up their rights by not later than 26 April 2016.</p> <p>Qualifying Shareholders with registered addresses in the United States or in any other Excluded Territory will not be sent Provisional Allotment Letters and will not have their CREST stock accounts credited with Nil Paid Rights, except</p>

		where the Company and Investec are satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirement in such jurisdiction.																								
E.4	Material interests	<p>Immediately following Admission, the following persons will be interested directly or indirectly in 3% or more of the voting rights in respect of the issued ordinary share capital of the Company, based on the assumption that all such Shareholders take up their rights in the Rights Issue and that the Subscriptions are approved:</p> <table> <tr> <th><i>Name</i></th><th><i>Number of Shares</i></th><th><i>Percentage of issued Shares</i></th></tr> <tr> <td>RWC Partners Ltd</td><td>39,187,400</td><td>20.06</td></tr> <tr> <td>Schroders</td><td>20,599,752</td><td>10.54</td></tr> <tr> <td>Strategic Equity Capital plc</td><td>18,640,190</td><td>9.54</td></tr> <tr> <td>Legal & General Group</td><td>14,472,222</td><td>7.41</td></tr> <tr> <td>Crystal Amber Advisors</td><td>12,186,602</td><td>6.24</td></tr> <tr> <td>Majedie Asset Mgt</td><td>9,490,484</td><td>4.86</td></tr> <tr> <td>Henderson Group</td><td>7,850,000</td><td>4.02</td></tr> </table> <p>There are no conflicting interests that are material to the Rights Issue.</p>	<i>Name</i>	<i>Number of Shares</i>	<i>Percentage of issued Shares</i>	RWC Partners Ltd	39,187,400	20.06	Schroders	20,599,752	10.54	Strategic Equity Capital plc	18,640,190	9.54	Legal & General Group	14,472,222	7.41	Crystal Amber Advisors	12,186,602	6.24	Majedie Asset Mgt	9,490,484	4.86	Henderson Group	7,850,000	4.02
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Henderson Group	7,850,000	4.02																								
E.5	Name of person offering securities and lock-up agreements	Tribal Group plc																								
E.6	Dilution	<p>Following the issue of the New Shares pursuant to the Rights Issue and the Subscriptions, the Existing Shares will represent 48.5% of the total issued Shares immediately following Admission. Accordingly, if a Qualifying Shareholder does not, or is not permitted to, take up Rights Issue Shares under the Rights Issue, such Qualifying Shareholder's shareholding in the Company will be diluted by 50% on Admission as a result of the Rights Issue, an additional 0.6% by the issue of the CEO Subscription Shares and an additional 2.3% by the issue of the NED Subscription Shares. Shareholders will be diluted by a further 1.7% as a result of the issue of the Share Matching Plan Shares in the future. For the avoidance of doubt, none of the CEO Subscription, the NED Subscription nor the Share Matching Plan will proceed unless the Disposal and the Rights Issue complete. For these purposes, any dilution which may result from the vesting or exercise of any awarded under the Share Schemes between the latest practical date prior to the publication of this document and the Records Date has been disregarded.</p>																								
E.7	Estimated expenses charged to investor	Not applicable. There are no commissions, fees or expenses to be charged to investors by the Company under the Rights Issue, the Subscriptions and the Share Matching Plan.																								

RISK FACTORS

Investing in and holding the Shares involves a high degree of risk. Prior to investing in the Shares, investors should carefully consider all of the information contained in this document, paying particular attention to the risks factors set out below. Investors should note that the risk factors set out below do not purport to be a complete list or explanation of all risk factors which may affect Tribal, the Shares or the Rights Issue. Additional risks and uncertainties not currently known to Tribal or which Tribal currently deems immaterial may arise or become material in the future. The occurrence of any of these risks may have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects and/or the price of the Shares to the detriment of Tribal and/or the Shareholders and investors could lose all of their investment. Investors should consider carefully whether an investment in the Shares is suitable for them in light of the information contained in this document and their personal circumstances.

Prospective investors should note that the risks relating to the Group, its industry and the Shares summarised in the section of this document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

You should consult a legal adviser, an independent financial adviser duly authorised under the FSMA (or, if you are not in the UK, from another appropriately authorised independent financial adviser), or a tax adviser for legal, financial or tax advice.

For the avoidance of doubt, nothing in this section constitutes a qualification of the working capital statement contained in paragraph 8 of Part XII (Additional Information) of this document.

1. IMPORTANCE OF VOTE

1.1 **Unless both the Rights Issue and the Disposal complete, the Board is of the view that the Company would not have sufficient working capital. Completion of the Rights Issue and the Disposal require the approval of Shareholders pursuant to the Rights Issue Resolutions and the Disposal Resolution, respectively**

Tribal is pursuing the Disposal and Rights Issue to reduce the Group's net indebtedness and to strengthen the Group's balance sheet. The net proceeds of the Disposal and the Rights Issue would be sufficient, in the view of the Board, to remove any material risk of a breach of covenants in the Facility Agreement in the next 12 months.

Unless both the Disposal and the Rights Issue are approved by Shareholders there can be no guarantee that covenants in the Group's Facility Agreement will not be breached when tested at 30 June 2016 and as a result, the audit report on the Group's 2015 financial statements contains an emphasis of matter statement. There is no guarantee that the lending banks under the Group's Facility Agreement would agree to a waiver or amendment of the covenants at that time and in the event that the covenants were breached the banks would be entitled to demand repayment in full of the Facility Agreement. In such circumstances, Tribal would not have sufficient cash resources available to repay the Facility Agreement, without:

- borrowing money from other sources (which might potentially not be available at that time, or might not be available on as favourable terms as the existing Facility Agreement);
- selling assets of the Group. The sale of such assets at a time which is not of the Group's choosing might result in a failure to realise the full value of the assets, or might not be possible at all;

- undertaking another type of equity issuance. Such as equity issuance would be likely to be subject to Shareholder approval but, if approved, might result in a lower issue price than the Rights Issue Price and may be more dilutive to Shareholders; or
- might result in the Group being acquired by another party, at a price which might not reflect the full value of the Group.

Accordingly, while the auditors have concluded that the Directors use of the going concern basis for the preparation of the 2015 financial statements is appropriate, these conditions indicate the existence of a material uncertainty which, if the Disposal and the Rights Issue do not complete, may give rise to a significant doubt over the Group's ability to continue as a going concern.

The Directors would seek to continue to explore alternatives if the Disposal or the Rights Issue do not complete, but the event that none of the above options is possible, the Group might be forced to cease trading, in which case Shareholders could lose all of their investment in Shares. Such cessation of trading could occur as early as the Group's results for the period ending 30 June 2016 are known, which might result in a breach of the net debt to EBITDA covenant set out in the Group's Facility Agreement which is tested based on the results for the period ending on that date.

The Board investigated a number of options to strengthen the Group's balance sheet and to minimise a risk of a breach of covenants. Following this investigation, the Board has concluded that the Disposal and Rights Issue are in the best interests of the Company and Shareholders as a whole and is of the view that the Disposal and the Rights Issue are the best option for improving the Group's financial position.

The Rights Issue cannot take place unless the Disposal completes. However, the Disposal could complete without the Rights Issue proceeding. In this case, the Company will have received the net proceeds of the Disposal. This will improve the Group's immediate cash position, however, the Board is of the view that the net proceeds of the Disposal would not by themselves result in the Group having sufficient working capital.

The net proceeds of the Disposal would result in a reduction in the likelihood of a breach of the net debt to EBITDA covenant, however, depending on the performance of the Group's business, there is still a material risk of a breach of covenant at 30 June 2016 which would have the results set out above.

Accordingly, even with the net proceeds of the Disposal, the Board is of the view that further steps would be required to reduce the net debt of the Group, and that the above options and risks would continue to apply.

In order to address the risks of the Rights Issue not proceeding, the Company has agreed with Investec pursuant to the Underwriting Agreement that Investec will fully underwrite the Rights Issue. Subject to Shareholder approval of the Rights Issue Resolutions and the Disposal Resolution, the Underwriting Agreement gives the Directors a high degree of confidence that the Company will be able to raise sufficient funds from the Disposal and the Rights Issue.

The Rights Issue and the Disposal are subject to the approval of Shareholders pursuant to the Rights Issue Resolutions and the Disposal Resolutions, respectively. In the event that these Resolutions are not passed, the risks above could be realised.

2. RISK RELATING TO THE GROUP'S SECTOR

2.1 The Group operates in highly competitive markets. Any failure by the Group to compete effectively may have a material adverse effect on the Group's business, financial condition or results of operations

Tribal's competitive positioning, whether in the nature of its offering or its pricing, may come under pressure from competitors. This would restrict the Group's growth potential, and may reduce the economic value of key elements of the Group's intellectual property.

Current competitors and potential new entrants may have greater resources, lower operating costs, greater economies of scale, greater market presence and brand recognition and a larger customer base, and they may be able to respond more swiftly to changes in market conditions and customer demand. In addition, they may be able to adopt more aggressive pricing and devote more resources to technology, infrastructure, fulfilment and inventory management. Any pricing pressure may have an adverse impact on the Group's ability to compete and/or force the Group to reduce prices, which could reduce its revenue and profitability. Competition may also intensify as the Group's competitors enter into business combinations or alliances and established companies in other market segments expand to compete with the Group's business.

The Group cannot guarantee that the actions of competitors will not adversely impact its growth plans and financial performance.

2.2 The Group may be materially and adversely affected by challenging economic conditions and political developments

Rapid political or economic change in the Group's geographical markets may lead to abrupt changes in policy priorities in areas of the Group's customer base. This could affect customer appetite and purchasing patterns and customers' internal processes can impact customer buying behaviour with increased procurement life cycles. All of these factors could lead to contract completions being delayed, or contract cancellations, and result in the Group's growth aspirations not being achieved or operating margins being reduced.

The Group is seeking to mitigate these risks by: (i) maintaining close customer relationships; (ii) creating customer user groups to foster a collaborative approach with its customers and to ensure Tribal's product roadmaps are aligned to customers' priorities; and (iii) ensuring terms and conditions of our customer contracts typically provide protections against rapid changes in policy.

Ultimately the Group has limited control over the customer's procurement life cycle and delays in procurement decisions may adversely affect the Group's financial position.

2.3 Changes in tax rates, tax legislation or practice by a relevant tax authority or any failure by the Group to manage tax risks adequately could have a material adverse effect on the Group's business, reputation, results of operations or financial conditions

2.4 The Group's sector has experienced, and will continue to experience, a gradual shift due to the emergence and growth of Cloud-based and SaaS models. Failure by the Group to compete with, or to successfully develop similar models may have a material adverse effect on the Group's current business model, its results of operations or financial condition

The Group's software products may become obsolete, or it may invest in new products which fail to match market requirements. The Group's customers are increasingly requiring Cloud-based models, and SaaS is slowly becoming a reality in the market. Further technological change could also affect the market. A failure to keep pace with these changes could restrict the Group's growth and diminish the Group's installed customer base. Product development roadmaps are continually reviewed to ensure the Group is focussing investment to address these changes. The Group's product development investment is significant and where appropriate it has acquired new technologies and software products to accelerate the development of its product set.

Whilst the Group's investment and processes seek to mitigate the risk of obsolescence the ability of the Group to proceed with planned investment and to market its products effectively may be severely constrained if the Disposal and the Rights Issue do not proceed, which may

result in (i) software-related revenues, and the extent to which they are recurring, being reduced, and (ii) financial performance being adversely impacted.

3. RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS

3.1 The Group is unable to reverse the loss of momentum in sales

The Group experienced a loss in sales momentum which began to be felt particularly strongly in the second half of 2016.

As well as undertaking the Disposal and the Rights Issue, the Group has taken measures to start to reverse this trend, including the appointment of a new Chief Executive and Marketing Director. The Group expects to take additional steps to improve the performance of the sales team, including hiring a new Sales Director.

There can be no guarantee that the taking of these steps will result in an immediate reversal in the performance of the sales team, which may take some time to improve.

3.2 Delivery of major customer programmes and large software projects has been delayed resulting in delayed and/or potentially lost revenue streams, which has had an adverse effect on results

The Group has been successful in winning tenders and contracts with large quasi-public institutions to assist with large development programmes and software projects. In particular, the Group has been engaged in the delivery of complex state-wide student management systems in Australia for the New South Wales, Queensland and Tasmanian governments. However, due to the nature of these contracts and relationships with these customers, milestones are not always within the Group's control meaning delivery of these projects has been delayed. Consequently key milestones have been missed and moved to 2016 which has meant the Group has not earned the anticipated revenue under these contracts at the time the Group had projected.

During the year ended 31 December 2015, expected revenues of £2.4 million were not received and/or provided against as a result of a failure to meet contractual milestone requirements, whilst expenses related to the delivery of activities which underpin these revenues have been recognised in the period. These missed revenues would have represented approximately 2% of the Group's total revenue for the year ended 31 December 2015, had they been recognised.

An example of such a project being delayed is the progressive roll out of software across New South Wales' school network. This project is known as the Student Administration and Learning Management ("SALM") programme. In the middle of 2015, the contractual arrangements which underpinned the Group's role on SALM were renegotiated, leading to a temporary slowdown in activity levels. During this time the delivery team was kept intact, despite much reduced revenues during that period, to enable the Group to be well placed to continue to deliver and support the programme after the renegotiation.

The SALM contract renegotiation was successfully concluded in early October, and since that time, activity levels have recovered. However, recognised revenue has been lower as new work orders associated with the programme have in some cases not yet been committed. Additionally, significant cash receipts associated with the Group's historical delivery remained outstanding at the year end, although these have since been received.

During late 2014, the Group entered into a contract to provide a Cloud-based student management system to support all 48 TAFE campuses in Queensland. Due to changes in the scope of the customer's programme during 2015, the Group incurred additional costs during this time. Discussions in relation to this contract are ongoing and it is uncertain as to whether any amounts will be received in respect of past or future work. No such revenues or cash receipts have been assumed to be received by the Group in its forecasts.

As a result of retaining project delivery expenses whilst there has been uncertainty, the delivery costs have increased and the Group's revenue relative to key performance indicators has been skewed having an adverse impact on the Group's results and Group's business and may continue to have an adverse impact on the Group's results and Group's business.

If contracts are cancelled or delays continue or are replicated in future years on these and other projects then this will have an adverse impact on the Group's results and the Group's business.

3.3 Contracts are often on customer-friendly terms and failure by the Group to fulfil and comply with them may have a material adverse effect on the Group's business, results of operations or financial condition

The Group's customers are often of a size and nature that mean they run competitive procurement processes. Any successful pitches often result in the Group contracting on the customer's standard terms and conditions. These typically include indemnities provided by the Group and uncapped liability under the contracts.

The Group may incur higher costs in complying with customers' standard terms and conditions than they would usually model. Failure to comply with the customer's terms and conditions may result in civil proceedings, including the possibility for damages being awarded that are payable by the Group. This could not only adversely affect the Group's business, results of operations or financial condition but also may adversely affect customers' perception of the Group and its image within the market.

3.4 Change in management

The Group's previous Chief Executive retired in June 2015 and his successor, Ian Bowles, was appointed as a director on 17 February 2016 and assumed the role of Chief Executive on 1 March 2016 following a transitional period from the interim Chief Executive, Rob Garner. In addition, as announced on 9 March 2016, Mr Breach has indicated his intention to stand down as Group Finance Director and leave the Group, in order to pursue other interests. Mr Breach will remain with the Group and on the Board for the immediate future and a successor will be announced by the Group in due course.

The Group has undergone further significant changes amongst its non-executive board members with John Ormerod resigning as Chairman and being replaced by Richard Last. In addition Robin Crewe and Katherine Innes Ker have resigned as non-Executive Directors, and Roger McDowell has been appointed as a non-Executive Director.

While the Board expects that the new Chief Executive will stabilise the Group and motivate management and staff, and that it will be able to announce a new Group Finance Director in due course, these changes and any future loss of key senior management as a result of any change in direction, may cause short-term disruption and uncertainty within the Group.

3.5 The Group relies on the expertise of skilled employees. If the Group is unable to attract and retain such personnel, this may have a material adverse effect on its business or results of operations

The Group needs to attract and retain high calibre people, with the right skills particularly in sales, business development and implementation roles, in order to deliver its growth objectives. This requirement is especially critical in newer regional markets. The increasing geographic spread of its activities may lead to stretch of its managerial and operational capacity, or unforeseen failure of its control framework. This may result in new regional market growth aspirations being delayed and operating margins may be reduced. Measures are in place to reward, develop and retain key individuals and the Group seeks to strike a

balance between early investment in local management capacity whilst protecting operating margin.

Any failure to attract and retain key personnel to meet the Group's operational needs may delay or curtail the achievement of major strategic objectives and could have a material adverse effect on the continuity of the Group's operations. The Group may incur significant costs and require significant resources to recruit, train and successfully integrate new employees, and also in relation to the continued training and professional development of the Group's existing employees.

3.6 Substantial harm to the Group's reputation, may have a material adverse effect on the Group's business, results of operations or financial condition

A significant programme failure, or the crystallisation of cyber and data protection risks, combined with high profile media coverage, would damage customer confidence and restrict the Group's business development activities. The Group's increasing involvement in large programmes such as those in New South Wales (the SALM programme) and Queensland, and for the British Council, bring potentially higher profile and risk of reputational damage in the event of delivery shortcomings.

The Group's processes focus on successful project delivery and customer relationship management, including regular customer project status reviews and reporting protocols. The Group continues to review and enhance controls that relate to cyber/data protection risks to reflect their evolving nature. However, leaks and cyber attacks remain a material risk for the Group that could have a material adverse effect on the Group's reputation and business, results of operations or financial condition.

3.7 The Group may be unable to secure and protect its intellectual property rights

Loss of control of the Group's key intellectual property, whether through the misappropriation of software code or through the leakage of human capital, would undermine the Group's differentiation in the market. The Group endeavours to protect its intellectual property through legal protection and seeks to safeguard this further by retaining key employees in the business. Furthermore, the Group's technology requires considerable expertise to sell and implement, and thus the barriers to undermine its software-based intellectual property are high. However the Group cannot provide absolute protection of its intellectual property assets, the loss of which may have an adverse impact to the Group's competitive advantage and its financial position. In addition, if the Group fails to detect any infringement of its intellectual property rights, or is otherwise unable to defend and enforce successfully its rights, the Group's business or ability to enter into new contracts could be materially adversely affected.

3.8 The Group is subject to adverse fluctuations in currency exchange rates and interest rates, any of which may have a material adverse effect on its results of operations, cash flows or financial condition

An increasing proportion of the Group's business is transacted overseas and the financial performance of the Group is therefore exposed to movements in foreign currency exchange rates. At the date of this document the Group is exposed particularly to movements in the rates between Sterling and the Australian dollar, US dollar, South African Rand and New Zealand dollar. Where possible the Group will seek to match foreign currency expenses with revenues in order to mitigate the risk of fluctuation. Where appropriate, forward exchange contracts and options are also taken out.

The Group's principal interest rate risk arises in respect of its Facility Agreement. The Group therefore bears the risk of disadvantageous or material fluctuations in LIBOR (or EURIBOR as applicable) which could give rise to a reduction in the Group's profit. The Group's

exposure will, accordingly, be reduced in line with the reduction in the Group's net debt resulting from the Rights Issue.

The Group cannot fully mitigate its exposure to foreign exchange or interest rate movements and any hedging transactions may not be fully, or even partially, effective. Any significant losses on the Group's hedging positions could have a material adverse effect on the Group's financial condition.

3.9 The Group is exposed to operational and information security risks

The successful operation of the Group's business depends upon maintaining the integrity of its operational systems, including its computer, communication and information technology systems. However, these operational systems are vulnerable to damage, breakdown or interruption from events which are beyond the business' control, such as fire, flood and other natural disasters; power loss or telecommunications or data network failures; improper or negligent operation of the Group's systems by employees, or unauthorised physical or electronic access and interruptions to internet system integrity generally, as a result of attacks by computer hackers or viruses or other types of security breaches.

This could be harmful to the business, financial condition and/or reputation of the business and could deter current or potential customers from using its software and services. In addition, there can be no guarantee that the security measures deployed by the Group in relation to its computer, communication and information systems will protect it from all potential breaches of security, and any such breach of security could have an adverse effect on the business, and its results of operations and/or financial condition.

3.10 The Group is dependent upon key intellectual property

The Group's success depends in part on its ability to protect its rights in its intellectual property. The Group relies upon various intellectual property protections, including copyright, trademarks, trade secrets and contractual provisions, to preserve its intellectual property rights. Despite these precautions, it may be possible for third parties to obtain and use the Group's intellectual property without its authorisation.

Enforcing intellectual property rights can be difficult and expensive. To protect the intellectual property of the Group, the business may become involved in litigation which, even if successful, could result in substantial expense, divert the attention of its management, cause significant delays, materially disrupt the conduct of the business or adversely affect its revenue, financial condition and result of operations.

4. RISKS RELATING TO THE TRANSACTION

4.1 The sale of Synergy will mean the Continuing Group loses a stable source of revenues and profits

Synergy contributed £6.3m of revenue to the Group in the year ended 31 December 2015, £6.6m in the year ended 31 December 2014 and £5.8m of revenue in the year ended 31 December 2013. It contributed £1.7m of profit before tax in the 2015 financial year, £3.2m in the 2014 financial year and £3.1m in the 2013 financial year. Revenues and profits from Synergy are relatively easy to predict compared to the results of the Group as a whole because the Synergy business benefits from a strong recurring maintenance revenue stream arising from its installed customer base compared to the Continuing Group, and without the contribution from Synergy the problems the Group has experienced in predicting when revenues will be received may be exacerbated.

4.2 The smaller size and more concentrated nature of the Continuing Group may make it vulnerable to takeover offers which may not reflect the full value of the Continuing Group

The Synergy product is targeted at and used by bodies in the children's services social care sector. In recent years the Group has focused on management of students in universities, colleges and schools. Accordingly, the Synergy business is considered to be non-core by the Board. By concentrating further on its core business of student management systems and given the reduced size of the Continuing Group, the Continuing Group may be more vulnerable to takeover offers from competitors in its sector. The Board believes that the share price of the Company over recent months did not fully reflect the value of the Continuing Group and accordingly that any premature takeover offer for the Continuing Group may not deliver full value to Shareholders.

4.3 The Disposal may not complete, in which case the Rights Issue would not proceed

If the Disposal does not complete then the Rights Issue will not proceed which may have the results described in paragraph 1 of these Risk Factors above. In particular, in these circumstances there would be a material risk that the Group would breach its net debt to EBITDA covenant when next tested at 30 June 2016. There are two circumstances in which the Disposal may not complete. These are:

- the Disposal Resolution not being approved by Shareholders;
- Servelec opting to terminate the Synergy SPA because of a material adverse change which either: (i) adversely affects the profitability of the Synergy business by more than £400,000 per annum; and/or (ii) materially prejudices Tribal Education Limited's ability to perform its obligations under the Disposal transaction documents (principally the Synergy SPA, the Synergy BTA and the Synergy TSA). The Board believes that it is very unlikely given the relative historic stability of revenues and profits from the Synergy business, and the high threshold at which the Servelec termination right is triggered, that this termination right could be executed prior to the General Meeting.

However, if the Disposal does not complete due to the circumstances set out above, Tribal Education Limited is obliged to pay Servelec's costs in relation to the Disposal up to an amount of £150,000. In circumstances where the Board feel it appropriate to withdraw their recommendation of the Disposal to Shareholders, this amount is increased to £300,000.

Any such payment would have a further adverse impact on the Group's financial condition.

5. RISKS RELATING TO THE SHARES AND THE RIGHTS ISSUE

5.1 The price of the Shares has fluctuated and may continue to fluctuate

Prospective investors should be aware that the value of an investment in the Shares may go down as well as up. The price of the Shares may fall in response to market appraisal if any of the Group's current strategy or results of operations, from time to time, are below the expectations of market analysts and investors. Stock markets can from time to time experience significant price and volume fluctuations which will have an impact on the market price of the Shares, as the Group has experienced during the six months prior to the date of this document. Key factors which may affect the Company's share price include (but are not limited to):

- the Group's targeted and actual results of operations and the performance of key competitors in the markets within which the Group operates;
- appointments to and resignations from the Company's Board of Directors or executive management team;

- speculation in the press, media or investment community about the Group's business, mergers or acquisitions involving the Group or major divestments by the Group; and
- general stock market conditions.

In addition, the published market price of the Shares will, typically, be their middle market price. Due to the potential difference between the middle market price of the Shares and the price at which the New Shares can be sold, there is no guarantee that the realisable value of the New Shares will be the same as the published market price.

Other than pursuant to the Rights Issue, the Company currently has no plans for a subsequent public offering of Shares within 12 months of the date of this document. However, it is possible that the Company may decide to offer Shares in the future to either raise capital or for other purposes. An additional offering or significant sale of Shares by any of the Company's major Shareholders could adversely affect the market price of the Shares.

5.2 An active trading market in Nil Paid Rights may not develop and the price of the Nil Paid Rights may fluctuate

There can be no assurance that an active trading market in the Nil Paid Rights will develop on the London Stock Exchange during the trading period. In addition, because the trading price of the Nil Paid Rights depends on the trading price of the Shares, the price of the Nil Paid Rights may be volatile and subject to the same risks as outlined above in respect of the Shares. The volatility of the price of Shares may have the effect of magnifying the price volatility of the Nil Paid Rights.

5.3 The market price for Shares may decline below the Issue Price and the Nil Paid Rights may become worthless

The public trading market price of the Rights Issue Shares may decline below the Issue Price. Should that occur prior to the latest time and date for acceptance under the Rights Issue, Shareholders who take up rights under the Rights Issue will suffer an immediate unrealised loss as a result. Moreover, following the exercise of their rights, Shareholders may be unable to sell the Rights Issue Shares at a price equal to or greater than the acquisition price for those shares. If the public trading market price of the Rights Issue Shares declines below the Issue Price, investors who have acquired any such Nil Paid Rights will be likely to suffer a loss as a result.

5.4 Admission of the Nil Paid Rights, the Fully Paid Rights and the Rights Issue Shares may not occur when expected

Application for Admission of the Nil Paid Rights, the Fully Paid Rights and the Rights Issue Shares is subject to the approval of the UK Listing Authority. Admission will only become effective once a dealing notice has been issued by the UK Listing Authority and the London Stock Exchange has acknowledged that the Nil Paid Rights, the Fully Paid Rights and the Rights Issue Shares, respectively, will be admitted to trading. There can be no guarantee that the conditions for Admission will be met or that the UK Listing Authority will issue a dealing notice.

5.5 There is no guarantee that the Company will pay dividends

The Company paid an interim dividend on 16 October 2015 but has decided not to pay a final dividend for the 2015 financial year. Whilst the Board intends to keep the dividend policy under review in respect of the 2016 financial year, under English company law, a company can only pay dividends (or make other distributions) to the extent that it has distributable reserves and cash available for the purpose. As a parent company, the Company's ability to pay dividends in the future is affected by a number of factors, including its ability to receive sufficient dividends from its subsidiaries. The payment of such dividends to the Company by

its subsidiaries is in turn subject to a number of restrictions, such as certain regulatory requirements and the existence of sufficient distributable reserves and cash in those subsidiaries. These restrictions could limit the Company's ability to fund its operations or to pay a dividend to Shareholders.

5.6 Qualifying Shareholders who do not subscribe for Rights Issue Shares in the Rights Issue will experience dilution in their shareholding in the Company

If, during the subscription period for the Rights Issue, Qualifying Shareholders do not (or are not permitted to) take up their entitlements under the Rights Issue, their proportionate ownership and voting interests in the Company will be reduced by up to 50 per cent. and the percentage that their Shares represents in the total issued share capital of the Company will be reduced accordingly. Existing Shareholders shareholdings will be diluted on Admission by a further 0.6 per cent by the issue of the CEO Subscription Shares, and a further 2.3 per cent. by the issue of the NED Subscription Shares, regardless of whether or not they take up their rights in the Rights Issue. Shareholders will be diluted by a further 1.7 per cent. as a result of the issue of the Share Matching Plan Shares in the future. There can be no assurance that a sale by a Qualifying Shareholder of any of their unexercised Nil Paid Rights (or a sale on their behalf of such rights) will result in receipt of consideration sufficient to compensate such Shareholder fully for the dilution of his or her percentage ownership of the Company's share capital that may be caused as a result of the Rights Issue.

5.7 Overseas Shareholders may only have limited ability to bring actions or enforce judgments against the Company or its Directors

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales and the rights of the Shareholders are governed by English law and the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations. It may not be possible for an Overseas Shareholder to enforce any judgments in civil or commercial matters or any judgments in securities laws of countries other than the UK against some or all of the Directors or executive officers of the Company who are resident in the UK or countries other than those in which judgment is made.

5.8 The issue of additional Shares in connection with future acquisitions, capital raisings, share incentive or share option plans or otherwise may dilute all other shareholdings

The Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Group may, for these and other purposes, such as in connection with share incentive and share option plans, issue additional equity or convertible equity securities. As a result the Company's existing Shareholders would suffer dilution in their percentage ownership.

In particular, under the Share Matching Plan, up to 3,405,998 Share Matching Plan Shares in total may be issued to Richard Last and Roger McDowell over the life of the scheme, representing 1.7 per cent. of the total issued share capital of the Company immediately following Admission.

6. RISKS RELATING TO THE TRANSFER TO AIM

6.1 An active market in the Shares may not develop on AIM and the Shares may be subject to greater fluctuations in value

Although the Company intends to apply for all of the Shares to be admitted to trading on AIM following the Delisting, there can be no assurance that an active or liquid trading market for the Shares will develop or, if developed, that it will be maintained following Admission. AIM is a market designed primarily for emerging and smaller companies, to which a higher investment risk tends to be attached than for larger companies, and may not provide the

liquidity normally associated with the Main Market or on some other stock exchanges. Accordingly, as a consequence of the Company's Shares not being admitted to the Official List following the Delisting, the Shares may be more difficult to sell compared to the shares of companies listed on the Official List.

In addition, as a consequence of the Shares not being admitted to the Official List, the market price of the Shares may be subject to greater fluctuations than might otherwise be the case. Liquidity on AIM is in part provided by market makers who are member firms of the London Stock Exchange and who are obliged to quote a share price for each company for which they make a market between 8.00 a.m. and 4.30 p.m. on each Business Day.

6.2 The regulatory regime for AIM companies is less rigorous than for those companies on the premium segment of the Official List, which means that the Company can take a broader range of actions without Shareholder consent and may make the Shares less desirable

Following AIM Admission, the Company will be subject to the AIM Rules. Shareholders should note that AIM is self-regulated and the protections afforded to investors in AIM companies are less rigorous than those afforded to investors in companies listed on the premium segment of the Official List.

For example, under the AIM Rules, prior Shareholder approval is required only for transactions with a much larger size threshold than applied to companies whose shares are listed on the premium segment of the Official List. These larger transactions include reverse takeover, and disposals resulting in a fundamental change of business (exceeding 75% in various size tests). Under the Listing Rules a broader range of transactions require shareholder approval including most related party transactions and acquisitions and disposals above a 25% size threshold on various tests. Once listed on AIM, therefore, shareholders will have less control over the Company in relation to these types of transactions.

The AIM Rules also contain less stringent obligations on buy backs, and there is no general requirement for a prospectus to issue further shares to institutional investors (provided they are of the same class). There are also no restrictions on the level of any discount for future offers of securities.

Finally, the Disclosure and Transparency Rules (other than in relation to notifications of the interests of significant shareholders in the Company) will cease to apply to the company, as will the UK Corporate Governance Code and so Shareholders may have less information available about the Company and its governance procedures than they would if the Company maintained a Premium Listing. However, the Company intends to continue to comply with the UK Corporate Governance Code, other than in relation to the Share Matching Plan.

Due to the less stringent regulatory requirements, eligibility criteria for admission and corporate governance requirements, investors may be less willing to invest in, companies with securities admitted to trading on AIM.

A Main Market listing also generally affords a company a greater profile and provides analyst coverage and interest from investors, which may mean the shares are less marketable once listed on AIM.

6.3 Treatment of the Shares following AIM Admission and impact on individual shareholder's tax planning

AIM companies are deemed to be unlisted for the purposes of certain areas of UK taxation. In addition the Delisting may have implications for Shareholders holding shares through a Self-Invested Personal Pension Plan ("SIPP"). For example, shares in unlisted companies

may not qualify for certain SIPPs under the terms of that SIPP. As a result of the shares of AIM companies having different treatment for the purposes of UK taxation this could affect individual Shareholder's current tax planning.

PRESENTATION OF INFORMATION

1. General

Investors should only rely on the information contained in this document (and any supplementary prospectus produced to supplement the information contained in this document). No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised by Tribal, the Directors or Investec. No representation or warranty, express or implied, is made by Investec as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Investec as to the past, present or future. Without prejudice to any legal or regulatory obligation on Tribal to publish a supplementary prospectus pursuant to section 87G(1) of the FSMA and paragraph 3.4.1 of the Prospectus Rules, neither the delivery of this document nor Admission shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group taken as a whole since the date of this document or that the information in it is correct as of any time after the date of this document.

As required by the Prospectus Rules, the Company will update the information provided in this document by means of a supplement to it if a significant new factor, material mistake or inaccuracy arises or is noted relating to the information included in this document prior to Admission. Any supplementary prospectus will be subject to approval by the FCA and will be made public in accordance with the Prospectus Rules. If a supplement to this document is published prior to Admission then, to the extent provided in section 87Q of the FSMA, investors shall have the right to withdraw their subscriptions or purchases made prior to the publication of the supplement. Such withdrawal must be done within the time limits set out in the supplement (if any) (which shall not be shorter than two working days after publication of the supplement).

Tribal will comply with its obligation to publish supplementary prospectuses containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

The contents of this document are not to be construed as legal, financial or tax advice. Each prospective investor should consult a legal adviser, an independent financial adviser duly authorised under the FSMA or a tax adviser for legal, financial or tax advice in relation to any investment in or holding of Nil Paid Rights, Fully Paid Rights or Rights Issue Shares. Each prospective investor should consult with such advisers as needed to make its investment decision and to determine whether it is legally permitted to hold shares under applicable legal investment or similar laws or regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Investing in and holding the Nil Paid Rights, Fully Paid Rights or Shares involves financial risk. Prior to investing in the Nil Paid Rights, Fully Paid Rights or the Shares, investors should carefully consider all of the information contained in this document, paying particular attention to the section entitled Risk Factors on pages • to • of this document. Investors should consider carefully whether an investment in the Shares is suitable for them in light of the information contained in this document and their personal circumstances.

Investec, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority, is acting exclusively for Tribal and no-one else in connection with the Disposal, Rights Issue, Admission, CEO Subscription, NED Subscription and Share Matching Plan, AIM Admission and will not regard any other person (whether or not a recipient of this document) as its client in relation to the Rights Issue, Admission and AIM

Admission will not be responsible to anyone other than Tribal for providing the protections afforded to its clients nor for the giving of advice in relation to the Disposal, Rights Issue, Admission or AIM Admission, CEO Subscription and NED Subscription and Share Matching Plan or any other matter or arrangement referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA or the regulatory regime established thereunder, Investec accepts no responsibility whatsoever for the contents of this document, including its accuracy, completeness or for any other statement made or purported to be made by it, or on its behalf, in connection with Tribal, the Shares, the Rights Issue or AIM Admission. Investec, its subsidiaries, branches and affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

In connection with the Rights Issue, Investec and any of its affiliates, acting as investors for their own accounts, may acquire Rights Issue Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Rights Issue or otherwise. Accordingly, references in this document to the Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition, dealing or Rights Issue by, Investec and any of its affiliates acting as investors for their own accounts. Investec does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Investec and its affiliates may have in the past engaged, and may in the future, from time to time, engage in transactions with, and provided various commercial banking, investment banking, financial advisory and other ancillary activities in the ordinary course of their business with the Company, in respect of which they have received, and may in the future receive, customary fees and commissions. As a result of these transactions, these parties may have interest that may not be aligned, or could possibly conflict, with the interests of investors.

2. Presentation of financial information

The historical consolidated financial information relating to the Group incorporated by reference in paragraph 18 of Part XII (*Additional Information*) of this document has been prepared in accordance with IFRS.

3. Non-IFRS financial information

This document contains certain financial measures that are not defined or recognised under IFRS, including “adjusted operating profit” and “adjusted profit after tax” from continuing operations. These financial measures are referred to as “non-IFRS”. Adjusted operating profit result for the Group represents operating profit from continuing operations adjusted to exclude trading losses of closed businesses (where relevant), intangible asset amortisation and net exceptional costs. Net exceptional costs include acquisition costs, property relocation costs, costs relating to an onerous lease contract (associated with property relocation), adjustment to deferred consideration on acquisitions, impairment of goodwill and impairment of development costs and are detailed in the reconciliation below. Adjusted profit after tax from continuing operations includes the adjustments to calculate adjusted operating profit and in addition includes the unwind of hedge accounting reserves, and the associated impact on the tax charge relating to all of the adjustments.

These non-IFRS measures are presented herein as they are used by management to measure operating performance and they are used by investors as additional measures to evaluate the underlying and continuing performance of the Group. There are no generally accepted principles governing the calculation of adjusted operating profit, adjusted profit after tax from continuing operations or similar measures and the criteria upon which adjusted

operating profit, adjusted profit after tax from continuing operations or similar measures are based can vary from company to company. Adjusted operating profit and adjusted profit after tax alone, do not provide a sufficient basis to compare Tribal's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or profit for the year as an indicator of business performance.

The reconciliation of Group operating profit to adjusted operating profit is as follows:

	<i>For the year ended 31 December</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Group Operating Profit/(loss) – IFRS	(45,222)	(4,299)	15,498
Adjustments:			
Addback operating loss from closed businesses	–	100	93
Business unit closure costs	823	–	–
Amortisation of IFRS 3 intangibles	1,686	1,729	231
Acquisition related costs	198	397	54
Gain on bargain purchase	(405)	–	–
Property relocation	(210)	543	(117)
Onerous lease contract (associated with property relocation)	(294)	788	–
Adjustment to deferred consideration on acquisitions	(1,020)	(228)	–
Strategy review and executive recruitment costs	537	–	–
Impairment of goodwill	38,802	12,849	–
Impairment of development costs	7,989	2,630	–
Sub-total	48,106	18,808	261
Adjusted operating profit	2,884	14,509	15,759

The reconciliation of Group profit from continuing operations to adjusted profit after tax from continuing operations is as follows:

	<i>For the year ended 31 December</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Group profit (loss) from continuing operations	(45,436)	(7,748)	10,777
Adjustments to operating profit (from table above)	48,106	18,808	261
Unwind of discount on deferred contingent consideration	585	876	350
Refinancing costs	456	–	–
Unwinding of hedge accounting reserve	–	–	453
Impact on taxation from adjustments	(2,558)	(1,348)	(169)
Add back exceptional items	46,589	18,336	895
Adjusted profit after tax from continuing operations	1,153	10,588	11,672

Tribal uses adjusted operating profit and adjusted profit after tax in the management reporting of its business and in assessing the Group's underlying performance.

4. Currency presentation

Unless otherwise indicated in this document, all references to:

- “AUS dollars”, “AU\$” or “AUS cents” are to the lawful currency of Australia;
- “Euro” or “€” are to the lawful currency of the European Union (as adopted by certain Member States);
- “NZ” dollars, “NZ \$” or “NZ cents” are to the lawful currency of New Zealand; and
- “Sterling”, “£” or “pence” are to the lawful currency of the UK;
- “US dollars”, “US\$” or “US cents” are to the lawful currency of the United States;
- “ZAR” or “rand” are to the lawful currency of South Africa.

Unless otherwise indicated, the financial information contained in this document has been expressed in Sterling. The Group presents its financial statements in Sterling.

5. Rounding

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent.

6. Cautionary note regarding forward-looking statements

Certain statements contained in this document, including those in the sections headed “Summary”, “Risk Factors”, “Letter from the Chairman of Tribal”; “Details of the Disposal”; “Information on Delisting and Move to AIM”; “Information on Tribal”; and “Operating and Financial Review of Tribal” constitute “forward-looking statements”. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “projects”, “aims”, “plans”, “predicts”, “prepares”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Investors should specifically consider the factors identified in this document, which could cause actual results to differ before making an investment decision. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Tribal, and/or the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which Tribal, and/or the Group will operate in the future. Such risks, uncertainties and other factors are set out more fully in the section of this document headed “Risk Factors”. These forward-looking statements speak only as at the date of this document. Except as required by the FCA, the London Stock Exchange or applicable law (including as may be required by the UK Listing Authority Rules), Tribal expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in Tribal’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The statements above relating to forward-looking statements should not be construed as a qualification on the opinion of the Tribal as to working capital set out in paragraph 8 of Part XII (*Additional information*) of this document.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond the Group's control. Forward-looking statements are not guarantees of future performance. The Company's actual results of operations, financial condition and the development of the business sector in which the Group operates may differ materially from those suggested by the forward-looking statements contained in this document including, but not limited to, UK domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, currency changes, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which the Group and its affiliates operate. In addition, even if the Company's actual results of operations, financial condition and the development of the business sector in which the Group operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors are advised to read, in particular, the following parts of this document for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates: the section entitled Risk Factors on pages 23 to 33 of this document, Part I (*Letter from the Chairman of Tribal*), Part V (*Information on Tribal*), Part VI (*Operating and Financial Review of Tribal*) as well as the information incorporated by reference. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

The forward-looking statements contained in this document speak only as of the date of this document. The Company, the Directors and Investec expressly disclaim any obligations or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law or regulation, the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules.

7. Presentation of market, economic and industry data

This document contains information regarding the Group's business and the industry in which it operates and competes, which the Company has obtained from various third party sources. Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as Tribal is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company has obtained the third party data in this document from industry studies, forecasts, reports, surveys and other publications published or conducted by:

- Gartner Market Guide for Higher Education Student Information Systems, published 26 March 2015;
- the Tambellini Group report prepared for Tribal Group on Student Information Systems US Higher Education Market Share, Trends and Leaders; and
- Economist Intelligence Unit report, Higher Education in the 21st Century: Meeting real-world demands

8. No incorporation of website information

The contents of Tribal's website or any hyperlinks accessible from Tribal's website do not form part of this document and investors should not rely on them.

9. Information not contained in this document

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as of any time subsequent to the date hereof.

10. Defined terms and references

Certain terms used in this document are defined in Part XIII (*Definitions*) of this document.

All times referred to in this document are, unless otherwise stated, references to London time.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

11. US considerations

Available information

For so long as any of the Shares are in issue and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the US Securities Exchange Act of 1934 (the “Exchange Act”), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Share, or to any prospective purchaser of a Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act upon the written request of such holder or beneficial owner.

Service of process and enforcement of civil liabilities

The Company is incorporated under the laws of England and Wales. Service of process upon Directors of the Company, whom reside outside of the United States, may be difficult to obtain within the United States. Furthermore, since most directly owned assets of the Company are outside of the United States, any judgment obtained in the United States against it may not be collectible within the United States. There is doubt as to the enforceability of certain civil liabilities under US federal securities laws in original actions in English courts, and, subject to certain exceptions and time limitations, English courts will treat a final and conclusive judgment of a US court for a liquidated amount as a debt enforceable by fresh proceedings in the English courts.

WHERE TO FIND HELP

If you have any questions relating to the Disposal or the Rights Issue, please telephone Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

*Each of the times and dates in the table below is indicative only and may be subject to change.
Please read the notes to this timetable set out below*

	2016
Publication and posting of this document, the notice of General Meeting and the Forms of Proxy	16 March
Latest time and date for receipt of Forms of Proxy	9.30 a.m. on 30 March
Record Date of entitlement under the Rights Issue for Qualifying Shareholders	6 p.m. on 30 March
General Meeting	9.30 a.m. on 1 April
Announcement of the results of the General Meeting	1 April
Schedule 1 announcement of Delisting and application for AIM Admission	1 April
Provisional Allotment Letters personalised and despatched (to Qualifying Non-CREST Shareholders only)	1 April
Announcement of completion of the Disposal	Before 4.00 p.m. on 1 April
Admission and dealings in Rights Issue Shares, nil paid, commence on the London Stock Exchange and Shares marked “ex-rights”	8.00 a.m. on 4 April
Nil Paid Rights credited to stock accounts in CREST (of Qualifying CREST Shareholders)	As soon as possible after 8.00 a.m. on 4 April
Nil Paid Rights and Fully Paid Rights enabled in CREST	As soon as possible after 8.00 a.m. on 4 April
Recommended latest time for requesting withdrawal of Nil Paid Rights and Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them to certificated form)	4.30 p.m. on 12 April
Latest time for depositing renounced Provisional Allotment Letters	3.00 p.m. on 13 April
Letters, nil or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account (i.e. if your Nil Paid Rights or Fully Paid Rights are represented by a Provisional Allotment Letter and you wish to convert them to uncertificated form)	3.00 p.m. on 13 April
Latest time and date for splitting Provisional Allotment Letters, nil or fully paid	3.00 p.m. on 14 April
Latest time and date for acceptance, payment in full and registration of renunciation of Provisional Allotment Letters	11.00 a.m. on 18 April
Announcement of results of the Rights Issue	By 8.00 a.m. on 19 April
Admission of Subscription Shares to listing on the Official List	By 8.00 a.m. on 19 April
Dealings in New Shares (including Subscription Shares), fully paid, commence on the Main Market	By 8.00 a.m. on 19 April

	2016
New Shares credited to CREST stock accounts	As soon as possible after 8.00 a.m. on 19 April
Expected despatch of definitive share certificates for the New Shares in certificated form	Not later than 26 April
Last day of dealings in the Shares on the Main Market	29 April
Cancellation of listing of the Shares on the Official List	8.00 a.m. on 3 May
AIM Admission and commencement of dealings in the Shares on AIM	8.00 a.m. on 3 May

TRANSACTION STATISTICS

Number of Existing Shares	94,849,241
Number of Rights Issue Shares to be issued pursuant to the Rights Issue	94,849,241
Number of CEO Subscription Shares	1,136,363
Number of NED Subscription Shares	4,545,454
Number of Share Matching Plan Shares	3,405,998
Rights Issue Price	22 pence
Subscription Price	22 pence
Basis of Rights Issue	1 Rights Issue Share for every 1 Existing Share
Number of Shares in issue immediately following the Rights Issue ¹	195,380,299
Rights Issue Shares as a percentage of the Enlarged Issued Share Capital ¹	48.5%
CEO Subscription Shares as a percentage of the Enlarged Issued Share Capital ¹	0.6%
NED Subscription Shares as a percentage of the Enlarged Issued Share Capital ¹	2.3%
Share Matching Plan Shares as a percentage of the Enlarged Issued Share Capital ^{1,2}	1.7%
Consideration for the Disposal	£20.25m
Expected gross proceeds of the Rights Issue	approximately £21m
Expected expenses of the Rights Issue ³	approximately £1.8m
Expected net proceeds of the Rights Issue receivable by the Company	approximately £19.2m
Expected proceeds of the CEO Subscription ⁴	£250,000
Expected proceeds of the NED Subscription ⁴	£1,000,000
ISIN	GB0030181522
SEDOL	3018152

Notes:

1. Assuming there is no allotment of Shares pursuant to any of the Share Schemes prior to Admission but including the Subscription Shares.
2. Enlarged Share Capital including, in this instance only, the Share Matching Plan Shares.
3. These expenses comprise estimated underwriting commissions and other fees and expenses of the Rights Issue including VAT, payable by the Company.
4. There are no costs associated with the Subscriptions or Share Matching Plan.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Richard Last Ian Bowles Steve Breach David Egan Duncan Lewis Roger McDowell
Company Secretary	Rob Ewin
Registered and Head Office	Kings Orchard One Queen Street Bristol BS2 0HQ
Sponsor, Broker, Financial Adviser and Underwriter	Investec Bank plc 2 Gresham Street London EC2V 7QP
Legal advisers to the Company	Osborne Clarke LLP 2 Temple Back East Bristol BS1 6EG
Legal advisers to Investec	Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS
Auditors and Reporting Accountants	Deloitte LLP 3 Rivergate Temple Quay Bristol BS1 6GD
Receiving Agent	Capita Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART I

LETTER FROM THE CHAIRMAN OF TRIBAL GROUP PLC

(Incorporated and registered in England and Wales with registered number 1950509)

Directors

Richard Last, *Chairman*
Ian Bowles, *Chief Executive*
Steve Breach, *Group Finance Director*
Roger McDowell, *Senior Independent Director*
David Egan, *Non-Executive Director*
Duncan Lewis, *Non-Executive Director*

Registered office

Tribal Group plc
Kings Orchard
One Queen Street
Bristol
BS2 0HQ

16 March 2016

To Shareholders, optionholders and persons with information rights

Dear Shareholder,

Proposed Disposal of Synergy
Proposed 1 for 1 Rights Issue of 94,849,241 Rights Issue Shares at 22 pence per
Rights Issue Share
Proposed Subscriptions
Proposed Share Matching Plan
Proposed Delisting and AIM Admission
Notice of General Meeting

1. Introduction

1.1 *Proposals contained in this document*

The Board gave the market an update on the Company's current trading and financial position on 14 December 2015. At that time, the Company also announced the Board's intention to carry out a Rights Issue and, separately, to delist the Company's Shares from the Official List and seek admission of the Shares to trading on AIM.

Tribal further announced on 1 March 2016 that it had agreed to dispose of its Synergy business to Servelec Corelogic Limited, part of the Servelec group, for total consideration of £20.25 million in cash payable on completion. Subject to Shareholder approval, completion of the Disposal is expected to take place shortly after the conclusion of the General Meeting on 1 April 2016.

Tribal gave the market a further update on 9 March 2016 on trading and contract progress. The Board announced then that revenues and profit of approximately £2 million were being deferred and writedowns of £8.0 million of product development investment had been made. In addition, the Group announced it would be recognising goodwill impairment charges of £38.8 million. The Group has announced today adjusted EBITDA of £8.2 million for the 2015 financial year.

Tribal has announced today its results for the 2015 financial year and an update on the plans for the Rights Issue and the Delisting and AIM Admission announced in December. In brief, Tribal has announced that it is proposing to raise gross proceeds of £21 million (approximately £19.2 million net of expenses) by way of the Rights Issue on the basis of 1 Rights Issue Share for every 1 Existing Share at a price of 22 pence per Rights Issue Share. The Rights Issue Shares are expected to be admitted to listing on the Official List and to trading on the Main Market on 19 April 2016.

In addition, Tribal's proposals announced today include a proposed CEO Subscription by Ian Bowles (the Company's new Chief Executive) to raise £250,000, a proposed NED Subscription by Richard Last and Roger McDowell (the Company's new Chairman and Senior Independent Director, respectively) to raise a total of £1,000,000 and a proposed

Share Matching Plan to be entered into between the Company and Richard Last and Roger McDowell. Subject to the passing of the CEO Subscription Resolution, the NED Subscription Resolution and the Share Matching Plan Resolution, the Subscription Shares are expected to be admitted to listing on the Official List and admitted to trading on the Main Market on 19 April 2016.

Tribal has also announced today the proposed timetable for the proposed Delisting and admission of the Company's Shares to AIM. The last day of dealings in Shares on the Main Market is expected to be 29 April 2016 and AIM Admission is expected to take place on 3 May 2016. Delisting and AIM Admission are conditional on the passing of the Rights Issue Resolutions as well as on the AIM Resolution.

1.2 **Resolutions required**

Shareholder approval is required to implement each of the Disposal, the Rights Issue, the Subscription, the Share Matching Plan and the Delisting and AIM Admission for the following reasons:

- (a) Under the Listing Rules, the Company is required to obtain Shareholder consent for the Disposal because the size of the transaction means that it constitutes a 'class 1' transaction.
- (b) The Listing Rules also require the Company to obtain consent from Shareholders for the issue and allotment of further Shares above the levels approved at last year's AGM, as well as consent to the disapplication of pre-emption rights in relation to those shares (the Rights Issue Shares), which are required to implement the Rights Issue. Accordingly, the Company is seeking Shareholder approval for the issue and allotment of 94,849,241 Shares, being the total number of Rights Issue Shares to be issued pursuant to the Rights Issue.
- (c) The Company is required to obtain the consent of Shareholders to the CEO Subscription in order to:
 - (i) grant the Directors authority to allot the 1,136,363 CEO Subscription Shares and to disapply pre-emption rights in connection with the allotment of the CEO Subscription Shares; and
 - (ii) approve the Subscription Price of 22 pence per Share which is at a discount of 49.3 per cent. to the Closing Price of 43.375 pence per Share on 15 March 2016 (being the last Business Day prior to the publication of this document) (a discount in excess of 10 per cent. requiring approval under the Listing Rules).
- (d) The Company is required to obtain the consent of Shareholders to the NED Subscription in order to:
 - (i) grant the Directors authority to allot the 4,545,454 NED Subscription Shares and to disapply pre-emption rights in connection with the allotment of the NED Subscription Shares; and
 - (ii) approve the Subscription Price of 22 pence per Share which is at a discount of 49.3 per cent. to the Closing Price of 43.375 pence per Share on 15 March 2016 (being the last Business Day prior to the publication of this document) (a discount in excess of 10 per cent. requiring approval under the Listing Rules).
- (e) The Company is required to obtain the approval of Shareholders for the Share Matching Plan in order to:
 - (i) grant the Directors authority to allot 3,405,998 Share Matching Plan Shares and to disapply pre-emption rights in connection with the allotment of the Share Matching Plan Shares;

- (ii) approve the Share Matching Plan as an employee share scheme for the purposes of the Listing Rules;
 - (iii) obtain approval of the Share Matching Plan as a discounted option arrangement; and
 - (iv) approve the Share Matching Plan as an exception to the Company's remuneration policy.
- (f) Under the Listing Rules, the Company is required to obtain Shareholder consent to the Delisting and AIM Admission.

1.3 ***Purpose of this document***

The purpose of this document is to:

- (a) explain the background to and reasons for the Disposal, the Rights Issue, the CEO Subscription, the NED Subscription, the Share Matching Plan and the Delisting and AIM Admission;
- (b) set out the terms and conditions of the Rights Issue; and
- (c) give notice of the General Meeting to be held to consider and, if thought fit, to pass the Resolutions required to enable and authorise the Company to implement the Disposal, the Rights Issue, the CEO Subscription, the NED Subscription, the Share Matching Plan, the Delisting and AIM Admission.

This document also explains why the Board considers that all the Resolutions being proposed are in the best interests of Shareholders and contains its recommendation to Shareholders to vote in favour of the Resolutions. As several of the Directors have conflicts of interest in relation to certain matters, those Directors who are conflicted (and any associates of those Directors) have not participated in the Board's consideration of the proposals in respect of which they are conflicted. In particular:

- (a) Richard Last and Roger McDowell are conflicted in respect of the Disposal as they are also directors of Servelec, the ultimate parent of the purchaser; and
- (b) Richard Last, Ian Bowles and Roger McDowell are conflicted in respect of the CEO Subscription, the NED Subscription and the Share Matching Plan.

In addition, Duncan Lewis has been unwell during the latter stages of the Board's deliberations on the matters covered by this document. Accordingly, he has not been able to attend Board meetings or participate in the Board's decisions in respect of these matters. Mr Lewis has therefore not been able to consent to the issue of, or accept responsibility for, this document.

1.4 ***Action to be taken by Shareholders***

A summary of the action Shareholders need to take in respect of the General Meeting is set out in section 18 of this letter and on the Form of Proxy that accompanies this document.

A summary of the action Shareholders need to take in respect of the Rights Issue is set out in section 19 of this letter (and for Shareholders who hold shares in certificated form only in the Provisional Allotment Letter which accompanies this document).

1.5 ***Definitions***

You will find the definitions for certain capitalised terms used in this letter and in the rest of the document in Part XIII (*Definitions*) of this document.

2. Background to and reasons for the Disposal and the Rights Issue

2.1 Background

Tribal's business

The Tribal Group provides software and services that support principally the management of universities, colleges and schools. Tribal mainly operates in the UK, Asia Pacific (Australia, New Zealand and South East Asia) and other countries in the English-speaking world. It works with managers, administrators and senior academic staff to enhance the quality of education and experience their institutions offer to students.

For the year ended 31 December 2015, the Group's software-related activities accounted for 58% of the Group's revenues and the Group's service activities accounted for 42%.

Tribal is a leading provider of student management systems to universities, colleges and schools in its key markets of the UK, Australia and New Zealand. Tribal serves an excellent installed customer base including some of the world's leading universities, colleges and schools, from which recurring annual support revenues in excess of £30m were generated during the year ended 31 December 2015.

Tribal's software business at present typically delivers through a traditional software revenue model. Customers are provided with a perpetual licence to the software, and implementation services are then provided to enable customers to configure the software to suit their requirements. Following installation, support and maintenance services are provided to assist customers in their ongoing use of the software, and to keep software installed on customer sites up to date. Tribal's business is described further in Part V (*Information on Tribal*) of this document.

The Group's services focus on enabling managers of universities, colleges and schools to improve the academic and operational performance of their institutions. These services include benchmarking and analytics services, advisory services and specialist support services to enhance the delivery of education and training. The Group's quality assurance solutions are used primarily by government agencies to review, measure and monitor the quality of education provision and associated activities by universities, colleges and schools, and where appropriate to inform and support improvement programmes in these settings.

The Synergy business

Synergy supplies management information system software to children's services departments of local authorities in the United Kingdom. The Synergy software product enables managers in local authorities to support the education, safety and well-being of children, young people and families in their geographic area of responsibility. Synergy software is installed in approximately 59% of local authorities in England, with a full suite deployed in approximately 29% of local authorities.

For the year ended 31 December 2015, the Synergy business generated £6.3 million of turnover (2014: £6.6 million) and £2.7 million of adjusted operating profit (2014: £3.2 million) (in each case, on an unaudited basis).

On a consistent basis with the above, other than expensing all development expenditure incurred during the period, the Synergy business generated EBITDA of £2.9 million (2014: £3.2 million).

Non-transferring central support services include IT services, HR, finance, legal, marketing and head office costs. Management estimates that the cost of these support services was approximately £0.6 million in 2015 (2014: £0.6 million). When taking into account the cost of these central support services, the Synergy business generated an indicative standalone EBITDA of £2.3 million (2014: £2.6 million) (before exceptional charges).

Loss of sales momentum

In recent years Tribal has focused its sales efforts on winning large software projects in its chosen markets. This strategy was largely successful, resulting in the winning of a number of significant contracts for the Group. However, the expectations of larger customers continue to evolve and such larger customers attract the interest of new competitors, and Tribal's success in winning large contracts remains difficult to predict.

2015 was a challenging year for Tribal, which experienced a loss of momentum in its sales efforts. This resulted in unexpected losses of new customer bids when previously win rates had been high, a number of contract completions being deferred until 2016, and a general slowdown in existing account sales activity.

There are a number of factors which have contributed to this loss of momentum, including:

- extended uncertainty surrounding the future direction of the Group connected in part to the change in management;
- a false perception that the Company's products were not keeping up with modern technological advances;
- a reduction in customer confidence as a result of concerns around the balance sheet strength of the Company;
- a failure to address sufficiently quickly the changing opportunities in the market that focused more around account management of existing customers;
- a lack of tender opportunities for large, complex, profitable contracts which the Group had been successful at winning in previous years; and
- a changing competitive landscape.

The impact of this reduced momentum began to be felt particularly strongly during the course of the second half of the year.

At the same time, despite being well positioned in the market, the focus on larger customers has resulted in Tribal being less successful in building a pipeline of medium-sized and smaller opportunities to complement the larger deals.

Delay to payments and contractual milestones

Under the terms of some of the Group's larger contracts, invoicing and payments from customers are linked to customer programme milestones. These milestones are not wholly within the Group's control and are relatively infrequent, meaning that they can have a significant impact on the Group's revenues and cashflow.

2015 saw operational challenges on two of Tribal's largest software contracts. While the reasons were different, in both cases these contracts underwent significant changes during the course of 2015 compared to the Group's expectations. As a result, related contract revenues slowed and anticipated cash receipts associated with revenues on which the Group had worked in 2015 of approximately £2.4m were not recognised and/or were provided for. For reasons of continuity and client service, the Group retained its project teams and did not take action to realign its fixed cost base.

Profitability and cost base

The loss of sales momentum, combined with the increased volatility associated with a small number of significant contract milestones and delays to those milestones, resulting in a significantly lower level of utilisation in Tribal's implementation team, has had a material impact on Tribal's profitability with Tribal's adjusted operating profit falling to £2.9m in 2015 from £14.5m in 2014. As a result of these factors, during 2015 Tribal's profit profile became

increasingly difficult to predict, and the period of reduced revenues has continued significantly longer than initially anticipated.

In addition, reduced software licence revenues of £10.3m in 2015 compared to £21.8m in 2014 have had a material impact on profitability due to the high margin generated by such revenues, typically recognised on the signing of a new contract, compared to the Group's fixed cost base characterised by an extensive software development team.

Impact on Facility Agreement

The Group's principal credit facility is the Revolving Credit Facility and the terms of which are further summarised in paragraph 6.7 of Part XII (*Additional Information*). As at 31 December 2015, the Group had utilised £37.4 million of the £50 million available under the Facility Agreement. The Revolving Credit Facility has a final maturity date of 28 July 2018.

The Facility Agreement includes a net debt to EBITDA covenant of not greater than 3.0x and a senior interest cover covenant of not less than 3.0x. The net debt to EBITDA covenant is tested twice each year, at 30 June and 31 December, the senior interest cover covenant is tested quarterly, at the end of March, June, September and December.

As a result of the factors described above, in early December 2015 the Board took the decision that it would be prudent to approach the lending banks under the Facility Agreement to request a waiver of the covenants in the facility for the period ended 31 December 2015. The lending banks agreed to this request, which was announced by the Company on 21 December 2015.

As at 31 December 2015, the net debt to EBITDA ratio was 4.24 and so the Company would not have satisfied the net debt to EBITDA covenant. The senior interest cover ratio was 11.9, so the Company would have satisfied the senior interest cover covenant. The Board is confident that the senior interest cover covenant test will not be breached when tested as at 31 March 2016. The next net debt to EBITDA covenant test is at 30 June 2016.

Investment and efficiency improvements

Tribal intends to continue to invest in the development of its software portfolio with the aim of extending and innovating its existing product portfolio, including by enhancing its capabilities to deploy systems in the Cloud and to offer SaaS models.

Tribal also intends to streamline and simplify its operational structure, to enable the Group to rebuild sales momentum and improve efficiency. The Board recognises the need to reinvigorate the sales team and this will be a priority of the newly appointed Chief Executive who has, among other things, a sales and marketing background.

2.2 Reasons for the Disposal and the Rights Issue

Need to reduce net indebtedness

Given the increased volatility of Tribal's profitability and cashflow resulting from its increased exposure to larger contracts, together with tightened market conditions and the constraints of the financial covenant tests in the Group's Facility Agreement, the Board considers that it is appropriate to reduce the Group's net debt.

As referred to above, if the lending banks under the Group's Facility Agreement had not waived the covenants in the facility for the period ended 31 December 2015, the Group would have breached the net debt to EBITDA covenant in the Facility Agreement. The net debt to EBITDA covenant is next tested for the year ending 30 June 2016 and every six months thereafter. Given the volatility of the Group's results in recent periods there can be no guarantee that, without a significant reduction in the Group's level of net debt, the net debt to EBITDA covenant will not be breached at 30 June 2016.

There is no guarantee that the lending banks under the Facility Agreement would agree to a waiver or amendment of the covenants in future and in the event that the covenants were breached the banks would be entitled to demand repayment in full of the Facility Agreement. In such circumstances, Tribal would not have sufficient cash resources available to repay the Facility Agreement, without taking other steps.

Board's consideration of alternative methods of reducing the Group's net indebtedness

On 14 December 2015, the Company announced that it planned to undertake a rights issue of up to £35 million and had entered into a standby underwriting agreement pursuant to which Investec had agreed to underwrite £30 million of that planned rights issue. Entry into that standby underwriting agreement assisted in negotiations with the lending banks under the Facility Agreement in connection with the waiver of the covenants as at 31 December 2015 and gave the Board the opportunity to raise capital to support the Group's balance sheet.

Notwithstanding the planned rights issue, the Board has continued to investigate alternative options for raising additional capital and/or improving the Group's financial position. This has included considering the possibility and likely terms of:

- renegotiating the terms (and in particular the covenants) of the existing Facility Agreement;
- agreeing a new facility agreement with the same or different lending banks;
- a different type of equity raise;
- disposing of assets; and/or
- selling the entire Group,

and/or a combination of the above.

Disposal

As part of the investigation of alternative options, the Company considered the disposal of the Synergy business and subsequently entered into negotiations with Servelec in relation to the Disposal, which was announced on 1 March 2016.

Synergy provides a suite of software products to children's services departments of local government bodies in the UK.

The Synergy suite is developed, supported and implemented by a workforce of approximately 60 people, based in Norwich, England. Synergy's software and services are currently delivered through two functional divisions of the Tribal business – specifically the Product Development and Customer Services, and Implementation Services divisions. As a result, the Synergy business forms part of a larger range of software and services activities undertaken by Tribal which are incorporated in the Tribal Education Limited corporate entity.

In recent years the Group has focused on management of students in universities, colleges and schools. Accordingly, because the Synergy business is not focused on this market, it is considered to be non-core by the Board.

Tribal has agreed to sell the business and assets comprising Synergy to Servelec for consideration of £20.25 million in cash payable on completion, expected to be shortly following approval of the Disposal Resolution at the General Meeting. Further details of the terms of the Disposal are set out in Part II (*Details of the Disposal*) of this document.

The Board considers that the consideration to be paid for the Disposal represents fair value and recommend below that Shareholders vote in favour of the Disposal Resolution.

Size of Rights Issue

The Board considers that the net proceeds of the Disposal are a positive step in reducing the Group's net debt. However, it believes that it would be prudent and appropriate, given the volatility in sales and the need to restructure the business and reduce its underlying cost base, to reduce net debt still further.

Given the net proceeds of the Disposal and the financial profile of the Continuing Group, the Board has determined that the appropriate size of the Rights Issue is £21 million. This is significantly less than the £35 million maximum rights issue amount announced in December 2015 and reduces the risk of dilution to Shareholders who do not take up their rights under the Rights Issue.

The net proceeds of the Disposal and the Rights Issue would be sufficient, in the view of the Board, to remove any material risk of a breach of covenants in the Facility Agreement.

Conditionality of the Disposal and the Rights Issue

The Board is of the view that it is in the best interests of the Company for the Disposal to take place regardless of whether the Rights Issue or AIM Admission takes place. Accordingly, the Disposal is not conditional on the approval of the Rights Issue Resolutions or the AIM Resolution.

However, if the Disposal does not take place then, even if the Company received the net proceeds of the Rights Issue, the Board is of the view that the Company would have insufficient working capital. Accordingly, the Board does not consider it appropriate to proceed with the Rights Issue if the Disposal does not take place, and in such circumstances the Board would reconsider its proposals to improve the Group's balance sheet position. Accordingly, the Rights Issue is conditional on approval of the Disposal Resolution and completion of the Disposal.

The Company cannot move to AIM unless it has sufficient working capital. Accordingly, the Delisting and AIM Admission are conditional upon approval of the Disposal Resolution and the Rights Issue Resolutions being passed, and upon completion of the Disposal and the Rights Issue.

None of Delisting, AIM Admission, the Subscriptions or the Share Matching Plan are conditions to either the Disposal or the Rights Issue. Neither the Subscriptions nor the Share Matching Plan are a condition to the Delisting or AIM Admission.

Further steps in the event that the Disposal and/or Rights Issue does not take place

As referred to above, the Board considers that the Group needs the net proceeds of both the Disposal and the Rights Issue in order that it has sufficient working capital. In the event that the Disposal and/or the Rights Issue does not take place, the Board considers that there is a material risk that the Group will breach the net debt to EBITDA covenant in the Group's Facility Agreement at 30 June 2016.

In the event that the covenants were breached the banks would be entitled to demand repayment in full of the Facility Agreement. Given the work the Board has undertaken to investigate the different options for reducing the Group's net debt and/or amending the Group's Facility Agreement, the Board is of the view that these steps will either not be possible or, if possible, would be on terms which do not represent fair value for the Company and its Shareholders. In particular:

- The Company would need to commence attempts to negotiate amendments to the Facility Agreement. There is no guarantee that any such negotiation would be possible before the next net debt to EBITDA covenant test date of 30 June 2016. If it is

possible, it is likely that the commercial terms of such debt would be changed in a manner which would be unattractive for the Company.

- Similarly, the Board is of the view that borrowing money from other sources (to replace the Facility Agreement) would be difficult given the Company's financial position and trading history. Accordingly, there is no guarantee that any new sources of debt finance would be available to the Company or, if available, would be on terms which are as favourable as the existing Facility Agreement.
- The Company would need to investigate further the possibility of disposing of other assets. The sale of assets at a time which is not of the Group's choosing might result in a failure to realise the full value of the assets, or might not be possible at all.
- The Board may need to consider the possibility of another type of equity issuance. Such equity issuance would be likely to be subject to Shareholder approval but, if approved, might result in a lower issue price than the Rights Issue and/or might be carried out on a non- pre-emptive basis, meaning that Shareholders who do not take up the rights or are not given the opportunity to participate suffer significant dilution to their stakes as a result.
- Finally, the Board might need to consider the possibility of marketing the entire Group for sale to a third party. The Board believes that undertaking a formal sale process would be likely to be perceived as a distressed sale and valuations would be depressed accordingly.

In the event that none of the above options is possible, the Group might be forced to cease trading, in which case Shareholders could lose their entire equity investment. Such cessation of trading could occur as early as the Group's results for the period ending 30 June 2016 are known, which might result in a breach of the net debt to EBITDA covenant set out in the Group's Facility Agreement which is tested based on the results for the period ending on that date.

In the meantime, the Board would be required to operate the business of the Group in such a manner as to reduce the risk of a breach of covenants in the future. The need to manage the Group's finances in compliance with the Group's Facility Agreement, given the volatility of results, would constrain the Group's ability to proceed confidently with its planned developments and efficiency improvements (as referred to above).

Certain of Tribal's customers have expressed concerns about the strength of the Group's financial position and the Board's view is that these concerns have impacted on the Group's sales and contributed to the loss of sales momentum.

Finally, perceptions about Tribal's financial position may contribute to an inability to retain and/or hire appropriately skilled and experienced management required to drive the business forwards.

3. Financial effects of the Disposal and Rights Issue and use of proceeds

3.1 *Disposal*

The gross cash proceeds due at completion of the Disposal are £20.25 million (£19.5 million net of tax and transaction costs of approximately £0.75 million).

The net proceeds of the Disposal will be applied in reducing the Continuing Group's net debt.

As a result of the Disposal, the Continuing Group will have a substantially reduced interest charge for the year ending 31 December 2016. In addition, cost savings forming a part of a wider cost reduction programme being initiated by the Group will be implemented over the coming months in order to align overheads with the size of the Continuing Group.

Accordingly, the overall impact of the Disposal is expected to be earnings enhancing in the first full year following completion.

The Disposal will increase the Group's net assets by £1.6 million after receipt of net proceeds from the Disposal. For these purposes the goodwill of £19.1 million represents the amount allocated to the Synergy business from the wider PD & CS and Implementation Services divisions, and includes £6.1 million arising on the original acquisition of the Synergy business. The pro forma financial information relating to the Continuing Group set out in Section A of Part IX (*Unaudited pro forma financial information*) of this document, which is based on the audited balance sheet of the Group and the unaudited net assets of Synergy as at 31 December 2015. The pro forma information is for illustrative purposes only and has been prepared to illustrate the effect of the Disposal on net assets as if it had taken place on 31 December 2015. The value of the gross assets the subject of the Disposal is £21.2 million (as set out in Part II (*Details of the Disposal*) of this document). If only £6.1 million of goodwill arising on the original acquisition of the Synergy business were included the gross assets would be £8.2 million.

3.2 *Rights Issue*

The Rights Issue is expected to raise £21 million in gross proceeds and approximately £19.2 million (net of expenses) for the Company.

The net proceeds will be applied to reduce the Group's net debt. The Company will continue to have the benefit of the full amount of the Revolving Credit Facility, in order to meet the future working capital needs of the business.

The Company's share capital is expected to increase by £4,742,462.05 and the share premium account will increase by £16,124,370.97.

4. *Reasons for, and details of, the Subscriptions*

4.1 *Reasons for the CEO Subscription*

Ian Bowles (the Company's new Chief Executive) was appointed to the Board on 17 February 2016.

On his appointment to the Board, Mr Bowles indicated his intention to invest in Shares of the Company to ensure that his interests were aligned with those of the Company and its Shareholders as a whole and to demonstrate his confidence in the future prospects of the Group.

Given the timing of his appointment and the presence of unpublished price sensitive information prior to the announcement of the Group's financial results released on the date of this Prospectus, Mr Bowles has not been permitted to buy Shares.

The Board considers that the CEO Subscription is the most efficient way for Mr Bowles to acquire Shares in the Company and has permitted the Board to reduce the amount that the Company would otherwise seek to raise pursuant to the Rights Issue. Neither Mr Bowles nor any person deemed to be associated with him for the purposes of the Listing Rules has participated in the Board's consideration of the CEO Subscription. In addition, neither Mr Last nor Mr McDowell has participated in the Board's consideration of the CEO Subscription as the NED Subscription is to be made at the same price.

4.2 *Details of the CEO Subscription*

The Company and Mr Bowles have entered into a CEO Subscription Agreement pursuant to which Mr Bowles will subscribe for a total of 1,136,363 Subscription Shares at the Subscription Price of 22 pence per Share. This would result in net proceeds of £250,000 for the Company (there being no expenses associated with the CEO Subscription).

Immediately following the CEO Subscription, assuming that Rights Issue completes and the Share Matching Plan is implemented, Mr Bowles will have an interest of 0.6 per cent. in the Enlarged Issued Share Capital of the Company. For the avoidance of doubt, the CEO Subscription will only take place if the Disposal and Rights Issue complete. Accordingly, there are no circumstances in which the CEO Subscription Shares will represent more than 0.6 per cent. of the issued share capital of the Company on issue.

It is anticipated that Mr Bowles will be granted additional options pursuant to the Company's LTIP, in line with the Company's adopted remuneration policy and as described further in Part XI (*Directors, Responsible Persons, Corporate Governance and Employees*). Any options over Shares granted to Mr Bowles under the LTIP will be in addition to the CEO Subscription Shares. Given that such options will be granted under the existing LTIP which has previously been approved by Shareholders, such option grants are not conditional on the passing of the CEO Subscription Resolution and are not conditional on the CEO Subscription taking place.

The CEO Subscription is conditional upon:

- (a) the passing of the CEO Subscription Resolution; and
- (b) completion of the Disposal and the Rights Issue.

The Subscription Price (i.e. the price Mr Bowles will pay for each Subscription Share) is 22 pence per Share. This is the same as the Rights Issue Price, and represents a discount of 49.3 per cent. to the Closing Price per Share on the last Business Day prior to publication of this document.

Subject to the passing of the CEO Subscription Resolution and completion of the Disposal and the Rights Issue, the CEO Subscription Shares will be issued on the date of Admission. Accordingly, the CEO Subscription Shares will not confer any entitlement to participate in the Rights Issue.

For the avoidance of doubt, none of the Disposal, the Rights Issue or the Delisting and AIM Admission is conditional on the CEO Subscription.

4.3 Use of proceeds of the CEO Subscription

The total amount to be raised through the CEO Subscription is £250,000. There are no expenses associated with the CEO Subscription.

The proceeds of the CEO Subscription will be used to repay amounts due under the Group's Facility Agreement.

4.4 Related party transaction

As Mr Bowles is a Director of the Company, the CEO Subscription constitutes a related party transaction for the purposes of the Listing Rules. Given the value of the CEO Subscription, it constitutes a smaller related party transaction for the purposes of the Listing Rules. Mr Bowles does not hold any Shares as at the date of this document, but, for the avoidance of doubt, he will not vote on the CEO Subscription Resolution and he has undertaken to take all reasonable steps to ensure that his associates will not vote on the CEO Subscription Resolution.

5. Reasons for, and details of, the NED Subscription

5.1 Reasons for the NED Subscription

Richard Last and Roger McDowell were appointed as Chairman and Senior Independent Director of the Company, respectively, on 16 November 2015. On his appointment to the Board, Mr Last and Mr McDowell each indicated his intention to invest in Shares of the

Company to ensure that his interests were aligned with those of the Company and its Shareholders as a whole and to demonstrate his confidence in the future prospects of the Group.

Given the timing of their appointment and the presence of unpublished price sensitive information prior to the announcement of the Group's financial results released on the date of this Prospectus, they have not been permitted to buy Shares.

The Board considers that the NED Subscription is the most efficient way for Mr Last and Mr McDowell to acquire Shares in the Company and has permitted the Board to reduce the amount that the Company would otherwise seek to raise pursuant to the Rights Issue.

Neither Mr Last nor Mr McDowell nor any person deemed to be associated with either of them for the purposes of the Listing Rules has participated in the Board's consideration of the NED Subscription. In addition, Mr Bowles has not participated in the Board's consideration of the NED Subscription as the CEO Subscription is to be made at the same price.

5.2 ***Details of the NED Subscription***

The Company and Mr Last and Mr McDowell have agreed that the Directors will subscribe for a total of 4,545,454 NED Subscription Shares at the Subscription Price of 22 pence per Share. This results in net proceeds of £1,000,000 for the Company (there being no expenses associated with the NED Subscription).

Immediately following the NED Subscription, assuming that Rights Issue completes and the Share Matching Plan is implemented, Mr Last and Mr McDowell will have the following interests in the Enlarged Issued Share Capital of the Company:

<i>Director</i>	<i>Amount subscribed</i>	<i>NED Subscription Shares</i>	<i>% interest in the Enlarged Issued Share Capital</i>
Richard Last	£500,000	2,272,727	1.2
Roger McDowell	£500,000	2,272,727	1.2

For the avoidance of doubt, the NED Subscription is conditional on the completion of the Disposal and the Rights Issue completing. Accordingly, there are no circumstances in which the NED Subscription Shares will represent more than • per cent. of the issued share capital of the Company on issue.

Mr Last and Mr McDowell will be granted additional options over Shares pursuant to the Share Matching Plan described further below. The Share Matching Plan Shares will be in addition to the NED Subscription Shares.

The NED Subscription is conditional upon:

- (a) the passing of the NED Subscription Resolution;
- (b) completion of the Disposal and the Rights Issue; and
- (c) the approval of the Share Matching Plan Resolution.

The Subscription Price (i.e. the price each of Mr Last and Mr McDowell will pay for each Subscription Share) is 22 pence per Share. This is the same as the Rights Issue Price, and represents a discount of • per cent. to the Closing Price per Share on the last Business Day prior to publication of this document.

Subject to the passing of the NED Subscription Resolution, completion of the Disposal and

the Rights Issue and the approval of the Share Matching Plan Resolution, the Subscription Shares will be issued on the date of Admission. Accordingly, the NED Subscription Shares will not confer any entitlement to participate in the Rights Issue.

For the avoidance of doubt, none of the Disposal, the Rights Issue or the Delisting and AIM Admission is conditional on the NED Subscription. However, the Share Matching Plan is conditional on the NED Subscription.

5.3 *Use of proceeds of the NED Subscription*

The total amount to be raised through the NED Subscription is £1,000,000. There are no expenses associated with the NED Subscription. The proceeds of the NED Subscription will be used to repay amounts due under the Group's Facility Agreement.

5.4 *Related party transaction*

As each of Mr Last and Mr McDowell is a Director of the Company, the NED Subscription constitutes a related party transaction for the purposes of the Listing Rules. Given the value of the NED Subscription, it constitutes as a smaller related party transaction for the purposes of the Listing Rules. Neither Mr Last nor Mr McDowell holds any Shares as at the date of this document, but, for the avoidance of doubt, they will not vote on the NED Subscription Resolution and they have undertaken to take all reasonable steps to ensure that their associates will not vote on the NED Subscription Resolution.

6. *Proposed Share Matching Plan*

6.1 *Background*

During the process of appointing Mr Last and Mr McDowell, the Board discussed the remuneration and incentivisation of those Directors with a number of the Company's largest Shareholders. These Shareholders (who between them hold over 40 per cent. of the Company's Share capital) instigated these discussions and put forward proposals to the Board, encouraging the Board to propose an incentivisation arrangement for Mr Last and Mr McDowell on the basis of the Share Matching Plan, as well as the terms of the Subscription. The Board continued discussions with Shareholders at the time of the appointment of Mr Bowles, and in the lead up to the announcement of the Rights Issue, at which Shareholders have continued to advocate the putting in place of the Subscriptions (and the terms of the Subscriptions) and the Share Matching Plan.

6.2 *Details of proposed Share Matching Plan*

The Share Matching Plan shall be administered by the Board. The terms of the Share Matching Plan that are proposed are that, on the basis that Mr Last and Mr McDowell subscribe for their NED Subscription Shares, they will be offered rights to acquire additional Share Matching Plan Shares on the terms of the Share Matching Plan.

Pursuant to the Share Matching Plan, Mr Last and Mr McDowell will each be granted options over additional Share Matching Plan Shares. The exercise price of the option will be equal to the nominal value of the Shares, and Mr Last and Mr McDowell will be provided with a bonus which is sufficient to meet the exercise price payable on the exercise of the option (such that the options are effectively nil cost).

The number of Share Matching Plan Shares in respect of which options are granted will be such that, when taking into account the NED Subscription Shares held by them, each of Mr Last and Mr McDowell will hold 2 per cent. of the Enlarged Share Capital of the Company (taking into account the issue of the Share Matching Plan Shares). For the avoidance of doubt, the Share Matching Plan will not take place unless the Rights Issue completes and, accordingly, the Share Matching Plan Shares (together with the NED Subscription Shares) cannot exceed 2 per cent. of the issued share capital of the Company at the time of issue for each of Mr Last and Mr McDowell (i.e. 4 per cent. total). The Group has agreed that not

more than 5 per cent. of the issued share capital of the Company will be issued to Directors pursuant to incentive plans (excluding the Subscription Shares).

The Share Matching Plan is not subject to any performance conditions. The Matching Share Options will vest over three years such that Mr Last and Mr McDowell will have the following Matching Share Options under the Share Matching Plan:

		<i>Matching Share Options exercisable on or after</i>	<i>Matching Share Options exercisable on or after</i>	<i>Matching Share Options exercisable on or after</i>
<i>Director</i>	<i>Subscription Shares</i>	<i>1 January 2017</i>	<i>1 January 2018</i>	<i>1 January 2019</i>
Richard Last	2,272,727	567,666	567,666	567,667
Roger McDowell	2,272,727	567,666	567,666	567,667

The Matching Share Options will not vest unless the relevant Director remains a Director and has not given notice to terminate his directorship on the applicable vesting date.

The Matching Share Options may be exercised at any time during the period of two years from the applicable vesting date but the Matching Shares acquired may not be sold during that period. Accordingly, Matching Shares subject to the Matching Share Option vesting on 1 January 2017 may not be sold prior to 1 January 2019.

In the event that Mr Last's or Mr McDowell's position as Director is terminated (other than by reason of fraud, criminal misconduct or a prohibition on acting as a Director) then all unvested Matching Share Options vest on the date of termination and along with any vested Matching Share Options may be exercised within a period of six months from the date of cessation, whereupon to the extent unexercised they will lapse. In such circumstances there is no prohibition on the relevant Director from selling his Share Matching Plan Shares once acquired. Where the office is terminated as a result of fraud, criminal misconduct or a prohibition on the individual acting as a Director, the Matching Share Options shall lapse and may not be exercised.

In the event of a change of control of the Company, the Matching Share Options may be exercised in full during the period of six months following the change of control, or such period as the Remuneration Committee may determine, whereupon to the extent unexercised they will lapse.

The Matching Share Options will be satisfied by the issue of new Share Matching Plan Shares. Shares issued to satisfy rights under the Share Matching Plan will count towards the dilution limits for the purposes of the Share Schemes.

In the event of a capitalisation, rights issue or other change to the share capital of the Company, the Board may adjust the number of Share Matching Plan Shares under the Matching Share Option and the exercise price as it deems appropriate.

As a condition of participation in the Share Matching Plan, the participants will be required to enter into such arrangements as the Board require to enable the Company to discharge its obligations in relation to the income tax and employee's national insurance contribution liability arising an exercise or other dealing in the Matching Share Option or Share Matching Plan Shares.

The Share Matching Plan is conditional upon:

- (a) the passing of the Share Matching Plan Resolution; and
- (b) the passing of the NED Subscription Resolution.

However, none of the Disposal, the Rights Issue or Delisting or AIM Admission is conditional on approval of the Share Matching Plan.

The terms of the Share Matching Plan, including the proposed participants, the limitations on the number of Shares subject to the Share Matching Plan, Mr Last and Mr McDowell's maximum entitlement cannot be altered to their advantage without the further approval of Shareholders (other than to the extent such changes are minor and administrative in nature or reflect a change in the tax, legal or regulatory position).

Rights under the Share Matching Plan are not pensionable.

The Share Matching Plan is a related party transaction.

6.3 *Consideration by the Board/related party transaction*

As Mr Last and Mr McDowell are Directors of the Company, the Share Matching Plan constitutes a related party transaction for the purposes of the Listing Rules. Given the value of the Share Matching Plan, it constitutes a smaller related party transaction for the purposes of the Listing Rules.

Because of their conflict of interest, Mr Last and Mr McDowell have not participated in the Board's consideration of the Share Matching Plan. In addition, given that the obligation of Mr Last and Mr McDowell to participate in the NED Subscription is conditional on the adoption of the Share Matching Plan, Mr Bowles (who also benefits from the CEO Subscription) has not participated in the Board's consideration of the Share Matching Plan. None of Mr Last, Mr Bowles or Mr McDowell, nor any person deemed to be associated with them for the purposes of the Listing Rules, has participated in the Board's consideration of the Share Matching Plan. In addition, none of Mr Last, Mr Bowles nor Mr McDowell holds Shares as at the date of this document, but, for the avoidance of doubt, none will vote on the Share Matching Plan Resolution and each of them has undertaken to take all reasonable steps to ensure that their respective associates will not vote on the Share Matching Plan Resolution.

The Board notes that the Subscriptions and Share Matching Plan represents a significant change to the corporate governance and incentivisation structure of the Group historically.

In particular, in accordance with the provisions of the UK Corporate Governance Code, the Group has not historically granted options or invited non-executive Directors to participate in the Group's incentive schemes.

Further, the Share Matching Plan is not permitted under the terms of the remuneration policy previously approved by Shareholders, which also prohibits the granting of options to non-executive Directors.

Finally, the Group has limited the number of Shares to be issued pursuant to incentive schemes to 10 per cent. of the Company's issued share capital, of which the Group has agreed not more than 5 per cent. of the Company's share capital will be issued to Directors. At the date of this document, a total of 2,049,765 Shares were subject to the Company's existing Share Schemes, representing 2.16 per cent. of the Company's current issued share capital. Given the number of Shares subject to the existing Share Schemes, when taking into account the Share Matching Plan Option Shares, a total of 5,455,763 Shares will be subject to Share Schemes, representing 2.74 per cent. of the Company's Enlarged Issued Share Capital (including, for this purpose only, the Share Matching Plan Shares).

Notwithstanding these changes to the previous corporate governance and incentivisation structure of the Group, after careful consideration the Board has concluded that the Share Matching Plan is in the best interests of the Company and its Shareholders as a whole. In

coming to its decision the Board has taking into account the following factors (amongst others):

- the need for the Company to attract, retain and incentivise Directors with the necessary skills and experience to join the Board, particularly in the context of the work required to turn around the fortunes of the Company following the disappointing results of the 2015 financial year;
- the anticipation that the roles of the Chairman and Senior Independent Director are likely to be more hands-on (and take up more of their time) than might be the case in other listed companies, given the work required;
- the Board's determination that the senior management of the Company should be strongly focussed on delivering Shareholder value with interests aligned with those of Shareholders;
- the contribution already made by Mr Last, Mr Bowles and Mr McDowell since their appointment.

The Board has paid particular attention to the views of those Shareholders who originally proposed the broad outlines of the Subscriptions and Share Matching Plan and who, more recently, have confirmed their continued support and encouraged the adoption of the Share Matching Plan.

Accordingly, the Board is of the view that the Share Matching Plan is appropriate to ensure that Mr Last and Mr McDowell are incentivised.

7. Reasons for the Delisting and AIM Admission

The Board believes that given the size of the Company, AIM is a more appropriate market on which to develop. AIM has the benefit of lower transactions costs, lower annual costs, simpler administration and regulatory requirements more appropriate to a company of Tribal's size, which the Board believes will help the implementation of Tribal's plans for the next stage of growth.

The Delisting and Admission will offer greater flexibility to Tribal, particularly with regard to corporate transactions, including acquisitions and/or disposals which are subject to more onerous requirements under the Listing Rules relating to the requirement to obtain shareholder approval and the content of shareholder circulars. If AIM Admission occurs, the Company would have greater freedom to acquire or dispose of assets without the cost and administrative difficulties of preparing a circular complying with the Listing Rules and obtaining shareholder approval.

AIM Admission should therefore enable the Group to execute transactions more quickly and cost effectively when compared to the requirements of the Official List.

For example, under the AIM Rules, prior Shareholder approval is required only for transactions with a much larger size threshold than applied to companies whose shares are listed on the premium segment of the Official List. These larger transactions include reverse takeover, and disposals resulting in a fundamental change of business (exceeding 75% in various size tests). Under the Listing Rules a broader range of transactions require shareholder approval including most related party transactions and acquisitions and disposals above a 25% size threshold on various tests.

The AIM Rules also contain less stringent obligations on buy backs, and there is no general requirement for a prospectus to issue further shares to institutional investors (provided they are of the same class). There are also no restrictions on the level of any discount for future offers of securities.

Other than the Disposal or the Rights Issue, the Group has no immediate plans to undertake any such transaction.

Given the Group's size and strategic intent, the Board believes that the move is likely to be of significant benefit to the Company going forward and enable Tribal to deliver enhanced value to Shareholders.

None of the other proposals in this document are conditional on the Delisting and AIM Admission. Accordingly, even if the AIM Resolution is not passed the other proposals would proceed (subject to Shareholder approval).

However, the Delisting and AIM Admission is conditional on completion of the Disposal and the Rights Issue. In the event that that the Disposal and Rights Issue do not complete, or the Company does not satisfy requirement for AIM Admission, the Company's Shares will remain admitted to the Official List and traded on the main market of the London Stock Exchange. The Company will therefore be subject to the higher costs and greater regulatory burden associated with a listing on the Official List. While the Board believes that the Company would be able to continue to meet its obligations as a premium listed company on the Official List, the Board does not consider a Main Market listing to be the most appropriate option for the Company or to deliver the best value for Shareholders.

Further details of the consequences of the Delisting and AIM Admission are set out in Part IV.

8. Current trading and prospects

The Company expects the wider market backdrop for education management systems and services to be stable in 2016.

While the timing of order completions and the achievement of major customer contract milestones remains difficult to predict, the Board believes that the Group is well positioned to participate in continuing international demand for student management systems and upgrades. The Group has secured a number of software and service contract wins in the early part of the current year, including a significant system upgrade programme with the University of Bristol and International Quality Assurance projects with the Abu Dhabi Education Council and the New York State Education Department. Discussions in relation to the TAFE Queensland contract are ongoing and it is uncertain as to whether any amounts will be received in respect of past or future work. No such revenues or cash receipts have been assumed to be received by the Group in its forecasts.

During the 2016 financial year the Board intends to simplify its operating model by significantly reducing the Group's cost base and improving operational efficiency. While delivering long term benefits for the Group, actions to change its cost base are likely to result in restructuring costs during the year. The Group will focus on its core education market, and aim to improve sales and account management as well as contract and project management.

Given the factors described above and after allowing for the effects of the disposal of Synergy, the Board now expects an improvement in the Group's underlying profitability during the 2016 financial year compared to 2015, and expects the Group's overall results for the 2016 financial year to be weighted strongly towards the second half of the year.

9. Dividends and dividend policy

The New Shares, when issued and fully paid, will be identical to and rank in full for all dividends or other distributions declared, made or paid after Admission and in all respects will rank *pari passu* with the Existing Shares.

The Group has historically operated a progressive dividend policy. The Directors have decided that it is not appropriate, in the context of the Rights Issue, to declare a final dividend

in respect of the 2015 financial year. However, the Company expects to resume its progressive dividend policy, starting from a lower base, in due course once the Group has returned to delivering strong financial performance and significant cash generation.

10. Overseas shareholders

The attention of Overseas Shareholders who have registered addresses outside the UK, or who are citizens or residents of, or are located in, countries other than the UK, is drawn to the information in Part III (*Terms and Conditions of the Rights Issue*) of this document.

New Shares will be provisionally allotted (nil paid) to all Qualifying Shareholders on the register at the Record Date (including Overseas Shareholders). However, subject to certain exceptions, Provisional Allotment Letters will not be sent to, and CREST stock accounts will not be credited in respect of, Qualifying Shareholders with a registered address in the United States or any of the other Excluded Territories.

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

Notwithstanding any other provision of this document or the Provisional Allotment Letter, the Company reserves the right to permit any Shareholder on the register at the Record Date to take up his rights if the Company in its sole and absolute discretion is satisfied that the transaction in question will not violate applicable laws.

The provisions of Part III (*Terms and Conditions of the Rights Issue*) of this document will apply generally to Overseas Shareholders who cannot or do not take up the New Shares provisionally allotted to them.

11. Principal terms of the Disposal

Pursuant to the Synergy SPA and Synergy BTA, Tribal Education Limited has agreed to sell the Synergy business to Servelec Corelogic Limited.

The consideration payable is £20.25 million, payable in cash on completion. The consideration is subject to adjustment on a pound for pound basis to the extent that there is a working capital shortfall or excess at completion.

The Disposal is conditional only on Shareholders approving the Disposal Resolution. Subject to obtaining this approval it is expected that the Disposal will complete prior to 4.00 p.m. on 1 April 2016 (the day of the General Meeting) such that the Disposal proceeds will be received prior to the commencement in trading of the Nil Paid Rights.

The Synergy SPA includes a right for Servelec to terminate the transaction in the event of a material adverse change which either: (i) adversely affects the profitability of the Synergy business by more than £400,000 per annum; and/or (ii) in the opinion of Servelec (acting reasonably) materially prejudices Tribal Education Limited's ability to perform its obligations under the Disposal transaction documents (principally the Synergy SPA, Synergy BTA and the Synergy TSA).

The Synergy SPA and Synergy BTA include customary warranties and indemnities given by Tribal to Servelec (including in relation to tax).

On completion Tribal will enter into a transitional services agreement to provide certain services to the Synergy business for a period following completion.

Further details of the terms of the Disposal are set out in Part II (*Details of the Disposal*).

12. Principal terms of the Rights Issue

Pursuant to the Rights Issue, it is proposed that up to 94,849,241 Rights Issue Shares be issued by way of rights to Qualifying Shareholders (other than, subject to certain exceptions, to Shareholders with a registered address, or who are located, in the United States or one of the other Excluded Territories) at 22 pence per Rights Issue Share, payable in full on acceptance by no later than 11.00 a.m. on 18 April 2016. The Rights Issue is expected to raise gross proceeds of approximately £21 million. The Issue Price represents:

- (a) a 59.5 per cent. discount to the Closing Price of 54.4 pence per Share on 11 December 2015 (being the last Business Day before the announcement of a rights issue on 14 December 2015);
- (b) a 32.7 per cent. discount to the theoretical ex-rights price of a Share, when calculated by reference to the Closing Price of 43.375 pence per Share on 15 March 2016 (being the last Business Day before the announcement of the Rights Issue); and
- (c) a 49.3 per cent. discount to the Closing Price of 43.375 pence per Share on 15 December 2015.

The Rights Issue will be made on the basis of:

1 Rights Issue Share at 22 pence per Rights Issue Share for every 1 Existing Share

held by and registered in the name of each Qualifying Shareholder at the close of business on the Record Date, and in proportion to any other number of Existing Shares each Qualifying Shareholder then holds.

Entitlements to Rights Issue Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Shareholders but will be aggregated and sold in the market for the benefit of the Company. Holdings of Existing Shares in certificated and uncertificated form and holdings under different designations will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

Qualifying Shareholders who take up their pro rata entitlements to Rights Issue Shares in full will suffer no dilution of their shareholdings in the Company as a result of the Rights Issue. However, if a Qualifying Shareholder does not take up the offer of Rights Issue Shares in full, his/her proportionate shareholding will be diluted by up to approximately 50 per cent.. The Rights Issue Shares will rank for all dividends declared, made or paid after the date of allotment and issue of the Rights Issue Shares and otherwise *pari passu* with the Existing Shares.

The Rights Issue has been fully underwritten by Investec on, and subject to, the terms of the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in paragraph 6.2 of Part XII (*Additional Information*) of this document.

The Rights Issue will result in up to 94,849,241 Rights Issue Shares being issued (representing 100 per cent. of the existing issued share capital and 50 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue).

The Rights Issue is conditional, among other things, upon:

- (a) the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission of the Rights Issue Shares and not having been terminated in accordance with its terms;
- (b) Admission of the Rights Issue Shares becoming effective by not later than 8.00 a.m. on 24 April 2016 (or such later time and date as may be agreed pursuant to the Underwriting Agreement);

- (c) the passing without amendment of the Rights Issue Resolutions; and
- (d) the passing without amendment of the Disposal Resolution approving the Disposal and completion of the Disposal, which is expected to take place on 1 April 2016.

The Rights Issue is not conditional on the passing of the AIM Resolution or AIM Admission occurring.

In the event that the conditions to the Rights Issue are not satisfied, in full prior to 8.00 a.m. on 30 April 2016 and the Rights Issue does not proceed, then there will remain a material risk that the Group will breach the net debt to EBITDA covenant in its Facility Agreement at 30 June 2016.

13. Listings, dealings and settlement

Application will be made to the UK Listing Authority for the New Shares to be admitted to the Official List with a Premium Listing and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that Admission will become effective and that dealings in the Rights Issue Shares (nil paid) on the Main Market will commence at or shortly after 8.00 a.m. on 4 April 2016. Admission of the Subscription Shares is expected to become effective, and dealings are expected to commence, on the Main Market at or shortly after 8.00 a.m. on 19 April 2016.

Details of further terms and conditions of the Rights Issue, including the procedure for acceptance and payment and the procedure in respect of rights not taken up, are set out in Part III (*Terms and Conditions of the Rights Issue*) of this document and, where relevant, will also be set out in the Provisional Allotment Letter.

Following the General Meeting, application will also be made to the London Stock Exchange to cancel the listing for the Shares on the Official List, remove them from trading on the Main Market and for the Shares to be admitted to listing and trading on AIM.

As Tribal's Existing Shares are currently listed on the premium segment of the Official List, the AIM Rules do not require an AIM admission document to be published by the Company in connection with its application for admission to AIM. However, in order to achieve admission to AIM, Tribal will be required to publish an announcement complying with the requirements of Schedule 1 to the AIM Rules which contains all the information required to be disclosed by companies transferring their securities from the Official List, as an AIM Designated Market, to AIM.

The Rights Issue is not conditional on the passing of the AIM Resolution (to approve the Delisting and AIM Admission) or AIM Admission becoming effective. However, the Delisting and AIM Admission is conditional on the completion of the Rights Issue.

14. UK taxation

Certain information about UK taxation in relation to the Rights Issue is set out in Part X (*UK Taxation Considerations*) of this document. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the UK, you should consult your own independent tax adviser.

15. General Meeting

A notice convening a General Meeting of the Company to be held at the offices of Osborne Clarke LLP, 1 London Wall, London EC2Y 5EB at 9.30 a.m. on 1 April 2016 is set out on

pages 189 to 193 of this document, at which the Resolutions (summarised below) will be proposed:

- (a) Resolution 1 – Allotment Resolution: This resolution is required to grant the Directors authority to allot the 94,849,241 Rights Issue Shares in connection with the Rights Issue and will be proposed as an ordinary resolution, requiring a simple majority of shareholders voting in favour of the resolution (either in person or by proxy). Such Rights Issue Shares represent 100 per cent. of the Company's current issued share capital as at 15 March 2016 (being the last Business Day prior to the announcement of the Rights Issue) at a discount of 49.3 per cent. to the Closing Price of 43.375 pence on 15 March 2016. This authority will expire at the conclusion of the annual general meeting of the Company to be held in 2016. This authority will be in addition to the authority to allot Ordinary Shares which was granted to the Directors at the Company's annual general meeting on 15 May 2015, and which will expire at the conclusion of the annual general meeting of the Company to be held in 2016.
- (b) Resolution 2 – Disapplication Resolution (the Allotment Resolution and Disapplication Resolution together being the Rights Issue Resolutions): This resolution is required to grant the Directors the power to allot up to 94,849,244 Rights Issue Shares for cash in connection with the Rights Issue as if section 561 of the Act did not apply to such allotment and will be proposed as a special resolution, requiring 75% of votes cast (either in person or by proxy) in favour. This power will be limited to the allotment of Rights Issue Shares in connection with the Rights Issue (on the terms and conditions set out in this document). This authority will expire at the conclusion of the annual general meeting of the Company to be held in 2016. The authority to be granted will be in addition to the authority to disapply pre-emption rights which was granted to the Directors at the Company's annual general meeting on 15 May 2015, which will expire at the conclusion of the annual general meeting of the Company to be held in 2016;
- (c) Resolution 3 – AIM Resolution: This resolution is required to grant the Directors the authority to effect the Delisting and AIM Admission, and will be proposed as a special resolution, requiring 75% of votes cast (either in person or by proxy) in favour.
- (d) Resolution 4 – Disposal Resolution: This Resolution is required to approve the Disposal and will be proposed as an ordinary resolution requiring a simple majority of Shareholders voting in favour of the resolution (either in person or by proxy).
- (e) Resolution 5 – CEO Subscription Resolution: This Resolution is required to grant the Directors the authority to allot 1,136,363 CEO Subscription Shares pursuant to the CEO Subscription at the Subscription Price, and to disapply pre-emption rights in connection with the CEO Subscription. The CEO Subscription Resolution also approves the Subscription Price of 22 pence per Share. The CEO Subscription Shares represent approximately 1.2 per cent. of the Company's current issued share capital as at 15 March 2016 (being the last Business Day prior to the announcement of the Rights Issue). This Resolution is proposed as a special resolution, requiring the approval of not less than 75% of votes cast (either in person or by proxy) in favour.
- (f) Resolution 6 – NED Subscription Resolution: This Resolution is required to grant the Directors the authority to allot 4,545,454 NED Subscription Shares pursuant to the NED Subscription at the Subscription Price, and to disapply pre-emption rights in connection with the NED Subscription. The NED Subscription Resolution also approves the Subscription Price of 22 pence per Share. The NED Subscription Shares represent approximately 4.8 per cent. of the Company's current issued share capital as at 15 March 2016 (being the last Business Day prior to the announcement of the Rights Issue). This Resolution is proposed as a special resolution, requiring the approval of not less than 75% of votes cast (either in person or by proxy) in favour.

- (g) Resolution 7 – Share Matching Plan Resolution: This Resolution is required to grant the Directors the authority to allot up to 3,405,998 Share Matching Plan Shares pursuant to the Share Matching Plan and Share Matching Agreements, and to disapply pre-emption rights in connection with the Share Matching Plan. The Share Matching Plan Resolution also approves the Share Matching Plan as a nil cost option. This Resolution also approves the Share Matching Plan as an exception to the Group's existing remuneration policy. This Resolution is proposed as a special resolution, requiring the approval of not less than 75% of votes cast (either in person or by proxy) in favour.

As discussed above, the Disposal is not conditional on the Rights Issue, CEO Subscription, NED Subscription, Share Matching Plan, Delisting or AIM Admission.

The Rights Issue is conditional on the passing of the Rights Issue Resolutions and the Disposal Resolution and completion of the Disposal, but not the passing of the CEO Subscription Resolution, the NED Subscription Resolution, the Share Matching Plan Resolution, AIM Resolution or AIM Admission becoming effective.

The Delisting and AIM Admission is conditional on the passing of all of the Resolutions other than the CEO Subscription Resolution, the NED Subscription Resolution and the Share Matching Plan Resolution.

16. Directors' intentions regarding the Rights Issue

The Directors are fully supportive of the Rights Issue.

Notwithstanding the announcement on 9 March 2016 of his intention to stand down as Group Finance Director and to leave the Group, Steve Breach, who is the only director who owns shares in the Company as at the date of this document, has confirmed that he intends to take up his rights in full.

17. Commitments from Shareholders

The Group has obtained irrevocable commitments from Shareholders holding in aggregate 39,242,635 Shares (representing 41.4 per cent. of the Company's current issued share capital) to vote in favour of all of the Resolutions.

The Group has obtained irrevocable commitments from Shareholders to take up their rights under the Rights Issue in respect of 23,547,481 Shares (representing 24.8 per cent. of the Company's current issued share capital).

18. Action to be taken in respect of the General Meeting

Please check that you have received a Form of Proxy for use in respect of the General Meeting with this document.

Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed on it as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand at Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 9.30 a.m. on 30 March 2016 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). If you are posting your completed Form of Proxy in the UK, you may do so using the reply-paid card printed on the reverse of the Form of Proxy.

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return

of the Form of Proxy will not prevent you from attending and voting at the General Meeting, or any adjournment of it, in person should you wish to do so.

19. Action to be taken in respect of the Rights Issue

Subject to the Rights Issue Resolutions and the Disposal Resolution being approved at the General Meeting, and completion of the Disposal taking place, you will then need to take the actions set out below.

If you are a Qualifying Non-CREST Shareholder, other than, subject to certain exceptions, a Shareholder with a registered address in the United States or one of the other Excluded Territories, you will be sent a Provisional Allotment Letter giving you details of your Nil Paid Rights by post on or about 1 April 2016. If you are a Qualifying CREST Shareholder, you will not be sent a Provisional Allotment Letter. Instead, Qualifying CREST Shareholders (other than, subject to certain exceptions, those with registered addresses, or located in, the United States or one of the other Excluded Territories) will receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights as soon as practicable after 8.00 a.m. on 4 April 2016.

If you sell or have sold or otherwise transferred all of your Shares held (other than ex-rights) in certificated form before 30 March 2016, please forward this document and any Provisional Allotment Letter, if and when received, at once to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States and the Excluded Territories.

If you sell or have sold or otherwise transferred all or some of your Shares (other than ex-rights) held in uncertificated form before the ex-rights date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

If you sell or have sold or otherwise transferred only part of your holding of Shares (other than ex-rights) held in certificated form before the ex-rights date, you should refer to the instruction regarding split applications in Part III (*Terms and Conditions of the Rights Issue*) of this document and in the Provisional Allotment Letter.

The latest time and date for acceptance and payment in full in respect of the Rights Issue is expected to be 11.00 a.m. on 18 April 2016, unless otherwise announced by the Company. The procedure for acceptance and payment is set out in Part III (*Terms and Conditions of the Rights Issue*) of this document and, in respect of Qualifying Non-CREST Shareholders other than, subject to certain exceptions, Shareholders with a registered address, or located, in the United States or one of the other Excluded Territories, in the Provisional Allotment Letter.

For Qualifying Non-CREST Shareholders other than, subject to certain exceptions, Shareholders with a registered address, or located in the United States or one of the other Excluded Territories, the New Shares will be issued in certificated form and will be represented by definitive share certificates, which are expected to be despatched by no later than 26 April to the registered address of the person(s) entitled to them.

For Qualifying CREST Shareholders (other than, subject to certain exceptions, those with registered addresses, or located in, the United States or one of the other Excluded Territories) the Registrars will instruct CREST to credit the stock accounts of Qualifying CREST Shareholders with their entitlements to New Shares. It is expected that this will take place by 8.00 a.m. on 19 April 2016.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with this document and the Rights Issue.

If you are in any doubt as to the action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA or, if you are outside the UK, from another appropriately authorised independent financial adviser.

20. Importance of vote

Your attention is drawn to the fact the Disposal is conditional and dependent upon the Disposal Resolution being passed by Shareholders at the General Meeting and the Rights Issue is conditional and dependent upon the Rights Issue Resolutions and Disposal Resolution being passed by Shareholders at the General Meeting.

Shareholders are asked to vote in favour of the Rights Issue Resolutions (the Allotment Resolution and Disapplication Resolution) and the Disposal Resolution in order for both the Disposal and the Rights Issue to proceed.

The Directors believe that the resulting stronger capital base and significantly reduced net debt will remove any material risk for at least next 12 months that there will be a breach of the covenants in the Facility Agreement.

In addition, the strengthening of the Group's balance sheet will:

- **enable Tribal confidently to continue to develop its products and services and enhance its capabilities to deploy its systems in the Cloud and to offer SaaS models, as well as moving forward decisively with plans to streamline and simplify its operational structure and re-build momentum;**
- **reassure Tribal's current and prospective customers; and**
- **assist the Group in retaining and/or hiring appropriately skilled and experienced management to drive the business forward.**

The Board believes that if the Rights Issue Resolutions and the Disposal Resolution are not passed and the Disposal and the Rights Issue do not both proceed, the Group's ability to implement these changes would be constrained and the Group's capitalisation and balance sheet concerns would not be addressed.

In addition, unless both the Disposal and the Rights Issue proceed, the Board believes there is a material risk that the Company would breach the net debt to EBITDA covenant when it is next tested on 30 June 2016. In addition, the Company would be obliged under the terms of its existing waiver to enter into further discussions with its lending banks immediately. There is no guarantee that the lending banks under the Facility Agreement would agree to a waiver or amendment of the covenants in future and in the event that the covenants were breached the banks would be entitled to demand repayment in full of the Facility Agreement. In such circumstances, Tribal would not have sufficient cash resources available to repay the Facility Agreement, without:

- **borrowing money from other sources (which might potentially not be available at that time, or might not be available on as favourable terms as the existing Facility Agreement);**
- **selling other assets of the Group. The sale of such assets at a time which is not of the Group's choosing might result in a failure to realise the full value of the assets, or might not be possible at all;**

- undertaking another type of equity issuance. Such an equity issuance would be likely to be subject to Shareholder approval but, if approved, might result in a lower issue price than the Rights Issue and may be more dilutive to Shareholders; or
- the Group being acquired by another party, at a price which might not reflect the full value of the Group.

The Board has considered these options, but does not consider that they are likely to maximise value for Shareholders in the circumstances. In particular:

- the Directors have not so far been able to secure an improved covenant position in light of the fact that, in the absence of the waiver obtained, it would have breached its net debt to EBITDA covenant at 31 December 2015;
- the Board does not believe it is sufficiently certain that the Group would be able to procure a purchaser for any of the Group's other assets at their full value in time to meet the next covenant test at 30 June 2016;
- the Board does not believe that an equity issuance which is more dilutive to Shareholders unable to participate is in the best interests of Shareholders as a whole; and
- the Board believes that undertaking a formal sale process would be likely to be perceived as a distressed sale and valuations would be depressed accordingly. The Board does not believe the current share price of the Company reflects the full value of the Group.

In the event that none of the above options was possible, the Group might be forced to cease trading, in which case Shareholders could lose their entire equity investment. Such cessation of trading could occur as early as the Group's results for the period ending 30 June 2016 are known, which might result in a breach of the net debt to EBITDA covenant which is tested based on the results for the period ending on that date.

The Rights Issue cannot take place unless the Disposal completes. However, the Disposal could complete without the Rights Issue proceeding. In this case, the Company will have received the net proceeds of the Disposal. This will improve the Group's immediate cash position, however, the Board is of the view that while the net proceeds of the Disposal would result in a reduction in the likelihood of a breach of the net debt to EBITDA covenant at 30 June 2016, depending on the performance of the Group's business, there would still be a material risk of a breach of covenant at that time which would have the results set out above.

Accordingly, even with the net proceeds of the Disposal, the Board is of the view that further steps would be required to reduce the net debt of the Group, and that the above options and risks would continue to apply.

Finally, the Board strongly believes that AIM is the most appropriate market for the Company's Shares to be listed, and that the lower costs and more flexible regulatory environment are in the interests of both the Company and Shareholders. Pursuant to the AIM Rules, the Company will not be permitted to move to AIM unless it has sufficient working capital. Accordingly, the Delisting and AIM Admission is conditional on completion of the Disposal and Rights Issue, as well as the passing of the AIM Resolution.

Accordingly, the Board believes that the Disposal, the Rights Issue, the CEO Subscription, the NED Subscription, the Share Matching Plan, and Delisting and AIM Admission are in the best interests of the Company and Shareholders as a whole, and recommends that Shareholders vote in favour of all the Resolutions.

Several of the Directors have conflicts of interest in relation to particular matters (or are party to related party transactions) and so those Directors have not participated in the Board's consideration of the proposals in respect of which they are conflicted. Specifically:

- (a) Richard Last and Roger McDowell are conflicted in respect of the Disposal as they are also directors of Servelec, the parent company of the purchaser; and
- (b) Richard Last, Ian Bowles and Roger McDowell are conflicted in respect of the Subscriptions and the Share Matching Plan (which are also related party transactions).

None of Mr Last, Mr Bowles nor Mr McDowell, nor any person deemed to be associated with him for the purposes of the Listing Rules has participated in the Board's consideration of the Subscriptions or the Share Matching Plan.

In setting the Rights Issue Price, the Directors have considered the price at which the Rights Issue Shares need to be offered to investors to ensure the success of the Rights Issue and to raise significant equity compared with the current market capitalisation of the Company. The Directors believe that the Rights Issue Price, and its discount to the recent trading price of the Existing Shares, is appropriate.

21. Going concern and emphasis of matter

The audit report on the Group's 2015 financial statements contains an emphasis of matter statement. This notes that if the Disposal and the Rights Issue do not complete, the Group is forecast to breach its covenants on the Facility Agreement which, in the absence of a waiver, would result in the Group's debt facilities becoming repayable on demand. In this event, the Group does not anticipate that it would have the funds available to repay such amounts at that time, and would need to take alternative steps in order to be able to continue as a going concern.

While the auditors have concluded that the Directors' use of the going concern basis of accounting in preparation of the financial statements is appropriate, these conditions indicate the existence of a material uncertainty which, if the Disposal and the Rights Issue do not complete, may give rise to a significant doubt over the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

In addition, the Group's Annual Report for the 2015 financial year contains a detailed going concern and viability statement. As noted above, the Directors have continued to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2015.

To assist the Directors in assessing the Group's working capital and financing position, the Group prepared a detailed bottom-up two year trading budget and cash flow forecast for the period through to December 2017. This is in addition to consideration given to the Group's longer term strategic planning undertaken during the second half of 2015.

In assessing the forecast, the Directors have considered various matters including:

- the timing of delivery, milestones and cash flows arising from key contracts;
- the Group's sales pipeline and order backlog;

- the progress made by the Group in re-establishing momentum in sales performance;
- competitive pressures and trends in technology usage in the education management markets in the UK, Australia and New Zealand (and, to the extent that it provides a leading indicator of trends elsewhere, the US);
- the status of the Group's existing financial arrangements and associated covenant requirements;
- trading risks presented by economic conditions in the education market; and
- the availability of (and costs of) mitigating actions should business activities fall behind current expectations.

In addition, detailed sensitivity analysis was performed on these forecasts to consider the impact of reasonable worse case scenarios on the Group's bank facility headroom and covenant requirements. Based on the application of those scenarios, if the Disposal and the Rights Issue did not proceed, the analysis shows that the Company would be in breach of its net debt to EBITDA covenant when tested at 30 June 2016.

After discussions with certain major shareholders of the Company, the Directors have a high degree of confidence that the Disposal and the Rights Issue will be approved by shareholders. The Rights Issue is also fully underwritten by Investec. As a consequence, the Directors believe that the Group is well placed to manage its risks and have a reasonable expectation that adequate financial resources will continue to be available for the foreseeable future. On that basis, they have continued to adopt the going concern basis in preparing the Group's 2015 financial statements.

22. Undertakings to vote

Irrevocable undertakings have been received to vote in favour of the Resolutions. Such irrevocable undertakings represent 41.4 per cent. of the votes eligible to be cast in respect of the Resolutions.

23. Further information

Your attention is drawn to the further information set out in Part III (*Terms and Conditions of the Rights Issue*) of this document. Shareholders should read the whole of this document and not rely solely on the information set out in this letter. In addition you should consider the risk factors set out on pages 23 to 34 of this document.

Yours faithfully,

Richard Last

Chairman, for and on behalf of Tribal Group plc

PART II

DETAILS OF THE DISPOSAL

1. Overview of the Disposal

Tribal has agreed to dispose of Synergy to Servelec for consideration of £20.25 million in cash receivable by the Continuing Group at completion, expected to be on the same date as the General Meeting, 1 April 2016, assuming that the Disposal Resolution is approved by Shareholders.

2. Description of the Synergy Business

Synergy supplies management information system software to children's services departments of local authorities in the United Kingdom. The Synergy software product enables managers in local authorities to support the education, safety and well-being of children, young people and families in their geographic area of responsibility. Synergy software is installed in approximately 59% of local authorities in England, with a full suite deployed in approximately 29% of local authorities.

Synergy is designed as a suite of software modules which offer functionality focused on the following typical requirements:

- School admissions – covering management of school admissions across schools in a council's geographic area, including parents' preference management and decision-making governance in accordance with regulatory requirements;
- Family Information Services – delivering the statutory Family Information Service, which provides free individually tailored information, advice and guidance on family matters;
- Education Support – managing the provision of support across a range of services including pupil support services, special educational needs, free school meals and children's transport requirements; and
- Early Intervention and Safeguarding – providing a single view of a child's circumstances to enable social care services to intervene and safeguard a child on a timely basis, and with possession of all relevant facts.

The Synergy software product is typically purchased with a perpetual software licence, related implementation services and a support and maintenance contract. The latter generally operates on an annual renewal basis. In a number of instances, customer software is hosted by Synergy, although the majority of its installations are on customer premises.

As at 31 December 2015, the Synergy business had gross assets of £21.2 million and net assets of £17.9 million, and the profit before tax for the year ended 31 December 2015 was £1.7 million. Gross and net assets include £19.1 million of goodwill being the amount allocated to the Synergy business from the wider PD & CS and Implementation Services divisions, which in turn includes £6.1 million arising on the original acquisition of the Synergy business. If only £6.1 million of goodwill arising on the original acquisition of the Synergy business were included the gross assets would be £8.2 million.

3. Disposal Structure

Synergy's software and services are currently delivered through two functional divisions of the Tribal business: the Product Development and Customer Services division; and the Implementation Services division. As a result, the Synergy business forms part of a larger range of software and services activities undertaken by Tribal which are incorporated in the

Tribal Education Limited corporate entity. The business and assets which comprise the Synergy will be hived down to a new corporate entity, which will then be sold as part of the Disposal.

4. Conditions and termination

The Disposal is conditional only upon the approval of the Disposal Resolution by Shareholders at the General Meeting. Servelec has the right to terminate the Synergy SPA and not to complete the Disposal in the event that there has been a material adverse change. The Synergy SPA defines a material adverse change as something that either: (i) adversely affects the profitability of the Synergy business by more than £400,000 per annum; and/or (ii) materially prejudices Tribal Education Limited's ability to perform its obligations under the Disposal transaction documents (principally the Synergy SPA, Synergy BTA and Synergy TSA). Importantly, carrying out the Rights Issue or the Delisting and AIM Admission are not considered to be material adverse changes.

The Board believes that it is very unlikely, given the relative historic stability of revenues and profits from the Synergy business, and the high threshold at which the Servelec termination right is triggered, that this termination right could be exercised prior to the General Meeting.

Completion of the Disposal is expected to take place at 2.00 p.m. on 1 April 2016, the date of the General Meeting, once the Disposal Resolution has been approved by Shareholders. The Rights Issue and the Delisting and AIM Admission are conditional on the Disposal having completed, and so if the Disposal does not complete, the Rights Issue and Delisting and AIM Admission will not take place.

5. Other terms

A summary of the principal transaction documents is set out at paragraph 6 of Part XII (*Additional Information*).

PART III

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1. Background

Pursuant to the Rights Issue, the Company intends to issue up to 94,849,241 Rights Issue Shares at the Rights Issue Price, raising proceeds of approximately £19.2m (net of expenses) receivable by the Company. The Rights Issue Shares will represent approximately 48.5% of the Enlarged Issued Share Capital of the Company immediately following Admission.

Subject to the fulfilment of the conditions set out below, the Rights Issue Shares will be offered by way of rights to Qualifying Shareholders on the following basis:

1 Rights Issue Share at 22 pence per Rights Issue Share for every 1 Existing Share

held by Qualifying Shareholders on the Record Date and so in proportion to any other number of Existing Shares each Qualifying Shareholder then holds.

Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Entitlements to Rights Issue Shares under the Rights Issue will be rounded down to the nearest whole number and fractions of Rights Issue Shares will not be allotted to Qualifying Shareholders. Such fractions will be aggregated and, if possible, sold in the market. The net proceeds of such sales will be paid to the Company.

The attention of Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the UK is drawn to paragraph 7 of this Part III. In particular, subject to certain exceptions, Qualifying Shareholders with registered addresses in the United States or any of the other Excluded Territories will not be sent Provisional Allotment Letters and will not have their CREST stock accounts credited with Nil Paid Rights.

The Rights Issue Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares, including the right to any future dividends or other distributions made, paid or declared after the date of their issue.

Application will be made to the UK Listing Authority for the Rights Issue Shares (nil and fully paid) to be admitted to listing on the premium segment of the Official List and to the London Stock Exchange for the Rights Issue Shares to be admitted to trading on its Main Market for listed securities. It is expected that Admission will become effective and that dealings in the Rights Issue Shares will commence on the London Stock Exchange, nil paid, at 8.00 a.m. on 4 April 2016.

The Rights Issue is fully underwritten by Investec and is conditional upon (among other things) (i) the Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and (ii) Admission becoming effective by not later than 8.00 a.m. on 24 April 2016 (or such later date as Investec may determine).

The Underwriting Agreement is conditional upon certain matters being satisfied and may be terminated by Investec prior to Admission upon the occurrence of certain specified events, in which case the Rights Issue will not proceed. The Underwriting Agreement is not capable of termination following Admission. Investec may arrange sub-underwriting for some, all or none of the Rights Issue Shares. A summary of the principal terms of the Underwriting Agreement is set out in paragraph 6.2 of Part XII (*Additional Information*) of this document.

Investec may, in accordance with applicable legal and regulatory provisions and subject to certain restrictions in the Underwriting Agreement, engage in transactions in relation to the Nil Paid Rights and the Shares. Accordingly, references in this document to Rights Issue Shares being offered or sold should be read as including any offering or sale of Rights Issue Shares to Investec or any of their affiliates acting in such capacity. Except as required by applicable law or regulation, Investec does not propose to make any public disclosure in relation to such transactions.

The Company reserves the right to decide not to proceed with the Rights Issue at any time prior to Admission and commencement of dealings in the Rights Issue Shares (nil paid).

Subject to the above conditions being satisfied and save as provided in paragraph 7 of this Part III in respect of Overseas Shareholders, it is intended that:

- (a) the Provisional Allotment Letters will be despatched to Qualifying Non-CREST Shareholders (other than Excluded Shareholders) on or about 1 April 2016;
- (b) the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than Excluded Shareholders) with such Shareholders' entitlements to Nil Paid Rights, with effect from 8.00 a.m. on 4 April 2016;
- (c) the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement by Euroclear as soon as practicable after the Company has confirmed to Euroclear that all the conditions for admission of such rights to CREST have been satisfied, which is expected to be as soon as practicable after 8.00 a.m. on 4 April 2016;
- (d) the Rights Issue Shares will be credited to the appropriate stock accounts of relevant Qualifying CREST Shareholders (or their renounees) who validly take up their rights as soon as practicable after 8.00 a.m. on 19 April 2016; and
- (e) the share certificates for the Rights Issue Shares to be held in certificated form will be despatched to relevant Qualifying Non-CREST Shareholders (or their nominees) who validly take up their rights by 26 April 2016.

The Existing Shares are already admitted to CREST. No further application for admission to CREST is required for the Rights Issue Shares and all of the Rights Issue Shares when issued and fully paid may be held and transferred by means of CREST. Applications will be made for the Nil Paid Rights and the Fully Paid Rights to be admitted to CREST. Euroclear requires the Company to confirm to it that certain conditions are satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied in respect of the Nil Paid Rights and the Fully Paid Rights on Admission. As soon as practicable after satisfaction of the conditions, the Company will confirm this to Euroclear.

All documents, including Provisional Allotment Letters (which constitute temporary documents of title) and cheques and banker's drafts posted to or by Qualifying Shareholders and/or their transferees or renounees (or their agents, as appropriate) will be posted at their own risk.

Qualifying Shareholders taking up their rights by completing a Provisional Allotment Letter or by sending an MTM instruction to Euroclear will be deemed to have given the representations and warranties set out in paragraphs 3.2 and 4.2 of this Part III, unless such requirement is waived by the Company and Investec.

2. Action to be taken

The action to be taken in respect of the Rights Issue Shares depends on whether, at the relevant time, the Nil Paid Rights or the Fully Paid Rights in respect of which action is to be taken are in certificated form (that is, are represented by Provisional Allotment Letters) or are in uncertificated form (that is, are in CREST).

If you are a Qualifying Non-CREST Shareholder and do not have a registered address in or located in the United States or any of the other Excluded Territories, please refer to paragraphs 3, 5, 6 and 8 to 12 of this Part III.

If you are a Qualifying CREST Shareholder and do not have a registered address in or located in the United States or any of the other Excluded Territories, please refer to paragraphs 4 to 6 and 8 to 12 of this Part III and to the CREST Manual for further information on the CREST procedures referred to below.

CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to take up the entitlements or otherwise to deal with the Nil Paid Rights or the Fully Paid Rights of CREST sponsored members.

If you have any questions relating to the Provisional Allotment Letter, please. Telephone Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

3. Action to be taken by Qualifying Non-CREST Shareholders in relation to Nil Paid Rights represented by Provisional Allotment Letters

3.1 General

Provisional Allotment Letters are expected to be despatched to Qualifying Non-CREST Shareholders (other than Qualifying Non-CREST Shareholders who are Excluded Shareholders) on 1 April 2016.

Each Provisional Allotment Letter will set out:

- (a) the holding of Existing Shares in certificated form on which the entitlement to Rights Issue Shares in the Provisional Allotment Letter has been based;
- (b) the aggregate number and cost of Rights Issue Shares in certificated form which are expected to be provisionally allotted to such Qualifying Non-CREST Shareholder;
- (c) the amount payable at the Rights Issue Price to take up the entitlement in full;
- (d) the procedures to be followed if a Qualifying Non-CREST Shareholder wishes to dispose of all or part of his entitlement or to convert all or part of his entitlement into uncertificated form; and
- (e) instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation.

Applications to subscribe for Rights Issue Shares may only be made through the Provisional Allotment Letter and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a bona fide market claim in relation to a purchase of Existing Shares through the market prior to 8.00 a.m. on 4 April 2016, the date upon which the Existing Shares will be marked “ex” the entitlement to participate in the Rights Issue.

If you sell or have sold or otherwise transferred all of your Existing Shares (other than ex-rights) in certificated form before the ex-rights date, please send any Provisional Allotment Letter, if and when received, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee except that no Provisional Allotment Letter should be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a

violation of local securities laws or regulations, including but not limited to the United States or any of the Excluded Territories.

If you sell or transfer or have sold or otherwise transferred only part of your holding of Existing Shares (other than ex-rights) held in certificated form before the ex-rights date, you should refer to the instruction regarding split applications in paragraph 3.6 of this Part III.

If you do not receive a Provisional Allotment Letter or you think that the holding of Existing Shares in certificated form on which your entitlement to Rights Issue Shares in the Provisional Allotment Letter has been based does not reflect your holding of Existing Shares in certificated form on the Record Date, please telephone the Shareholder Helpline on the numbers set out in paragraph 2 of this Part III.

On the basis that dealings in Nil Paid Rights commence on 4 April 2016, the latest time and date for acceptance and payment in full will be 11.00 a.m. on 18 April 2016.

If the Rights Issue is delayed so that Provisional Allotment Letters cannot be despatched on 1 April 2016, the expected timetable at the front of this document will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment Letters and announced through a Regulatory Information Service. References to dates and times in this document should be read as subject to any such adjustment.

3.2 Procedure for acceptance and payment

(a) Qualifying Non-CREST Shareholders who wish to accept in full

Holders of Provisional Allotment Letters who wish to take up all of their Nil Paid Rights must return the Provisional Allotment Letter in accordance with the instructions thereon, together with a cheque or banker's draft, made payable to "Capita Registrars Limited re: Tribal Group plc Rights Issue" and crossed "A/C payee only" detailing the Allotment Number (which is on page 1 of the Provisional Allotment Letter) written on the reverse of the cheque or banker's draft, for the full amount payable on acceptance, by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 18 April 2016. If you post your Provisional Allotment Letter, it is recommended that you allow sufficient time for delivery. A reply-paid envelope will be enclosed with the Provisional Allotment Letter for use within the UK only. Once your Provisional Allotment Letter duly completed and payment have been received by the Receiving Agent in accordance with the above, you will have accepted the offer to subscribe for the number of Rights Issue Shares specified on your Provisional Allotment Letter.

(b) Qualifying Non-CREST Shareholders who wish to accept in part

Holders of Provisional Allotment Letters who wish to take up some but not all of their Nil Paid Rights should refer to paragraph 3.6 of this Part III.

(c) Qualifying Non-CREST Shareholders who do not wish to take up their rights at all

Holders of Provisional Allotment Letters who do not wish to take up their rights at all do not need to do anything. If Qualifying Non-CREST Shareholders do not return the Provisional Allotment Letter by 11.00 a.m. on 18 April 2016 to accept the call on their entitlement, the Company has made arrangements under which Investec will try to find investors to take up such rights. If Investec does find investors and are able to achieve a premium over the Rights Issue Price and the related expenses of procuring those investors (including any applicable commission and amounts in respect of VAT), Qualifying Non-CREST Shareholders so entitled will be sent a cheque for the amount of that aggregate premium above the Issue Price less related expenses (including any applicable commission and amounts in respect of VAT), so long as the amount in question is not less than £5.00.

(d) *Company's discretion as to validity of acceptances*

If payment is not received in full by 11.00 a.m. on 18 April 2016, the provisional allotment will be deemed to have been declined and will lapse. However, the Company and Investec may, but shall not be obliged to, treat as valid (i) Provisional Allotment Letters and accompanying remittances that are received through the post no later than 5.00 p.m. on 18 April 2016 and (ii) acceptances in respect of which a remittance is received prior to 5.00 p.m. on 18 April 2016 from an authorised person (as defined in paragraph 31(2) of FSMA) specifying the number of Rights Issue Shares to be subscribed for and undertaking to lodge the relevant Provisional Allotment Letter, duly completed, in due course.

The Company and Investec may also treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Company, having first consulted with Investec, reserves the right to treat as invalid any acceptance or purported acceptance of the Rights Issue Shares that appears to the Company to have been executed in, despatched from or that provides an address for delivery of share certificates for Rights Issue Shares in the United States or any other Excluded Territory.

A Qualifying Non-CREST Shareholder who makes a valid acceptance and payment in accordance with this paragraph 3.2 is deemed to request that the Rights Issue Shares to which they will become entitled be issued to them on the terms set out in this document and subject to the Articles.

Holders of Provisional Allotment Letters who wish to take up any of their entitlements must also make the representations and warranties set out in paragraph 7.4 of this Part III. All Qualifying Non-CREST Shareholders will also be deemed to have agreed and acknowledged that:

- (i) Investec: (A) is acting exclusively for the Company and no one else in connection with the Disposal, the Rights Issue, the Subscriptions, the Share Matching Plan and the listing of the Rights Issue Shares on the premium segment of the Official List; and (B) will not be responsible to anyone other than the Company for providing the protections afforded to its clients for providing advice in connection with the Disposal, the Rights Issue, Subscriptions, the Share Matching Plan, the listing of the Rights Issue Shares on the premium segment of the Official List or the contents of this document;
- (ii) apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA, the regulatory regime established thereunder or otherwise under law: (A) Investec does not have any responsibility or liability for the contents of this document; (B) Investec makes no representation or warranty, express or implied, as to the contents of this document (including as to its accuracy, completeness or verification) or for any other statement made or purported to be made by or on behalf of it, by the Company or on its behalf or by any other person in connection with the Company, the Rights Issue Shares or the Rights Issue, and nothing in this document shall be relied upon as a promise or representation in this respect (whether as to the past or the future); and (C) Investec shall not have any liability whatsoever to such Qualifying Shareholders, whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement;
- (iii) such Qualifying Shareholder has not relied on Investec or any person affiliated with Investec in connection with any investigation as to the accuracy of any information contained in this document or their investment decision; and

- (iv) such Qualifying Shareholder has relied only on the information contained in this document, and that no person has been authorised to give any information or to make any representation concerning the Group, the Nil Paid Rights, the Fully Paid Rights or the Rights Issue Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Investec.

(e) *Payments*

All payments made by Qualifying Non-CREST Shareholders must be made by cheque or banker's draft in pounds sterling payable to "Capita Registrars Limited re: Tribal Group plc Rights Issue" and crossed "A/C payee only". Third party cheques may not be accepted except building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque or banker's draft to such effect. The account name should be the same as that shown on the application. Cheques or banker's drafts must be drawn on an account at a bank or building society or a branch of a bank or building society which is in the UK, the Channel Islands or the Isle of Man and which is either a settlement member of Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through facilities provided by either of these companies. Such cheques and banker's drafts must bear the appropriate sort code number in the top right-hand corner. Post-dated cheques will not be accepted. All cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques and banker's drafts will be presented for payment on receipt. No interest will be allowed on payments made before they are due and any interest on such payments ultimately will accrue for the benefit of the Company. It is a term of the Rights Issue that cheques shall be honoured on first presentation and the Company may elect to treat as invalid any acceptances in respect of which cheques are not so honoured.

If Rights Issue Shares have already been allotted to a Qualifying Shareholder prior to any payment not being so honoured or such acceptances being treated as invalid, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of such Qualifying Shareholder and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the same and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by such Qualifying Shareholder pursuant to the provisions of this Part III in respect of the acquisition of such shares) on behalf of such Qualifying Shareholder. None of the Company nor Investec or any other person shall be responsible for, or has any liability for, any loss, expenses or damage suffered by any Qualifying Shareholder as a result of any such action undertaken by or on behalf of the Company or Investec.

3.3 *Money Laundering Regulations*

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the beneficial owner by whom or on whose behalf the Provisional Allotment Letter is lodged with payment (which requirements are referred to below as the "**verification of identity requirements**"). If an application is made by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Provisional Allotment Letter.

Submission of a Provisional Allotment Letter shall constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of the remittance and an undertaking by the person lodging the Provisional Allotment Letter (the “**applicant**”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations and agree for Capita Asset Services to make a search using a credit reference agency for the purposes of confirming such identity; where deemed necessary a record of the search will be retained.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, the relevant Rights Issue Shares (notwithstanding any other term of the Rights Issue) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and none of the Receiving Agent, the Company or Investec will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity (and in any event by 11.00 a.m. on 18 April 2016), the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the application monies will be returned (at the applicant’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

The verification of identity requirements will not usually apply if:

- (a) the applicant is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (b) the applicant is an organisation required to comply with the EU Money Laundering Directive (No. 91/308/EEC) as amended; or
- (c) the applicant is a company whose securities are listed on a regulated market subject to specified disclosure obligations; or
- (d) the applicant (not being an applicant who delivers his/her application in person) makes payment through an account in the name of such applicant with a credit institution which is subject to the Money Laundering Regulations or with a credit institution situated in a non-EEA State which imposes requirements equivalent to those laid down in the EU Money Laundering Directive (No. 91/308/EEC), as amended; or
- (e) the aggregate subscription price for the relevant Rights Issue Shares is less than €15,000 (or its pounds sterling equivalent).

Where the verification of identity requirements apply, please note the following as this will assist in satisfying such requirements. Satisfaction of these requirements may be facilitated in the following ways:

- (i) if payment is made by cheque or banker’s draft in pound sterling drawn on a branch of a bank or building society in the UK and bears a UK bank sort code number in the top right-hand corner, the following applies. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to “Capita Registrars Limited re: Tribal Group plc

Rights Issue” and crossed “A/C payee only”. Third party cheques may not be accepted except for building society cheques or banker’s drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the building society cheque/banker’s draft to such effect. The account name should be the same as that shown on the application; or

- (ii) if the Provisional Allotment Letter is lodged with payment by an agent which is an organisation of the kind referred to in sub-paragraph (B) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, China, members of the Gulf Co-operation Council (being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, the Republic of Korea, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide written confirmation that it has that status with the Provisional Allotment Letter(s) and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent and/or any relevant regulatory or investigatory authority; or
- (iii) if a Provisional Allotment Letter is lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address.

To confirm the acceptability of any written confirmation referred to in sub-paragraph (ii) above, or in any other case, the applicant should contact the Shareholder Helpline Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in this document and information relating to the Company’s register of members and will be unable to give advice on the merits of the Rights Issue or to provide financial, tax or investment advice. The contents of this document are not to be construed as legal, business or tax advice. Each Shareholder should consult their own legal adviser, financial adviser or tax adviser for financial, tax, investment or legal advice respectively.

3.4 *Dealings in Nil Paid Rights*

Subject to the fulfilment of the conditions set out in paragraph 1 of this Part III, dealings on the London Stock Exchange in the Nil Paid Rights are expected to commence at 8.00 a.m. on 4 April 2016. A transfer of Nil Paid Rights can be made by renunciation of the Provisional Allotment Letter in accordance with the instructions printed on it and delivery of the Provisional Allotment Letter to the transferee, up to the latest time for acceptance and payment in full stated in the Provisional Allotment Letter, which is 11.00 a.m. on 18 April 2016.

3.5 *Dealings in Fully Paid Rights*

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and in the Provisional Allotment Letter, the Fully Paid Rights may be transferred by renunciation of the relevant Provisional Allotment Letter and delivering it, by post or by hand (during normal business hours only), to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received not later than 11.00 a.m. on 18 April 2016. To do this, Qualifying Non-CREST Shareholders will need to have their fully paid Provisional Allotment

Letter returned to them after their acceptance has been effected by the Receiving Agent. However, fully paid Provisional Allotment Letters will not be returned to Qualifying Non-CREST Shareholders unless their return is requested by ticking the appropriate box on the Provisional Allotment Letter.

Thereafter, the Rights Issue Shares will be registered and transferable in the usual common form or, if they have been issued in or converted into uncertificated form, in electronic form under the CREST system.

3.6 ***Renunciation and splitting of Provisional Allotment Letters***

The Provisional Allotment Letters are fully renounceable (save as required by the laws of certain overseas jurisdictions) and may be split up to 3.00 p.m. on 14 April 2016 nil paid and fully paid.

Qualifying Non-CREST Shareholders who wish to transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a Provisional Allotment Letter may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X on page 4 of the Provisional Allotment Letter (if it is not already marked “Original Duly Renounced”) and passing the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial adviser or to the transferee, provided that a transferee must not have a registered address in, or be resident or located (as applicable) in, the United States or any other Excluded Territory. Once a Provisional Allotment Letter has been so renounced, it will become a negotiable instrument in bearer form and the Nil Paid Rights or Fully Paid Rights (as appropriate) comprised in such letter may be transferred by delivery of such letter to the transferee. The latest time and date for registration of renunciation of Provisional Allotment Letters, fully paid, is 11.00 a.m. on 18 April 2016 and after such date the Rights Issue Shares will be in registered form, transferable by written instrument of transfer in the usual common form or, if they have been issued in or converted into uncertificated form, in electronic form under the CREST system.

If a holder of a Provisional Allotment Letter wishes to have only some of the Rights Issue Shares registered in his name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights, or (if appropriate) Fully Paid Rights but to different persons, he may have the Provisional Allotment Letter split, for which purpose he, or his agent, must sign and date Form X on page 4 of the Provisional Allotment Letter. The Provisional Allotment Letter must then be delivered by post or by hand (during normal business hours only) to the Receiving Agent at the appropriate address as set out in paragraph 3.2(a) of this Part III by not later than 3.00 p.m. on 14 April 2016, to be cancelled and exchanged for the split Provisional Allotment Letters required. The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be comprised in each split Provisional Allotment Letter should be stated in an accompanying letter. Form X on page 4 of split Provisional Allotment Letters will be marked “Original Duly Renounced” before issue.

Alternatively, Qualifying Non-CREST Shareholders who wish to take up some of their rights, without transferring the remainder, should complete Form X on page 4 of the original Provisional Allotment Letter and return it by post or by hand (during normal business hours only) to the Receiving Agent at the appropriate address as set out in paragraph 3.5 of this Part III, together with a covering letter confirming the number of Rights Issue Shares to be taken up and a cheque or banker’s draft in pounds sterling for the appropriate amount made payable to “Capita Registrars Limited re: Tribal Group plc Rights Issue” and crossed “A/C payee only” detailing the allotment number (which is on page 1 of the Provisional Allotment Letter) written on the reverse of the cheque or banker’s draft to pay for this number of shares. In this case, the Provisional Allotment Letter and the cheque or banker’s draft must be received by the Receiving Agent by 11.00 a.m. on 18 April 2016, being the last date and time for acceptance.

The Company and Investec reserve the right to refuse to register any renunciation in favour of any person in respect of which the Company believes such renunciation may violate applicable legal or regulatory requirements including (without limitation) any renunciation in the name of any person with an address outside the UK.

3.7 *Registration in names of Qualifying Non-CREST Shareholders*

A Qualifying Non-CREST Shareholder who wishes to have all his entitlement to Rights Issue Shares registered in his name must accept and make payment for such allotment prior to the latest time for acceptance and payment in full which is 11.00 a.m. on 18 April 2016 in accordance with the provisions set out in this document and the Provisional Allotment Letter, but need take no further action.

3.8 *Registration in names of persons other than Qualifying Non-CREST Shareholders originally entitled*

In order to register Fully Paid Rights in certificated form in the name of someone other than the Qualifying Non-CREST Shareholder(s) originally entitled, the renouncee or his agent(s) must complete Form Y on page 4 of the Provisional Allotment Letter (unless the renouncee is a CREST member who wishes to hold such Rights Issue Shares in uncertificated form, in which case, Form X and the CREST Deposit Form (both set out on page 4 of the Provisional Allotment Letter) must be completed (see paragraph 3.9 of this Part III)) and deliver the entire Provisional Allotment Letter unless this is to be deposited into CREST, when fully paid, by post or by hand (during normal business hours only) to the Receiving Agent at the appropriate address as set out in paragraph 3.5 of this Part III not later than the latest time for registration of renunciation which is 11.00 a.m. on 18 April 2016. Registration cannot be effected unless and until the Rights Issue Shares comprised in a Provisional Allotment Letter are fully paid.

The Rights Issue Shares comprised in two or more Provisional Allotment Letters (duly renounced where applicable) may be registered in the name of one holder (or joint holders) if Form Y is completed on page 4 of one of the Provisional Allotment Letters (the “**Principal Letter**”) and all other relevant Provisional Allotment Letters are delivered in one batch. Details of each relevant Provisional Allotment Letter (including the Principal Letter) should be listed in an attached letter and the allotment number of the Principal Letter should be entered into the space provided on each of the other Provisional Allotment Letters.

3.9 *Deposit of Nil Paid Rights or Fully Paid Rights into CREST*

The Nil Paid Rights or the Fully Paid Rights represented by a Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Subject as provided below or in the Provisional Allotment Letter, normal CREST procedures and timings apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights or the Fully Paid Rights represented by a Provisional Allotment Letter into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address appear on page 1 of the Provisional Allotment Letter and/or in the name of a person or persons to whom the Provisional Allotment Letter has been renounced, is as follows:

- (a) Form X and the CREST Deposit Form (both set out on page 4 of the Provisional Allotment Letter) will need to be completed and the Provisional Allotment Letter deposited with the CCSS (as such term is defined in the CREST Manual); and

- (b) in addition, the normal CREST stock deposit procedures will need to be carried out, except that: (i) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS; and (ii) only the whole of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST.

The following should also be noted:

- (c) if you wish to deposit only some of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter into CREST, you must first apply for split Provisional Allotment Letters;
- (d) if the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each Provisional Allotment Letter must be completed and deposited; and
- (e) a Consolidation Listing Form (as defined in the CREST Regulations) must not be used.

A holder of the Nil Paid Rights or the Fully Paid Rights represented by a Provisional Allotment Letter who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights or, if appropriate, the Fully Paid Rights in CREST following the conversion, to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 18 April 2016. **In particular, having regard to processing times in CREST and on the part of the Receiving Agent, the latest recommended time for depositing a renounced Provisional Allotment Letter (with Form X and the CREST Deposit Form on page 4 of the Provisional Allotment Letter duly completed) with the CCSS (to enable the person acquiring the Nil Paid Rights or, if appropriate, the Fully Paid Rights in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 18 April 2016) is 3.00 p.m. on 13 April 2016.**

When Form X and the CREST Deposit Form (both set out on page 4 of the Provisional Allotment Letter) have been completed, the title to the Nil Paid Rights or the Fully Paid Rights represented by the relevant Provisional Allotment Letter will cease forthwith to be renounceable or transferable by delivery and, for the avoidance of doubt, any entries in Form Y on page 4 of such Provisional Allotment Letter will not be recognised or acted upon by the Receiving Agent. All renunciations or transfers of the Nil Paid Rights or Fully Paid Rights must be effected through the means of the CREST system once such rights have been deposited into CREST.

CREST sponsored members should contact their CREST sponsor as only their CREST sponsors will be able to take the necessary actions to take up the entitlements or otherwise to deal with Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

3.10 *Issue of Rights Issue Shares in definitive form*

Definitive share certificates in respect of the Rights Issue Shares to be held in certificated form are expected to be despatched by post by 26 April 2016 at the risk of the person(s) entitled to them, to accepting Qualifying Non-CREST Shareholders and renouncees or their agents or, in the case of joint holdings, to the first-named Shareholder, in each case at their registered address (unless lodging agent details have been completed on page 4 of the Provisional Allotment Letter). After despatch of definitive share certificates, Provisional Allotment Letters will cease to be valid for any purpose whatsoever. Pending despatch of definitive share certificates, instruments of transfer of the Rights Issue Shares will be certified by the Registrar against the register.

4. Action to be taken in relation to Nil Paid Rights or Fully Paid Rights in CREST

4.1 General

Subject as provided in paragraph 7 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder is expected to receive a credit to his CREST stock account of his entitlement to Nil Paid Rights on 4 April 2016. For Qualifying CREST Shareholders, the CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The Nil Paid Rights will constitute separate securities for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If for any reason it is impracticable to credit the stock accounts of Qualifying CREST Shareholders or to enable the Nil Paid Rights by 8.00 a.m. on 4 April 2016, Provisional Allotment Letters shall, unless the Company and Investec determine otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this document may, with the consent of Investec, be adjusted as appropriate. References to dates and times in this document should be read as subject to any such adjustment. The Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up all or part of their entitlements in respect of, or otherwise to transfer, all or part of their Nil Paid Rights or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to take up your entitlement, as only your CREST sponsor will be able to take the necessary action to take up your entitlements or otherwise to deal with your Nil Paid Rights or Fully Paid Rights.

4.2 Procedure for acceptance and payment

(a) MTM instructions

CREST members who wish to take up all or part of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an MTM instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with the number of Nil Paid Rights to be taken up;
- (ii) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the CREST RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank of the Receiving Agent in pounds sterling, in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in sub-paragraph (i) above; and
- (iii) the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM instruction) of the corresponding number of Fully Paid Rights to which the CREST member is entitled on taking up his Nil Paid Rights referred to in sub-paragraph (i) above.

(b) *Contents of MTM instructions*

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

- (i) the number of Nil Paid Rights to which the acceptance relates;
- (ii) the participant ID of the accepting CREST member;
- (iii) the member account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;
- (iv) the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 28772TRI;
- (v) the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 9RA01;
- (vi) the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;
- (vii) the amount payable by means of the CREST assured payment arrangements on settlement of the MTM instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights to which the acceptance relates;
- (viii) the intended settlement date (which must be on or before 11.00 a.m. on 18 April 2016);
- (ix) the nil paid ISIN. This is GB00BDD99636;
- (x) the fully paid ISIN. This is GB00BDD99859;
- (xi) the Corporate Action Number for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;
- (xii) a contact name and telephone number in the shared note field; and
- (xiii) a priority of at least 80.

(c) *Valid acceptance*

An MTM instruction complying with each of the requirements as to authentication and contents set out in sub-paragraph (b) of this paragraph 4.2 will constitute a valid acceptance where either:

- (i) the MTM instruction settles by not later than 11.00 a.m. on 18 April 2016; or
- (ii) at the discretion of the Company, in consultation with Investec:
 - (A) the MTM instruction is received by Euroclear by not later than 11.00 a.m. on 18 April 2016;
 - (B) the number of Nil Paid Rights inserted in the MTM instruction is credited to the CREST stock member account of the accepting CREST member specified in the MTM instruction at 11.00 a.m. on 18 April 2016; and
 - (C) the relevant MTM instruction settles by 11.00 a.m. on 18 April 2016 (or such later time and/or date as the Company has determined).

An MTM instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Provider's

Communications Host (as this term is defined in the CREST Manual) at Euroclear or the network provider used by the CREST member (or by the CREST sponsored member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM instruction by the Network Provider's Communications Host.

(d) *Representations, warranties and undertakings of CREST members*

A CREST member or CREST sponsored member who makes, or procures the making of, a valid acceptance in accordance with this paragraph (d) represents, warrants and undertakes to the Company and Investec that he has taken (or procured to be taken), and will take (or will procure to be taken), whatever action is required to be taken by him or by his CREST sponsor (as appropriate) to ensure that the MTM instruction concerned is capable of settlement at 11.00 a.m. on 18 April 2016 (or until such later time and date as the Company, the Sole Sponsor and Investec may determine). In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that at 11.00 a.m. on 18 April 2016 (or until such later time and date as the Company, Investec may determine) there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM instruction to settle. CREST sponsored members should contact their CREST sponsor if they are in any doubt.

If there is insufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account of a CREST member or CREST sponsored member for such amount to be debited or the CREST member's or CREST sponsored member's acceptance is otherwise treated as invalid and New Shares have already been allotted to such CREST member or CREST sponsored member, the Company and Investec may (in their absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the provisions of this Part III in respect of the acquisition of such shares) on behalf of such CREST member or CREST sponsored member. None of the Company, Investec nor any other person shall be responsible for, or has any liability for, any loss, expenses or damage suffered by such CREST member or CREST sponsored member as a result.

A Qualifying CREST Shareholder will be deemed to have made the representations and warranties set out in paragraph 7.4 of this Part III and the agreement and acknowledgement set out in paragraph 3.2 of this Part III. All Qualifying Shareholders will also be deemed to have agreed and acknowledged that:

- (i) Investec: (A) is acting exclusively for the Company and no one else in connection with the Disposal, the Rights Issue, the Subscriptions, the Share Matching Plan and the listing of the Rights Issue Shares on the premium segment of the Official List; and (B) will not be responsible to anyone other than the Company for providing the protections afforded to their clients for providing advice in connection with the Disposal, the Rights Issue, the Subscriptions, the Share Matching Plan, the listing of the Rights Issue Shares on the premium segment of the Official List or the contents of this document;
- (ii) apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA, the regulatory regime established thereunder or

otherwise under law: (A) Investec does not have any responsibility or liability for the contents of this document; (B) Investec makes no representation or warranty, express or implied, as to the contents of this document (including as to its accuracy, completeness or verification) or for any other statement made or purported to be made by or on behalf of any of them, by the Company or on its behalf or by any other person in connection with the Company, the Rights Issue Shares or the Rights Issue, and nothing in this document shall be relied upon as a promise or representation in this respect (whether as to the past or the future); and (C) Investec shall not have any liability whatsoever to such Qualifying Shareholders, whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement;

- (iii) such Qualifying Shareholders have not relied on Investec or any person affiliated with any of Investec in connection with any investigation as to the accuracy of any information contained in this document or their investment decision; and
- (iv) such Qualifying Shareholders have relied only on the information contained in this document, and that no person has been authorised to give any information or to make any representation concerning the Group or the Nil Paid Rights, the Fully Paid Rights or the Rights Issue Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Investec.

(e) *CREST procedures and timings*

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of an MTM instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 18 April 2016. In this connection, CREST members and (where applicable) CREST sponsors are referred in particular to those paragraphs of the CREST Manual concerning practical limitations of the CREST system and timings.

(f) *CREST member's undertaking to pay*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this paragraph 4.2: (a) undertakes to pay to the Receiving Agent or procure the payment to the Receiving Agent of, the amount payable in pounds sterling on acceptance in accordance with the above procedures or in such other manner as the Receiving Agent may require (it being acknowledged that, where payment is made by means of the CREST RTGS payment mechanism (as defined in the CREST Manual) the creation of an RTGS settlement bank payment obligation in pounds sterling in favour of the Receiving Agent's RTGS settlement bank (as defined in the CREST Manual), in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay to Investec the amount payable on acceptance), and (b) requests that the Fully Paid Rights and/or New Shares, to which he will become entitled, be issued to him on the terms set out in this document and subject to the Articles of Association.

If the payment obligations of the relevant CREST member in relation to such New Shares are not discharged in full and such New Shares have already been allotted to

such CREST member or CREST sponsored member, the Company and Investec may (in their absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the same and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the provisions of this Part III in respect of the acquisition of such shares) or an amount equal to the original payment of the CREST member or CREST sponsored member (whichever is the lower) on behalf of such CREST member or CREST sponsored member. None of the Company, Investec nor any other person shall be responsible for, or has any liability for, any loss, expenses or damage suffered by such CREST member or CREST sponsored member as a result.

(g) *Company's discretion as to rejection and validity of acceptances.*

The Company and Investec may in their absolute discretion:

- (i) reject any acceptance constituted by an MTM instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in paragraph 4.2(d) of this Part III. Where an acceptance is made as described in this paragraph 4.2(g) which is otherwise valid, and the MTM instruction concerned fails to settle by 11.00 a.m. on 18 April 2016 (or by such later time and date as the Company and Investec may determine), the Company and Investec shall be entitled to assume, for the purposes of their right to reject an acceptance as described in this paragraph 4.2(g), that there has been a breach of the representations, warranties and undertakings set out or referred to in paragraph 4.2(d) above unless the Company or Investec are aware of any reason outside the control of the CREST member or CREST sponsor (as appropriate) concerned for the failure of the MTM instruction to settle;
- (ii) treat as valid and binding on the CREST member or CREST sponsored member concerned an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 4.2;
- (iii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM instruction and subject to such further terms and conditions as the Company or Investec may determine;
- (iv) treat a properly authenticated dematerialised instruction (in this paragraph 4.2(g), the "**first instruction**") as not constituting a valid acceptance if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in CREST Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (v) accept an alternative instruction or notification from a CREST member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an MTM instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the

CREST member or CREST sponsored member is unable validly to take up all or part of his Nil Paid Rights by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by the Receiving Agent in connection with CREST.

4.3 *Money Laundering Regulations*

If you hold your Nil Paid Rights in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (for example, a bank, a broker or another UK financial institution), then, irrespective of the value of the application, the Receiving Agent is required to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any MTM instruction or other instruction so that appropriate measures may be taken.

Submission of an MTM instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent any information the Receiving Agent may specify as being required for the purposes of the verification of identity requirements in the Money Laundering Regulations or FSMA. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent, having consulted with the Company and Investec may take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM instruction. If such information and other satisfactory evidence of identity has not been provided within a reasonable time, the Receiving Agent will not permit the MTM instruction concerned to proceed to settlement but without prejudice to the right of the Company and Investec to take proceedings to recover any loss suffered by any of them as a result of failure by the applicant to provide satisfactory evidence.

4.4 *Dealings in Nil Paid Rights in CREST*

Assuming the Rights Issue becomes unconditional, dealings in the Nil Paid Rights on the London Stock Exchange are expected to commence at 8.00 a.m. on 4 April 2016. Dealings in Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after the close of business on 18 April 2016.

4.5 *Dealings in Fully Paid Rights in CREST*

After acceptance and payment in full in accordance with the provisions set out in this document, the Fully Paid Rights may be transferred (in whole or in part) by means of CREST in the same manner as any other security that is admitted to CREST. The last time for settlement of any transfer of Fully Paid Rights in CREST is expected to be 11.00 a.m. on 18 April 2016. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 18 April 2016.

Thereafter, the Rights Issue Shares will be registered in the name(s) of the person(s) entitled to them in the Company's register of members and will be transferable in the usual way.

4.6 *Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST*

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights or, if appropriate, Fully

Paid Rights from CREST is 4.30 p.m. on 12 April 2016, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights or, if appropriate, Fully Paid Rights following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 18 April 2016. You are recommended to refer to the CREST Manual or your CREST sponsor (as applicable) for details of such procedures.

4.7 *Issue of New Shares in CREST*

Fully Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 18 April 2016 (the latest date for settlement of transfers of Fully Paid Rights in CREST). New Shares will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST at the close of business on the date on which the Fully Paid Rights are disabled. The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to New Shares with effect from the next Business Day (expected to be 19 April 2016).

4.8 *Right to allot/issue in certificated form*

Despite any other provision of this document, the Company reserves the right to allot and to issue any Nil Paid Rights, Fully Paid Rights or New Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or of a part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

5. *Procedure in respect of rights not taken up (whether certificated or in CREST)*

If an entitlement to Rights Issue Shares is not validly taken up by 11.00 a.m. on 18 April 2016 in accordance with the procedure laid down for acceptance and payment, then that provisional allotment will be deemed to have been declined and will lapse. Subject to the terms and conditions of the Underwriting Agreement, Investec will use reasonable endeavours to procure, by not later than 4.30 p.m. on 19 April 2016, subscribers for all (or, at the discretion of Investec, as many as possible) of those Rights Issue Shares not taken up if a premium over the total of the Issue Price and the expenses of procuring such subscribers (including any related commissions and VAT which is not, in the reasonable opinion of Investec, recoverable) can be obtained.

Notwithstanding the above, Investec may cease to endeavour to procure any such subscribers if, in the opinion of Investec, it is unlikely that any such subscribers can be so procured at such a price by such time. If and to the extent that subscribers cannot be procured on the basis outlined above, the relevant Rights Issue Shares will be subscribed for by Investec acting severally and not jointly (or jointly and severally) as principal pursuant to the Underwriting Agreement or by sub-underwriters procured by Investec, in each case, at the Issue Price on the terms and subject to the conditions of the Underwriting Agreement.

Any premium over the aggregate of the Issue Price and the expenses of procuring subscribers (including any applicable brokerage and commissions and VAT which is not recoverable) (the “**premiums**”) shall be paid (subject as provided in this paragraph 5):

- (a) where the Nil Paid Rights were, at the last time and date they could have been validly accepted in accordance with the procedure for acceptance and payment, represented by a Provisional Allotment Letter, to the person whose name and address appeared on page 1 of the Provisional Allotment Letter;
- (b) where the Nil Paid Rights were, at the last time and date they could have been validly accepted in accordance with the procedure for acceptance and payment, in uncertificated form, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST; and

- (c) where an entitlement to Rights Issue Shares was not (or was deemed not to have been) taken up by an Overseas Shareholder, to that Overseas Shareholder.

Rights Issue Shares for which subscribers are procured on this basis will be re-allotted to such subscribers and the aggregate of any premiums (as defined above), if any, will be paid (without interest) to those persons entitled (as referred to above) pro rata to the relevant provisional allotments not taken up, save that no payment will be made of amounts of less than £5 per holding, which amounts will be aggregated and will ultimately be paid to the Company. Cheques for the amounts due will be sent in pounds sterling, by post, at the risk of the person(s) entitled, to their registered addresses (the registered address of the first named in the case of joint holders), provided that where any entitlement concerned was held in CREST, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the Company procuring the creation of an assured payment obligation in favour of the relevant CREST member's (or CREST sponsored member's) RTGS settlement bank in respect of the cash amount concerned in accordance with the RTGS payment mechanism.

Any transactions undertaken pursuant to this paragraph 5 shall be deemed to have been undertaken at the request of the persons who did not take up their entitlement and none of the Company, Investec nor any other person procuring subscribers shall be responsible for any loss or damage (whether actual or alleged) arising from the terms of or timing of any such acquisition, any decision not to endeavour to procure subscribers or the failure to procure subscribers on the basis described above. Investec will be entitled to retain any fees, commissions or other benefits received in connection with these arrangements.

6. Withdrawal rights

Persons who have the right to withdraw their acceptances under section 87Q(4) of FSMA after a supplementary prospectus (if any) has been published and who wish to exercise such right of withdrawal must send a written notice of withdrawal, which must include the full name and address of the person wishing to exercise such right of withdrawal and, if such person is a CREST member, the participant ID and the member account ID of such CREST member to the Receiving Agent at Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham BR3 4TU, no later than two Business Days after the date on which a supplementary prospectus is published. Notice of withdrawal given by any other means or which is sent after expiry of such period will not constitute a valid withdrawal. The Company will not permit the exercise of withdrawal rights after payment by the relevant person for Rights Issue Shares in full and the allotment of such Rights Issue Shares to such person becoming unconditional, save as required by statute. In such circumstances, Shareholders are advised to consult their professional advisers.

Provisional allotments of entitlements of Rights Issue Shares which are the subject of a valid withdrawal notice will be deemed to be declined or to have lapsed. Such entitlements to Rights Issue Shares will be subject to the provisions of paragraph 5 of this Part III as if the entitlement had not been validly taken up.

7. Overseas Shareholders

7.1 General

The offer of Nil Paid Rights, Fully Paid Rights and/or Rights Issue Shares and the distribution of this document or any other document relating to the Rights Issue (including a Provisional Allotment Letter) to persons located or resident in, or who are citizens of, or who have a registered address in a jurisdiction other than the United Kingdom or which are corporations, partnerships or other entities organised under the laws of countries other than the United Kingdom, or to persons who are nominees of or custodians, trustees or guardians for any such persons or entities may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any

governmental or other consents or need to observe any other formalities to enable them to take up their rights. It is the responsibility of all persons outside the United Kingdom (including, without limitation, custodians, nominees and trustees) receiving this document and/or a Provisional Allotment Letter and/or a credit of Nil Paid Rights to a stock account in CREST and wishing to take up rights under the Rights Issue to satisfy themselves as to full observance of the laws of the relevant territory, including obtaining all necessary governmental or other consents which may be required, compliance with all other requisite formalities and the payment of any issue, transfer or other taxes due in such territory. The comments set out in this paragraph 7 are intended as a general guide only and any Overseas Shareholder who is in doubt as to his position should consult his own independent professional adviser without delay.

Rights Issue Shares will be provisionally allotted (nil paid) to all Qualifying Shareholders, including all Overseas Shareholders. However, Provisional Allotment Letters will not be sent to, and Nil Paid Rights will not be credited to CREST accounts of, Excluded Shareholders (except, however, where the Company and Investec are satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirement in such jurisdiction) and their entitlements to Rights Issue Shares will be treated as entitlements not taken up in accordance with the procedures set out in paragraph 5 of this Part III.

No person receiving a copy of this document and/or a Provisional Allotment Letter and/or receiving a credit of Nil Paid Rights to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use the Provisional Allotment Letter or deal with Nil Paid Rights or Fully Paid Rights in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him and the Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights in CREST could lawfully be used or dealt with without contravention of any registration or other legal or regulatory requirements. In such circumstances, this document and/or the Provisional Allotment Letter are to be treated as sent for information only and should not be copied or redistributed.

Accordingly, persons receiving a copy of this document and/or a Provisional Allotment Letter and/or whose stock account in CREST is credited with Nil Paid Rights or Fully Paid Rights should not, in connection with the Rights Issue, distribute or send the same in or into, or transfer Nil Paid Rights or Fully Paid Rights to any person in the United States or any other Excluded Territory. If a Provisional Allotment Letter or credit of Nil Paid Rights or Fully Paid Rights in CREST is received by any person in any such excluded territory, or by his agent or nominee, he must not seek to take up the rights referred to in the Provisional Allotment Letter or in this document or renounce the Provisional Allotment Letter or transfer the Nil Paid Rights or Fully Paid Rights in CREST unless the Company and Investec determine that such actions would not violate applicable legal or regulatory requirements. Any person who does forward this document or a Provisional Allotment Letter or transfers Nil Paid Rights or Fully Paid Rights into any such excluded territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 7.

The Company and Investec may (in their absolute discretion) treat as invalid and the Company will not be bound to allot or issue any Rights Issue Shares in respect of any acceptance or purported acceptance of the offer of Rights Issue Shares which appears to the Company, Investec or their respective agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if it believes or they believe that the same may violate applicable legal or regulatory requirements or if, in the case of a Provisional Allotment Letter, it provides for an address for delivery of the definitive share certificates for Rights Issue Shares or, in the case of a credit of Rights Issue Shares in CREST, the CREST member's or a CREST sponsored member's registered address is in the United States or any of the other Excluded Territories

or any other jurisdiction outside the United Kingdom in which it would be unlawful to make or accept an offer to subscribe for or acquire the Rights Issue Shares, unless the Company and Investec are satisfied that such action would not result in the contravention of any registration or other legal or regulatory requirements. The attention of Overseas Shareholders with registered addresses in or who are located in the United States is drawn to paragraphs 7.2 and 7.3 of this Part III.

Despite any other provision of this document or the Provisional Allotment Letter, the Company and Investec reserve the right to permit any Qualifying Shareholder to take up his rights if the Company and Investec in their absolute discretion are satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restriction in question.

Those Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraphs 3 and 4 of this Part III.

7.2 *United States*

The Rights Issue Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. In addition, until 40 days after the commencement of the Rights Issue, an offer or sale of Shares within the United States by any dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration, or in a transaction not subject to registration, under the Securities Act.

7.3 *Transfer restrictions*

Due to the following restrictions, investors are advised to consult legal counsel prior to making any offer for the resale, pledge or other transfer of New Shares.

The New Shares are not freely transferable in the United States and may not be sold, pledged, hypothecated, transferred or otherwise disposed of unless registered or qualified under the Securities Act and the applicable securities laws of any state in the United States, or unless exemptions from registration or qualification are available.

Regulation S Shares

Each purchaser of Shares offered outside of the United States pursuant to Regulation S by accepting delivery of this document will be deemed to have represented, agreed and acknowledged that it has received a copy of this document, and such other information as it deems necessary to make an investment decision and that:

- (a) It is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- (b) It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state, territory or other jurisdiction of the United States.
- (c) It is purchasing the Shares in an offshore transaction, as such term is defined in Rule 902 of the Securities Act meeting the requirements of Regulation S.
- (d) It will not offer, sell, pledge or transfer any Shares, except in accordance with the Securities Act and any applicable laws of any state of the United States and any other jurisdiction.

- (e) The Company, Investec and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any such acknowledgements, representations or agreements deemed to have been made by virtue of its subscription of the Shares are no longer accurate, it will promptly notify the Company. If it is acquiring any Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

7.4 *Representations and warranties relating to overseas territories other than the United States and the other Excluded Territories*

(a) *Qualifying Non-CREST Shareholders*

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of interests in Rights Issue Shares comprised therein represents and warrants to the Company and each of Investec that, except where proof has been provided to the satisfaction of the Company and Investec that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not accepting and/or renouncing the Provisional Allotment Letter from within the United States or any of the other Excluded Territories, (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for Rights Issue Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it, (iii) such person is not acting on a non-discretionary basis for a person located within the United States or any other Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept or renounce was given, and (iv) such person is not subscribing for or acquiring Rights Issue Shares with a view to the offer, sale, pledge, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Issue Shares into the United States or any other Excluded Territory or any territory referred to in (ii) above.

The Company and Investec may treat as invalid any acceptance or purported acceptance of the allotment of Rights Issue Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it: (i) appears to the Company and Investec to have been executed in or despatched from the United States or any other Excluded Territory or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if they believe the same may violate any applicable legal or regulatory requirement, (ii) provides an address in the United States or any other Excluded Territory for delivery of definitive share certificates for Rights Issue Shares (or any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such certificates), or (iii) purports to exclude the warranty required by this paragraph.

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedure set out in paragraph 4 of this Part III represents and warrants to the Company and Investec that, except where proof has been provided to the satisfaction of the Company and Investec that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any of the other Excluded Territories, (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for or acquire Nil Paid Rights, Fully Paid Rights or Rights Issue Shares, (iii) such person is not acting on a non-discretionary basis for a person located within the United States or any other Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not subscribing

for or acquiring Nil Paid Rights, Fully Paid Rights or Rights Issue Shares with a view to the offer, sale, pledge, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or Rights Issue Shares into the United States or any other Excluded Territory or any territory referred to in (ii) above.

The Company and Investec may treat as invalid any MTM instruction which appears to the Company and Investec to have been despatched from the United States or any of the other Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if they or their agents believe the same may violate any applicable legal or regulatory requirement or purports to exclude the warranty required by this paragraph.

8. Taxation

Information on taxation in the United Kingdom with regard to the Rights Issue is set out in Part X (*UK Tax Considerations*) of this document. The information contained in Part X (*UK Tax Considerations*) is intended only as a general guide to the current tax position in the United Kingdom and Qualifying Shareholders in the United Kingdom should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. Qualifying Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate professional adviser immediately.

9. Times and dates

The Company shall in its discretion and after consultation with Investec be entitled to amend the dates that Provisional Allotment Letters are despatched or dealings in Nil Paid Rights commence and amend or extend the latest date for acceptance under the Rights Issue and all related dates set out in this document and in such circumstances shall announce such amendment via Regulatory Information Service and notify the UK Listing Authority and, if appropriate, Qualifying Shareholders.

10. Share Schemes

In accordance with the rules or terms (as the case may be) of each of the Share Schemes, outstanding awards shall be adjusted to take account of the Rights Issue to the extent and in such manner as the Remuneration Committee may consider appropriate in the circumstances, in each case subject to the prior approval by HMRC where required under the rules of the relevant Share Scheme or the relevant tax legislation. Any performance conditions attaching to outstanding awards under the Share Schemes may also be adjusted to take into account the Rights Issue at the discretion of the Remuneration Committee, subject to the rules of the relevant Share Scheme. Participants will be contacted separately in due course with further information on how (if at all) any of their awards will be affected by the Rights Issue and the actions (if any) that they may need to take. Further information relating to the Share Schemes is set out in paragraph 11 of Part XI (*Directors, Responsible Persons, Corporate Governance and Employees*).

11. Governing law

The terms and conditions of the Rights Issue as set out in this document and the Provisional Allotment Letter shall be governed by, and construed in accordance with, the laws of England and Wales (including, without limitation, any non-contractual obligations arising out of or in connection with the Rights Issue and, where appropriate, the Provisional Allotment Letter).

12. Jurisdiction

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document or the Provisional Allotment Letter (including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Rights Issue, this document or the Provisional Allotment Letter). By accepting rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales (including, without limitation, in relation to any disputes relating to any non-contractual obligations arising out of or in connection with the Rights Issue, this document or the Provisional Allotment Letter) and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART IV

INFORMATION ON DELISTING AND AIM ADMISSION

1. Consequences of the move to AIM

Following AIM Admission, Tribal will be subject to the AIM Rules. Shareholders should note that AIM is self-regulated and the protections afforded to investors in AIM companies are less rigorous than those afforded to investors in companies listed on the premium segment of the Official List.

While there are a number of similarities between the obligations of a company whose shares are traded on AIM and those companies whose shares are listed on the premium segment of the Official List, there are some exceptions, including:

- (a) under the AIM Rules, prior shareholder approval is required only for:
 - (i) reverse takeovers, being an acquisition or acquisitions in a twelve month period which would (A) exceed 100 per cent. in various class tests; or (B) result in a fundamental change in the Company's business, board or voting control;
 - (ii) disposals which, when aggregated with any other disposals over the previous twelve months, would result in a fundamental change in the Company's business (being disposals that exceed 75 per cent. in various class tests);
- (b) under the Listing Rules (which apply to companies listed on the Official List), a more extensive range of transactions, including certain related party transactions, are conditional on shareholder approval and require the publication of a detailed circular;
- (c) the regime in relation to dealing in own securities and treasury shares is less onerous under the AIM Rules which, although they contain restrictions on the timing of dealings and notification requirements, do not include requirements as to price, shareholder approval or tender offers;
- (d) there are no prescribed content requirements for shareholder circulars or a requirement for such circulars to be approved by the FCA under the AIM Rules;
- (e) there is no requirement under the AIM Rules for a prospectus or an admission document to be published for further issues of securities to institutional investors on AIM, except when seeking admission for a new class of securities or as otherwise required by law;
- (f) unlike the Listing Rules, the AIM Rules do not specify any required structures or discount limits in relation to further issues of securities;
- (g) compliance with the UK Corporate Governance Code is not mandatory for companies whose shares are admitted to trading to AIM. However, if AIM Admission occurs, Tribal will continue to comply with the UK Corporate Governance Code, other than in respect of the Share Matching Plan;
- (h) the AIM Rules require that AIM companies retain a nominated adviser and broker at all times, but they are not required to have a sponsor. The nominated adviser has ongoing responsibilities to both the Company and the London Stock Exchange. Investec has agreed to act as nominated adviser and broker to the Company following AIM Admission;
- (i) where the Company has a controlling shareholder (as defined in the Listing Rules) it will no longer be required to enter into a relationship agreement with that controlling

shareholder or to comply with the independence provisions required by the Listing Rules;

- (j) there is no specified requirement for a minimum number of shares in an AIM company to be held in public hands. A company listed on the Official List has to maintain a minimum of 25 per cent. of its issued ordinary share capital in public hands;
- (k) the Disclosure and Transparency Rules (other than Chapter 5, in respect of significant shareholder notifications), the Listing Rules and certain of the Prospectus Rules will no longer apply to the Company following AIM Admission. This is because AIM is not a regulated market for the purposes of the EU's securities directives;
- (l) companies with a listing on the premium segment of the Official List may only cancel their listing with the approval of 75 per cent. of the voted shares and, if the company has a controlling shareholder, must also secure the approval of a majority of the voting independent shareholders (other than in certain limited circumstances). Under the AIM Rules, an AIM company only requires 75 per cent. shareholder approval to cancel admission of its securities to AIM and, in certain limited circumstances, the London Stock Exchange may agree that shareholder consent is not required;
- (m) AIM companies are deemed to be unlisted for the purposes of certain areas of UK taxation. Following the Delisting and AIM Admission, individuals who hold Shares may, in certain circumstances, be eligible for certain tax benefits. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether such a tax benefit may be available to them; and
- (n) the Delisting may have implications for Shareholders holding shares through a Self-Invested Personal Pension Plan ("**SIPP**"). For example, shares in unlisted companies may not qualify for certain SIPPs under the terms of that SIPP. Shareholders holding shares through a SIPP should therefore consult with their SIPP provider immediately.

The City Code on Takeovers and Mergers will continue to apply to the Company following Admission.

Following AIM Admission, Shares that immediately prior to Delisting were held in uncertificated form will continue to be held and dealt through CREST. Share certificates representing those Shares held in certificated form, including those issued in respect of Rights Issue Shares as part of the Rights Issue, will continue to be valid and no new certificates will be issued in respect of such shares following AIM Admission.

The Board does not envisage that there will be any significant alteration to the standards of reporting and governance which Tribal currently maintains. Tribal will maintain its Audit and Remuneration Committees which will be subject to the same terms and conditions.

PART V

INFORMATION ON TRIBAL

1. Introduction

Tribal Group plc is the parent company of the Tribal Group.

The Tribal Group provides software and services that support the management of institutions which deliver education and training. Tribal mainly works with universities, colleges and schools in the UK, Asia Pacific and elsewhere, including North America and the Middle East. It works with managers, administrators and senior academic staff to enhance the quality of education and experience their institutions offer to their students.

2. History and development

Tribal Group was founded in 1999 as a professional services group focused on serving the UK public sector. Its shares were admitted to trading on AIM in February 2001, and were listed on the Official List and admitted to trading on the Main Market of the London Stock Exchange in July 2002.

From establishment, the Group grew rapidly through a series of acquisitions and established a number of divisions spanning a range of primarily service-related activities, including management consultancy, architectural services, recruitment process outsourcing, executive recruitment, public relations and communications services, healthcare delivery and education technology and services. These services were principally delivered to the UK domestic market and were strongly oriented towards a public sector customer base.

During 2010 and 2011, the Group divested many of these businesses, and tightened its focus on the education market. At the same time, the Group began actively to grow its customer base and operational reach internationally, initially in Australia.

Since 2011, the Group has expanded its software offering and international delivery capabilities. Through a combination of organic growth and bolt-on acquisitions, Tribal has developed its international presence such that its customer base now includes significant customers in a range of territories including Australia, New Zealand, Malaysia, the US, Canada, the United Arab Emirates and South Africa. Organic business development has initially established Tribal in each of these markets, whilst bolt-on acquisitions have been made to bring scale, new intellectual property and enhanced customer relationships. Recent acquisitions have included: i-graduate in the UK; Sky Software (which has recently been renamed Tribal Campus) together with Human Edge and Callista in Australia; and Class Measures in the US.

3. Principal activities

3.1 Software

The Group is a leading provider of student management software to education providers in the UK, Australia and New Zealand.

Student management systems are complex business systems which underpin the operations of universities, colleges and schools, supporting and streamlining academic and non-academic records management, administrative workflow and student engagement processes across the student's journey through education.

Tribal provides a portfolio of student management systems and a number of other software products which offer differentiated functionality according to the education sector in which a customer operates (as well as addressing regional requirements) and alternative

deployment models: either on-premise installation or hosted in a public or private Cloud, to suit the specific requirements of customers.

Tribal's software business currently delivers predominantly through a traditional software revenue model. Customers are provided with a perpetual licence to the software, and implementation services are then provided to enable customers to configure the software to suit their requirements. After installation, support and maintenance services are provided to assist customers in their ongoing use of the software, and to keep software installed on customer sites up to date.

3.2 **Services**

The Group's services focus on enabling managers of universities, colleges and schools to improve the academic and operational performance of their institutions.

These services include benchmarking and analytics, advisory and specialist support services to enhance the delivery of education and training. The Group's quality assurance solutions are used primarily by government agencies to review, measure and monitor the quality of education provision and associated activities by universities, colleges and schools, and where appropriate to inform and support improvement programmes in these settings.

4. **Organisational structure**

The Group currently operates as four divisions, aligned to the functional elements of the business.

Tribal's software-related activities are comprised within the following divisions:

- Product Development and Customer Services ("**PD & CS**"); and
- Implementation Services ("**IS**").

The Group's service activities are contained within the following divisions:

- Professional and Business Solutions ("**PBS**"); and
- Quality Assurance Solutions ("**QAS**").

4.1 **Product Development and Customer Services**

The PD & CS division provides software and subsequent maintenance and support for that software once it is in use by customers. This division also includes the enhancement and development of existing and new software products. Tribal's development and support teams operate on a product-oriented basis, and its key software development teams are based in offices mainly in the north of England and in Victoria, Australia, along with a development centre in Manila, Philippines. The principal revenues generated in this division are software licences and recurring maintenance and support revenues associated with the installed software customer base.

4.2 **Implementation Services**

The IS division manages the technical implementation of Tribal's software products in customer sites, typically working alongside customer teams. Implementation projects vary in length, from days to over two years for more complex projects. Implementation consultants, who are typically employed directly by the Group, operate mainly out of northern England or Australia, but are also based in North America, Southern Africa and South East Asia as required to support the Group's customer base. IS revenues are typically based around day-rate fees although sometimes fixed fee contracts are put in place for defined implementation scopes.

4.3 **Professional and Business Solutions**

The PBS division provides a range of services for managers of universities, colleges and schools which enable them to assess and enhance the quality of the education their institutions provide, and to improve the operational performance of their institutions.

Services delivered by this division include:

- Student experience analytics;
- Operational benchmarking and analytics;
- Transformation and change advisory services;
- Information management services;
- Specialist learning management solutions; and
- Specialist support services to enhance the delivery of education and training.

4.4 **Quality Assurance Solutions**

Tribal's Quality Assurance Solutions, which comprise primarily inspection services, are used by the Office of Standards in Education, Children's Services and Skills (Ofsted), the UK government agency responsible for monitoring quality in settings such as colleges, schools and nurseries. These services have also been purchased by government agencies in the US and Middle East. Typically, these services are delivered under multi-year contracts, with fixed and variable pricing elements.

The Group also delivers complementary services in addition to the core inspection services which represent the largest part of this division's work. These complementary services include training for prospective quality assurance inspectors, training and software tools for school leaders to enable them to better understand and prepare for inspections of their schools, online professional development tools for teachers to enhance their professional development and other similar offerings.

4.5 **Divisional financial summary**

The following table sets out the revenue and adjusted operating profit by division for each of the three years ended 31 December 2015.

	<i>External Revenue (£'000s)</i>			<i>Adjusted Operating Profit (£'000s)</i>		
	<i>Year ended 31 December</i>			<i>Year ended 31 December</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2015</i>	<i>2014</i>	<i>2013</i>
PD & CS	46,131	49,675	42,162	2,023	11,192	11,984
IS	16,910	19,495	21,336	1,140	2,871	3,111
PBS	13,771	20,377	24,754	229	515	2,047
QAS	30,482	34,621	37,684	2,900	4,039	3,750
Inter-divisional eliminations	(569)	(465)	(451)	–	–	–
Unallocated corporate expenses	–	–	–	(3,408)	(4,108)	(5,133)
	<u>106,725</u>	<u>123,703</u>	<u>125,485</u>	<u>2,884</u>	<u>14,509</u>	<u>15,759</u>

The following table sets out the revenues generated in Tribal's key geographic markets during each of the three years ended 31 December 2015.

	<i>Revenue (£'000s)</i>		
	<i>Year ended 31 December</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
UK	72,350	86,599	92,709
Asia Pacific	23,699	25,972	25,584
North America and Rest of World	10,676	11,132	7,192
	<u>106,725</u>	<u>123,703</u>	<u>125,485</u>

5. Customers

The Group predominantly provides its software and services to state governments, universities or colleges. In the year ended 31 December 2015, approximately 20% of the Group's revenue came from contracts with the UK Government, primarily relating to services for Ofsted and the National Offender Management Service; approximately 6% came from contracts with state governments in Australia, and approximately 30% came from universities across the Group's geographic markets.

Many of Tribal's contracts are won as a result of a competitive public tender process, where contracts are awarded on the basis of a number of factors including price, quality of service and technology, experience and reputation.

6. Employees

The following table sets out the number of staff employed by Tribal by division between 2013 and 2015.

	<i>Headcount as at 31 December</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
PD & CS	608	523	386
IMP	158	160	162
PBS	95	188	335
QAS	230	277	264
Group/central services	232	228	217
	<u>1,323</u>	<u>1,376</u>	<u>1,364</u>

The following table sets out the number of staff in Tribal's key geographic markets between 2013 and 2015.

	<i>Headcount as at 31 December</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
UK	996	1,156	1,259
Asia Pacific	309	196	91
North America and Rest of World	18	24	14
	<u>1,323</u>	<u>1,376</u>	<u>1,364</u>

7. Software product portfolio

The Group has developed and acquired a range of student management systems (**SMS**). Each SMS is designed to meet the needs of specific sectors of the education market, and typically provides core functionality to support education management in the following areas:

- Student recruitment;
- Enrolment and admissions management;
- Curriculum planning;
- Timetabling, resource utilisation and scheduling;
- Academic assignment management;
- Academic and non-academic record management;
- Student account management including fees administration;
- Student well-being and support;
- Student engagement and “self-service”;
- Mobile enablement;
- Reporting and business intelligence;
- Historic and predictive analytics; and
- Graduation and alumni relationship management.

7.1 Key software products

The table below lists the Group’s student management system portfolio, the market sector and customer type on which each product is focused, and the key geographic markets into which the product has been deployed to date:

<i>Product</i>	<i>Target education market sector</i>	<i>Typical customers</i>	<i>Typical geographic market</i>
SITS:e-Vision™	Higher Education	Universities and other Higher Education institutions	International
Callista™	Higher Education	Universities	Australia
ebs4™	Vocational Learning	Further Education colleges, TAFEs and secondary education	UK. Australia and New Zealand
Tribal Campus™	Vocational Learning	Technical and Further Education colleges, and smaller Higher Education institutions	International
Maytas™	Vocational Learning	Vocational learning providers and large employers	UK
Human Edge™	Schools	Schools	Australia

In addition to the Group’s student management system portfolio, the Group also provides its k2 asset management system to the local government and education markets in the UK and New Zealand.

The Group’s systems have also been deployed in a number of other markets not listed here, however, Tribal’s penetration into these other markets is still at an early stage.

8. Education Market drivers

The markets for education provide in the geographical areas in which Tribal currently operates are changing. Student numbers continue to grow, especially in developing economies where there is an increasing need and demand for skills and knowledge, coupled with a growing population. Government spending on education remains a priority around the world, despite fiscal pressures. Governments' expectations of the quality and quantity of output by (usually publicly-funded) education providers continue to grow, while the introduction of student fees has increasingly turned students and their parents into discerning consumers.

The Board considers that there are three defining features which will drive behaviour in Tribal's education markets over the medium term: funding pressure; changing delivery models; and increased focus on student recruitment and retention. These features are particularly applicable in Higher Education and to a lesser extent in Vocational Learning and Schools, and especially in Tribal's existing geographic markets. Universities worldwide have experienced a four-decade rise in global demand, but are now facing a number of conflicting pressures to which they must respond, whilst colleges and schools are facing persistent fiscal pressure.

8.1 *Funding pressure*

Fiscal pressure is leading to decreased public funding. Governments are increasingly moving towards market-based models for the delivery of education, following the expectation that greater contestability and competition has the potential to deliver improvements in efficiency, innovation and choice. Deregulation is increasing private provision, and private providers (especially those which focus on delivering low cost subject areas) are at the forefront of technology innovations. Education managers need to reduce costs and operate efficiently, and to balance financial constraints against increasing expectations from funders and students. They must differentiate themselves from their competitors. It also means they may increasingly focus only on economically viable activities, compete for high value students, maintain the quality of teaching and have a clear view of their organisations' performance across a range of measures. They must also seek or increase alternative funding opportunities, such as upgrading alumni management and better research management. In effect, the needs of education managers are beginning to converge with the normal requirements of managers of commercial enterprises.

8.2 *Delivery models*

Disruptive technologies have emerged in recent years, such as Massive Online Open Courses ("MOOCs") and "Flipped Classrooms", which offer new teaching and learning methods that can be deployed across multiple media, bringing an increase in distance learning and the creation of the virtual campus. Students have far more choice in the components that make up a qualification, and institutions can collaborate to build courses which span education sectors or cross borders. Students increasingly want just-in-time learning to gain employment or a higher paying job. Institutions are increasing their online course offerings, expanding access to a wider student cohort, improving the student experience, enhancing the institution's social contribution through better dissemination of the institutions' intellectual capital, and ultimately driving the sustainability of the institution.

Education packages and curriculum planning have become far more complex. Institutions must demonstrate continual improvement, not only in their offer, but also in educational outcomes. There is also increasing automation of administrative processes.

8.3 *Student recruitment and retention*

In an increasingly globalised and competitive education market, optimising student recruitment and retention is key to institutions' standing and to their financial well-being, especially in Higher Education. Alongside increasingly demanding students and parents,

there is evidence of rising public scepticism in the value of a degree. Learners in the twenty-first century have greater choice, are empowered by technology's broad reach and act more like a consumer than a student. They are increasingly comparing products and selecting the best fit for their individualised needs, and they are increasingly seeing themselves as a learner-for-life. The concept of a "once-in-a-lifetime" education is diminishing.

Operationally for institutions, this is likely to mean using effective multi-channel marketing and recruitment tools, including student satisfaction as a marketing message and streamlining the admissions process. It also means focusing on the right candidates at an early stage, matching students to the right institutions and courses, and removing barriers for applicants.

Once students have joined an institution, the retention of (fee-paying) students throughout their entire course becomes imperative. Ensuring students remain content and successful during their course, as well as subsequently becoming an advocate for the institution when they leave, provides institutions with continuity of income and support for future income generation.

Institutions are responding by allowing students to better engage online through collaboration, connection and communication with their peers and the institution. Students expect flexible access to resources and services which they need to support their learning, regardless of the time or location, and institutions are therefore facilitating 24/7 online access, and an "anytime, anywhere, any device" approach to online engagement.

Students, behaving as customers, expect user-friendliness, simplicity and consistency in the online environment whilst studying. Institutions are seeking to provide common processes, move everything online where possible, orientate services in a highly customer focused manner, and make courses easy to plan and navigate.

Personalisation means students expect to be treated as individuals, and online interactions must provide a personalised digital workspace, with resources, services and learning plans relevant to the individual student's study requirements and well-being. All of this is driven by intelligent insights gathered about the student through their interactions with the institution.

9. How these trends affect Tribal's offerings

The likely effect of these trends, particularly on Tribal's software market, is to cause institutions to look for ways to reduce their total cost of ownership of student management systems and to improve the functional impact of their systems.

9.1 *Reducing total cost of ownership – Cloud and SaaS*

Institutions are looking for ways to reduce their total cost of ownership of technology, and a move towards using Cloud technology and Software-as-a-Service ("**SaaS**") is a way to do this. Analysts in the US student management system consider that business systems in Higher Education are at the beginning of a new technology lifecycle based on Cloud solutions¹. Increasing comfort with, and need for, Cloud-computing has begun to extend to the student management systems market, and Cloud-computing is increasingly being adopted across Higher Education and Vocational Learning in all key Tribal target markets.

The US has seen a clear shift towards adoption of Cloud-based, SaaS-licensed solutions, with Gartner forecasting that by 2017 at least 75% of new and replacement student management systems in the global Higher Education market will be SaaS or Cloud-based².

1 Tambellini Group report on Student Information Systems, US Higher Education Market Share, Trends and Leaders, dated April 2015

2 Page 2, Gartner Market Guide for Higher Education Student Information Systems, published 26 March 2015

The US has seen an average annual increase of 30% over the past two years. The majority of SIS procurements have selected cloud solutions. This trend is expected to continue in the future. Similarly, Australian universities' adoption of Cloud computing is predicted to increase at a compound annual growth rate of approximately 30% in the 5 years to 2018, while the number of UK universities looking to move to the Cloud is also predicted to grow.

9.2 ***Extending functionality***

The functional map of student management systems continues to change.

Education systems are no longer simply a way of recording data, or a workflow management tool which provides automation and rigour to the administration function. They have developed into systems that help engage with the customer (the student) throughout the entire student journey.

The aim of a system now is to assist in the enhancement of a student's well-being throughout the course, to enrich and broaden the experience beyond the academic curriculum, demonstrate value for money, and retain a student through to course completion. During that time, the system will track academic progress (potentially across more than one academic institution), interact seamlessly with different forms of learning (both physical and virtual), intervene to enhance the likelihood of success, and seek to guide resources in the most effective manner.

At the end of a course, a student management system will be expected to support the student's step from education into employment, and as the student moves through their working life the system will track and continue engagement with the alumnus.

9.3 ***Increasing use of analytics***

Whilst there is extensive availability of academic performance metrics across groupings of schools, colleges and universities, the deep use of analytics in education on a day-to-day basis within institutions is relatively immature compared to other industries such as healthcare and retail.

However, the benefits from effective use of analytics techniques are potentially significant, and analytics activity in education providers is growing. The link to improving student recruitment and retention is demonstrated by behaviour in US universities; in 2012, many US Higher Education institutions carried out some level of systematic analysis to predict outcomes or to support intervention strategies. Around 70% of these institutions applied these tools towards admissions and enrolments, with a smaller number (around 50%) bringing these techniques to bear on student progress and student learning.³

10. **Sources of competitive advantage**

The Group has developed a deep understanding of the education management world. Through a combination of education management knowledge and technology know-how, it has built a portfolio of market-leading education management systems and services. This proven technology delivers key business systems to educational institutions, and its rich functionality addresses multiple needs.

10.1 ***Market leading installed customer base***

Tribal's student management systems have a strong market position in their established geographic markets in the UK, Australia and New Zealand. The key elements of the Group's installed student management system customer base, which includes both customers which

3 Analytics in Higher Education, Educourse Centre for Applied Research

are using some or all of the functionality offered by Tribal's systems, provides a substantial reference base for prospective new customers, may be summarised as follows:

<i>Education sector</i>	<i>Regional market</i>	<i>Number of institutions in region</i>	<i>Tribal installed customer base</i>
Higher Education	UK	164	90, 55%
	Australia	41	15, 37%
	New Zealand	8	3, 38%
Vocational Learning –	UK	289	111, 38%
Further Education colleges	Australia	57	28, 49%
and similar, excluding	New Zealand	18	10, 55%
private training providers			
Schools	Australia	9,393	4,100, 44%

Note:

The customer base includes all schools and colleges covered by the SALM and TAFE Queensland contracts which are currently in delivery phase

10.2 ***Broad software product portfolio***

The Group offers a range of student management systems, capable of addressing diverse customer requirements. Tribal's portfolio includes streamlined schools student management systems through to systems which are functionally rich and able to be configured flexibly to accommodate the requirements of large complex universities.

Tribal's software can be deployed on-premise or in the Cloud, and includes both software with long-standing credibility as well as fresh technology being developed through our Tribal Campus and Human Edge businesses which have been designed from the outset for the Cloud and multi-tenancy.

10.3 ***Insight from long-standing customer relationships***

Long-standing customer relationships, particularly with key development partner universities and colleges for our software products, and the schools, colleges and universities to which Tribal provides performance improvement and quality assurance services, give the Group a deep insight into current and future needs of education markets throughout the English-speaking world. This informs and guides development of new software and services to meet Tribal's customers' future needs.

10.4 ***International delivery capabilities and track record***

Since 2011, the Group has successfully implemented a range of complex system deployments both in the UK and in international markets. These deployments cover large universities through to small schools, and include single site "on-premise" customer projects through to state-wide, multi-tenanted and Cloud-hosted systems. In particular, the SALM programme in which the Group has played an instrumental part for the New South Wales Department of Education is a complex Cloud-based education management system deployment with over 2,200 schools and 135 TAFE campuses involved in the solution roll-out. The Group's international delivery resources have matured considerably, and Tribal's successful delivery of major software deployment programmes demonstrates the Group's capabilities and track record.

11. **Strategy**

The Group's current strategy was established in early 2015, prior to the retirement of Keith Evans, the Group's former Chief Executive. Following the recent appointment of Ian Bowles as Chief Executive, a review of the current strategy will be undertaken, the conclusions of which will be presented to investors once that review is complete.

Notwithstanding the appointment of Ian Bowles as Chief Executive and his strategic review, the Directors consider that the themes set out below are likely to continue to feature strongly in the Group's future strategic direction:

- Continued extension and enhancement of Tribal's existing product portfolio;
- Embedding rich analytics functionality within Tribal's student management systems;
- Growing recurring and subscription-based revenues;
- Focused regional investment; and
- Cost reduction, efficiency and clear accountability.

The Directors expect that the new Chief Executive's review of the business will be completed during the summer of 2016, and that confirmation of the Group's strategy will be presented to Shareholders promptly thereafter.

11.1 *Continued extension of Tribal's existing product portfolio*

The Group will continue to enhance and extend its student management system portfolio for the benefit of both existing and future customers.

Tribal intends to focus on helping existing customers to derive optimal value from their historic investment with the Group. The Group's product roadmaps continue to extend the modular functionality its key products. Where customers wish to move their software into the Cloud, the Group is able to do so today, and will continue to enhance the capability of its software to take advantage of the benefits offered by Cloud hosting. Tribal's Transformation and Change Services have already begun to help long-standing customers refresh the way they use and benefit from the Group's software; the Group expects to continue to develop the capabilities of this part of its business. If existing customers wish to migrate, partially or wholly, to other Tribal software products, then it expects to provide efficient and cost-effective migration tools and support to enable them to do so.

Tribal's proposition to future customers will increasingly put Cloud-hosting options to the fore, whilst continuing to offer flexibility so that customers can benefit from the breadth of the Tribal software portfolio.

11.2 *Analytics integrated with Tribal's student management systems*

Student management systems, and the other business systems with which they interact, are repositories of valuable information which may be used by institutions to inform high quality decision-making. Tribal's software-based analytics offering, Student Insight, is increasingly linked to the Group's student management systems to enable customers to draw powerful and predictive insights from the data which resides within their business systems. Tribal is also working towards greater software-based deployment of the Group's i-graduate 'student barometer' (student experience analytics) product. The Board expects to continue to develop this functionality, and to enhance its integration with Tribal's student management system portfolio.

11.3 *Growing recurring and subscription-based revenues*

The Group will offer a mix of traditional (licence, implementation and maintenance) and SaaS based fees. Over time the Group will aim to increase its subscription and other recurring revenue streams, improving predictability and helping customers to benefit from more flexible charging structures.

11.4 **Focused regional investment**

Tribal has a substantial business in the UK, and has grown rapidly in Australia and New Zealand. Elsewhere, Tribal has established good initial customer relationships in North America, the Middle East and South East Asia. The Group will aim to consolidate these developments, working to ensure it has critical mass in its key markets, and avoiding distractions which can arise from opportunities in non-strategic regional markets. A partner strategy is being explored for potential future development in the US.

11.5 **Cost reduction, efficiency and clear accountability**

Tribal intends to streamline its cost base and is seeking to create greater flexibility. Tribal will simplify its organisational structure to bring accountability closer to the Group's customers and operations in each key region.

12. **Capital expenditure and investment**

The table below sets out capital expenditure investment undertaken in each of the three years ended 31 December 2015:

	<i>Capital expenditure (£'000s)</i>		
	<i>Year ended 31 December</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
Software product development	4,083	4,837	6,903
Replacement of IT systems	1,055	319	91
Enhancement of premises	1,679	1,345	1,552
	<u>6,817</u>	<u>6,501</u>	<u>8,546</u>

The Group significantly increased its investment in software product development as it sought to refresh and extend the capabilities of its product portfolio during the period. The replacement of IT systems relates to the renewal of the Group's CRM, project management and accounting systems.

13. **Current trading and prospects**

Outlook and current trading

The Company expects the wider market backdrop for education management systems and services to be stable in 2016.

While the timing of order completions and the achievement of major customer contract milestones remains difficult to predict, the Board believes that the Group is well positioned to participate in continuing international demand for student management systems and upgrades. The Group has secured a number of software and service contract wins in the early part of the current year, including a significant system upgrade programme with the University of Bristol and international quality assurance projects with the Abu Dhabi Education Council and the New York State Education Department. Discussions in relation to the TAFE Queensland contract are ongoing and it is uncertain as to whether any amounts will be received in respect of past or future work. No such revenues or cash receipts have been assumed to be received by the Group in its forecasts.

During the 2016 financial year the Board intends to simplify its operating model by significantly reducing our cost base and improving operational efficiency. While delivering long term benefits for the Group, actions to change our cost base are likely to result in restructuring costs during the year. The Group will focus on its core education market, and aim to improve sales and account management as well as contract and project management.

Given the factors described above, and after allowing for the effects of the disposal of Synergy, the Board now expect an improvement in the Group's underlying profitability during the 2016 financial year compared to 2015, and expects the Group's overall results for this year to be weighted strongly towards the second half of the year.

14. Dividends

The table below sets out details of the historic dividends declared and paid by the Company over the last three financial years, and shows the impact of the Rights Issue on the amount of the dividend per share that would have been paid had the Rights Issue already happened at the relevant time (assuming the same aggregate dividend was paid).

	<i>Dividend per Share (actual)</i>	<i>Dividend per Share had the Rights Issue already taken place</i>
Interim dividend 2015	0.70p	0.35p
Final dividend 2014	1.20p	0.60p
Interim dividend 2014	0.60p	0.30p
Final dividend 2013	1.10p	0.55p
Interim dividend 2013	0.50p	0.25p

PART VI

OPERATING AND FINANCIAL REVIEW OF TRIBAL

The operating and financial review should be read in conjunction with (i) the Group's audited historical consolidated financial information and (ii) the notes explaining the financial statements contained in the Annual Report and Accounts for the three years ended 31 December 2015, 31 December 2014 and 31 December 2013 which are incorporated by reference into this document.

Unless otherwise indicated, the selected financial information included in this Part VI has been extracted without material adjustment from the Group's audited historical consolidated financial statements for the three years ended 31 December 2015, 31 December 2014 and 31 December 2013.

1. Overview

The Group provides software and services that support the management of institutions which deliver education and training. Tribal works with universities, colleges and schools in the UK, Asia Pacific (Australia, New Zealand and South East Asia) and in other English-speaking markets including North America and the Middle East. It works with managers, administrators and senior academic staff to enhance the quality of education and experience their institutions offer to their students. Further details of the Group's business are set out in Part V (*Information on Tribal*) of this document.

2. Significant factors affecting the Group's results of operations

The Group's results of operations have been affected in the periods under review, and are expected to continue to be affected, by the following principal factors relating to its business and industry.

2.1 Major contract programmes

The Group has been engaged in the delivery of complex state-wide student management systems in Australia for the New South Wales, Queensland and Tasmanian governments. During the 2012 to 2014 financial years, significant resources were devoted to ensure good progress was made in delivering major projects, such as these. However, during the 2015 financial year, programme timelines on these major contracts were extended, primarily due to variations in customer objectives, resulting in the deferral of revenue, higher project delivery costs and delayed cash receipts. The scale of these programmes, and their importance to the Group, has contributed to strong profitability in earlier financial reporting periods, but has also absorbed significant resources and senior management time, which has distracted from other development efforts within the Group.

2.2 Changes in leadership

Keith Evans (the Group's former Chief Executive) announced his retirement from the business in May 2015. The absence of a permanent Chief Executive during much of the year has caused uncertainty within the Group's customer base and employees, which has adversely affected customer confidence as well as strategic and operational clarity within the business.

2.3 Customer procurement processes and contracting terms

The Group's customer base typically uses public tendering processes to procure new student management information systems and performance improvement services. Public tendering processes can extend over a long period of time and the ultimate timing and

potential success of the Group in a tender is difficult to predict. The Group's customers and prospective customers are also exploring in greater depth alternative software deployment models, with more prominence being given to Cloud-hosting and SaaS models. Tender requirements are also increasingly demonstrating a more cautious approach to commitment to major software licence drawdown until later in customer programmes.

As a result, during 2015, the Group has experienced increasing uncertainty in tender timelines and success rates, causing volatility as a result of increased costs and reduced revenues in the period.

2.4 Sales execution

During the course of 2015, the Group experienced loss of momentum in certain parts of its sales team's performance. The impact of this reduced momentum began to be felt particularly strongly during the course of the second half of the year. This resulted in unexpected losses of new customer bids (where previously win rates had been high). Reduced success in key software sales efforts has had a material impact on short term profitability due to the high margin generated by software licence revenues.

2.5 Product development

The Group has invested in its portfolio of student management systems. As a result of the current uncertainties affecting the business, the future benefits to be derived from some of these investments is unclear. As a result, certain investments (with a carrying value of £8m) in historical product development and enhancement have been written down in the period.

2.6 Competitor activity and new technology solutions

The education market is competitive, and the expectations of universities, colleges and schools continue to evolve. This has attracted the interest of new competitors in the period, particularly in the university market. The presence of new providers has introduced new uncertainties into competitive procurement processes, both extending procurement timelines as universities explore alternative options which may address their needs, and creating increased competitive pressure on the Group's offering during 2015.

2.7 Changes in Government policy and reduced Government funding

A significant part of the Group's business is secured through contracts with government bodies, or those funded by government. For example, during 2014, Ofsted notified the Group that it would not be renewing or extending one of its contracts (for the inspection of schools and colleges in the UK), and instead it would be transferring this work back into government. Elsewhere, the Group's Specialist Learning Solutions business provided services to Further Education colleges, which have experienced significant government funding uncertainty and reduced funding. As a result of reduced demand for these services, the Specialist Learning Solutions business was closed in October 2015. These changes have had a negative impact on the Group's revenues in 2015.

2.8 Seasonality

Over recent years, the Group has seen a strong bias towards customer contract completions in the second half of the year. This aligns with education institutions' return to the new academic year in September, and is prior to the summer/Christmas break in Australia and New Zealand. As a result, the Group has seen a proportion of customer decisions typically cluster around the year end, although completions can take place just before or after the year end. The timing of customer completions before or after the year end can and has affected short term reported profitability.

2.9 **Acquisitions**

The Group completed a number of bolt-on acquisitions in Australia in 2014 and 2015. These acquisitions, which are listed below, have increased the Group's critical mass in Australia and the breadth of its software portfolio:

- Sky Software, a provider of a Cloud-based vocational student management system based in Geelong, Australia;
- Human Edge, a provider of student management systems primarily to the Australian schools market based in Melbourne, Australia; and
- Callista, a provider of student management systems to the Australian university market based in Melbourne, Australia.

2.10 **Exchange rates**

The Group's reporting currency is Sterling. A number of its subsidiaries have different functional currencies, and as a result increases and decreases in the value of Sterling versus the currencies used by the Group's international operations will affect its reported results and the value of assets and liabilities on the consolidated balance sheet. Tribal's principal translation currency exposure is to the Australia Dollar.

3. **Basis of preparation of the financial information and comparison of line items**

3.1 **Segmental analysis**

The Group's four operating segments are its international divisions. The Group's software-related activities are comprised within the Product Development and Customer Services and Implementation Services divisions. The Group's service activities are contained within the Professional and Business Solutions and Quality Assurance Solutions divisions.

3.2 **Underlying performance measures and non-underlying items**

The Group's income statement and segmental analysis identify separately underlying ("adjusted") performance measures and non-underlying items. The Directors consider the adjusted performance measures to be a more accurate reflection of the ongoing trading performance of the Group and believe that these measures provide additional useful information for shareholders on the Group's performance and are consistent with how business performance is measured internally.

Adjusted performance measures comprise profits and losses incurred as part of the ongoing activities of the Group. Items excluded from the adjusted performance measures comprise trading results of businesses exited or to be exited, amortisation of acquired intangibles, net restructuring and impairment charges and other one-off, non-recurring items, profits or losses on sale of investments or businesses, fair value re-measurements of financial instruments and, where applicable, discontinued operations. Businesses exited or to be exited are those which do not meet the definition of discontinued operations as stipulated by IFRS 5.

Items excluded from underlying results can evolve from one financial year to the next depending on the nature of reorganisation or one-off type activities described above. A reconciliation of how adjusted results and other items reconciles to total results is shown on the face of the income statement of the Group incorporated by reference into Part XII (*Additional Information*) of this document.

3.3 **Accounting policies and other principles applicable to the financial information**

The principal accounting policies and other principles applied in the preparation of the financial information are set out in the historical financial information relating to the Group which is incorporated by reference into this document. These policies have been

consistently applied to all financial reporting periods being presented. The financial information has been prepared in accordance with IFRS as adopted by the EU, IFRS issued by the International Accounting Standards Board and those parts of the Act applicable to those companies reporting under IFRS, and have been prepared on a going concern basis. As explained in detail in paragraph 21 of Part I (*Letter from the Chairman of Tribal*) and the detailed going concern and viability statement included in the Group's Annual Report for the 2015 financial year, the Directors believe that the Group is well placed to manage its risks and have a reasonable expectation that adequate financial resources will continue to be available for the foreseeable future. On that basis, they have continued to adopt the going concern basis in preparing the Group's 2015 financial statements.

3.4 ***Explanation of line items in the income statement of Tribal Group***

The Group's key line items are described as follows:

3.4.1 *Revenue*

Revenue in relation to each segment is comprised as follows:

- Product Development and Customer Services comprises the sales of software licences, bespoke software development fees, maintenance fees on installed software products and hosting fees where the Group is hosting its software on behalf of customers;
- Implementation Services comprises fees arising from technical consultancy services provided to support customers' deployment and configuration of the Group's software;
- Professional and Business Solutions comprises service-related fees, typically arising on a long-term contract or short term fee basis; and
- Quality Assurance Solutions comprises mainly long-term contract revenues relating to multi-year service delivery arrangements.

3.4.2 *Operating profit*

Operating profit is defined as revenues minus the operating costs described below.

3.4.3 *Cost of sales*

Costs of sales include direct staff costs (representing software development and support teams, implementation consultants, contract delivery staff and associates engaged by the Group to support delivery projects), travel and subsistence costs incurred by direct staff, and licence fees payable in relation to intellectual property included in the Group's software products.

3.4.4 *Administrative expenses*

Administrative costs include indirect staff costs (representing staff in sales, marketing and support functions), property costs such as rent, rates, utilities and other related office costs, legal and professional costs, marketing costs, and bank charges. Central costs, which are presented within the segmental analysis of the Group's income statement, represent a proportion of administrative costs that relate to the Group's head office, board, group finance and other costs related to the operation of the group function. Where appropriate, impairment charges in relation to goodwill and other intangible fixed assets and restructuring costs are recorded within administrative expenses.

3.4.5 Investment income

Investment income represents interest earned on bank deposits and similar, and net interest receivable on retirement benefit obligations.

3.4.6 Other gains and losses

Other gains and losses includes items arising on the unwinding of a hedge accounting reserve.

3.4.7 Finance costs

Finance costs include interest incurred on overdrafts and loans and similar, the amortisation of loan arrangement fees and the unwinding of discounts on deferred contingent consideration arising from acquisitions.

3.4.8 Adjusted EBITDA

Adjusted EBITDA is defined as Adjusted operating profit (as defined in the "Presentation of Information" section of this document) but before deducting depreciation and amortisation of development costs and business systems.

4. Results of operations

4.1 Consolidated income statement

Set out below is a summary of the Group's results for the years ended 31 December 2013, 2014 and 2015:

Year ended	2015			2014			2013		
31 December	Adjusted	Other	Total	Adjusted	Other	Total	Adjusted	Other	Total
	£'000	items	£'000	£'000	items	£'000	£'000	items	£'000
Revenue	106,725	–	106,725	123,703	–	123,703	125,485	–	125,485
Cost of sales	(68,676)	–	(68,676)	(74,028)	–	(74,028)	(75,466)	–	(75,466)
Gross profit	38,049	–	38,049	49,675	–	49,675	50,019	–	50,019
Administrative expenses	(35,165)	(48,106)	(83,271)	(35,166)	(18,808)	(53,974)	(34,260)	(261)	(34,521)
Operating profit/(loss)	2,884	(48,106)	(45,222)	14,509	(18,808)	(4,299)	15,759	(261)	15,498
Investment income	49	–	49	58	–	58	37	–	37
Other gains and losses	–	–	–	–	–	–	–	(453)	(453)
Finance costs	(1,083)	(1,041)	(2,124)	(1,149)	(876)	(2,025)	(1,235)	(350)	(1,585)
Profit/(loss) before tax	1,850	(49,147)	(47,297)	13,418	(19,684)	(6,266)	14,561	(1,064)	13,497
Tax	(697)	2,558	1,861	(2,830)	1,348	(1,482)	(2,889)	169	(2,720)
Profit/(loss) for the year from continuing operations	1,153	(46,589)	(45,436)	10,588	(18,336)	(7,748)	11,672	(895)	10,777
Profit/(loss) after tax – discontinued operations	–	(80)	(80)	–	(196)	(196)	–	788	788
Profit/(loss) for the year	1,153	(46,669)	(45,516)	10,588	(18,532)	(7,944)	11,672	(107)	11,565

Further analysis and commentary on the consolidated trading performance of the Group is set out below, including commentary on each segment's results and information in relation to items outside the adjusted profit measures.

4.2 Segmental breakdown – revenue and adjusted operating profit

	Revenue (£'000s)			Adjusted Operating Profit (£000s)		
	Year ended 31 December					
	2015	2014	2013	2015	2014	2013
Product Development and Customer Services	46,131	49,675	42,162	2,023	11,192	11,984
Implementation Services	16,910	19,495	21,336	1,140	2,871	3,111
Professional and Business Solutions	13,771	20,377	24,754	229	515	2,047
Quality Assurance Solutions	30,482	34,621	37,684	2,900	4,039	3,750
Inter-divisional eliminations	(569)	(465)	(451)	–	–	–
Central costs	–	–	–	(3,408)	(4,108)	(5,133)
	<u>106,725</u>	<u>123,703</u>	<u>125,485</u>	<u>2,884</u>	<u>14,509</u>	<u>15,759</u>

Performance in the year ended 31 December 2013 continued a period of several years of good growth as the Group developed its software business and secured a range of significant software contracts for larger universities and state education providers. As the Group moved into 2014, overall trading performance weakened a little as the Group was coming to the end of an intensive period of growth and delivery on major software contracts in Australia. However, the year ending 31 December 2015 was a challenging period as the business was adversely affected in two key areas.

The business entered a period of uncertainty with leadership change following the retirement of its former Chief Executive in June 2015, and thereafter the business experienced a loss of sales momentum. The impact of this reduced momentum began to be felt particularly strongly during the course of the second half of the year, and included unexpected losses of new software customer bids. This reduced sales momentum had a material impact on short term profitability due to the high margin generated by software licence revenues.

In the same period, the Group faced significant operational challenges on two of its very large software contracts:

- the Student Administration and Learning Management (“**SALM**”) programme for the New South Wales Department of Education; and
- the TAFE Queensland contract.

In both cases, although for differing reasons, during the course of 2015 these contracts have undergone significant changes. As a result, related contract revenues slowed whilst, for reasons of continuity, project teams were retained. The period of revenue slowdown was difficult to predict, and proved to be longer than initially anticipated. The impact of much reduced revenues and limited cost mitigation had a material impact on profitability in 2015. Adjusted EBITDA reduced to £8.2m for the financial year 2015 compared to £19.7m in the financial year 2014 and £20.0m in the financial year 2013.

Further information in respect of each segment is set out below.

4.2.1 Segmental breakdown – Product Development and Customer Services

	Year ended 31 December (£'000s)		
	2015	2014	2013
License and development fees	14,203	21,820	21,669
Maintenance	30,296	24,542	18,802
Other	1,632	3,313	1,690
Revenue	<u>46,131</u>	<u>49,675</u>	<u>42,162</u>
of which:			
UK	58%	60%	67%
International	42%	40%	33%
	<u>100%</u>	<u>100%</u>	<u>100%</u>
Adjusted segment operating profit	<u>2,023</u>	<u>11,192</u>	<u>24,754</u>
<i>Adjusted operating profit margin</i>	<u>4%</u>	<u>23%</u>	<u>28%</u>
Capitalised product development expenditure	<u>4,083</u>	<u>4,837</u>	<u>6,903</u>

Revenue

Licence and development fee income was broadly flat from FY13 to FY14, as major software licence revenues from the SALM programme began to fall, but were replaced by significant new customer wins including the British Council, the University of South Africa, TAFE Queensland, Deakin University, the University of Alberta and Tasmania TAFE. Moving into FY15, the hiatus on the SALM programme has materially reduced software revenues arising from the programme to £1.4m (FY14: £4.4m; FY13: £8.2m). At the same time, whilst the Group has secured new university customers during FY15 including Hull University, Massey University and University of Technology Petronas, the level of new software licence revenues recognisable in the year has reduced compared to the prior year, and certain of these revenues have not yet become recognisable due to the implementation profile of the contracts on these programmes.

As a result of a review of the licencing arrangements of a number of Tribal's university customers, the Group agreed adjustments to licence fees totally £1.3m (FY14: £0.1m; FY13: £0.2m) relating to increases in the size of these universities' student populations.

The Group's recurring maintenance revenues have grown over the period. In FY14 maintenance income increased by 31% compared to that in FY13, with the benefit of the SALM programme having been installed and gone live and the inclusion of maintenance revenues within Human Edge, allied to the incremental contribution of new customer wins as identified above. Into FY15, 23% growth in maintenance revenues was generated through uplifts in the maintenance base from new customer wins, and through the full year contribution of Human Edge and the contribution of Callista for part of the year, each of which brought well established installed customer bases to the Group.

SALM programme development

In the SALM project, Tribal's software is now operational across all 138 Technical and Further Education ("TAFE") campuses in New South Wales, and is being introduced progressively across New South Wales' school network. In April 2015, the Group embarked on a major renegotiation and restructuring of the contract, which led to a considerable slow-down in activity. The Group chose to keep its team of UK developers together, having spent three years working on SALM, and also the local implementation team. This was important to retain project knowledge and

relationships, and also to be able to swiftly re-mobilise engagement with the programme after the renegotiation.

Negotiations were initially anticipated to take two months but continued for six months, and the contract renegotiation was successfully concluded in early October 2015. During the renegotiations the Group earned no significant revenue and received no new orders. Since October 2015, activity levels have recovered, but revenue has been lower as new work orders associated with the programme had in some cases not been committed as at 31 December 2015.

Total revenues in this division relating to the SALM programme were £5.3m in FY15 (FY14: £8.4m; FY13: £9.5m).

TAFE Queensland programme

During late 2014, the Group entered into a contract to provide a Cloud-based student management system to support all 48 TAFE campuses in Queensland. Due to changes in the scope of the customer's programme the Group incurred additional costs during 2015. The Group continued to work with its customer to support their revised plans, and is in discussions with the customer in relation to this contract. However, as at 31 December 2015, uncertainty relating to this project meant that expected revenue in excess of £2.4m relating to work done during FY15 was not recognised and/or was provided for, whilst expensing the costs of this work in FY15. In addition, provisions of £0.5m were made against certain developments made to the Tribal Campus product in relation to wider Further Education market opportunities. These deferrals and provisions together reduced segmental profit by £2.9m in FY15.

Contribution of acquired businesses

The Group's more recently acquired software businesses are included in this segment. Sky Software (now Tribal Campus) was acquired in March 2014 and Human Edge in June 2014. In FY14, revenues generated by Sky Software and Human Edge, which were acquired in 2014, were £7.7m. These revenues include £1.1m of implementation revenues which are included in this segment.

Callista was acquired in March 2015. Revenues generated by Callista in FY15 since acquisition were £6.3m.

Operating margin

Divisional operating margins reduced from 28% to 23% from FY13 to FY14. Operating margins were influenced by a number of key trends. As software has been deployed in a number of geographies and, on a range of major customer programmes, the Group increased its support resources, holding back margins in FY14. In relation to the SALM programme, the timing of software licence drawdowns by the Department of Education in New South Wales led to an enhancement to short-term profit in 2013 compared to 2014. Finally, amortisation charges relating to capitalised software development costs relating to the Group's recent focus on development investment increased by 43% to £3.3m excluding impairment charges.

Divisional operating margins reduced further in FY15 to 4% as a result of the reduced new customer wins and larger contract challenges including those described above.

Investment in product development

The Group continued to invest in products over the period in line with its development roadmaps. In the light of uncertainties affecting the Group as at 31 December 2015, the Group has recorded impairments charges of £8m against investments made over previous years.

4.2.2 Segmental breakdown – Implementation Services

	Year ended 31 December (£'000s)		
	2015	2014	2013
Revenue	16,910	19,495	21,336
of which:			
UK	54%	45%	40%
International	46%	55%	60%
	100%	100%	100%
Adjusted segment operating profit	1,140	2,871	3,111
Adjusted operating profit margin	7%	15%	15%

Implementation services relating to the SALM programme fell significantly in FY15 to £1.8m (FY14: £5.7m; FY13: £9.2m). Whilst in FY14 implementation activities with other customers had grown to offset the lower level of SALM work in that period compared to FY13, this was not the case in FY15 where activity levels related to new university customer wins were insufficient to offset much reduced SALM implementation revenues in the period.

Whilst operating margins remained constant at 15% year-on-year between FY13 and FY14, margins were reduced during FY15 particularly as a result of the slowdown in work on the SALM programme and the non-recognition and/or provision in respect of revenue on the TAFE Queensland programme.

4.2.3 Segmental breakdown – Professional and Business Solutions

	Year ended 31 December (£000s)		
	2015	2014	2013
Revenue	13,771	20,377	24,754
Of which:			
UK	88%	96%	92%
International	12%	4%	8%
	100%	100%	100%
Adjusted segment operating profit	229	515	2,047
Adjusted operating profit margin	2%	3%	8%

The Group's Professional and Business Solutions activities have increasingly focused on those core skills and tools that closely related to the Group's student management systems. These activities, which are increasingly integrated with the Group's software offerings, have developed positively over the period from FY13 to FY15.

Activity levels in areas which do not offer the potential to complement and enhance the student management systems business have been reduced. Tribal has now withdrawn from its work in careers advice and guidance for the National Offender Management Service as the Company's contracts in this area expired in FY14; subsequently the Group's Specialist Learning Solutions business was closed in October 2015.

4.2.4 Segmental breakdown – Quality Assurance Solutions

	Year ended 31 December (£000s)		
	2015	2014	2013
Revenue	30,482	34,621	37,684
Of which:			
UK	80%	84%	89%
International	20%	16%	11%
	100%	100%	100%
Adjusted segment operating profit	2,900	4,039	3,750
Adjusted operating profit margin	10%	12%	10%

Tribal's Quality Assurance Solutions include substantial contract activity on behalf of Ofsted, although over time the scale of these activities has reduced as Ofsted is progressively bringing this work back inside Government. Total revenues relating to work on behalf of Ofsted in FY15 were £19.6m (FY14: £23.2m; FY13: £26.4m). The Group's school inspection contract for Ofsted expired in August 2015, and contributed revenues in FY15 of £8.4m (FY14: £13.6m; FY13: £15.2m), while the Group's Early Years inspections contract for Ofsted gave rise to revenues of £11.2m in FY15 (FY14: £9.6m; FY13: £11.2m) and was extended potentially to March 2017 with effect from September 2015.

The Group's complementary work in the US and Middle East has continued in line with its expectations. In November 2015 Tribal's contract with the Abu Dhabi Education Council was renewed for two further years and in December 2015 the Group's contract with the New York State Education Department was extended until July 2017.

4.3 Items excluded from adjusted profit figures

As explained at paragraph 3.2 above, the Group's income statement identifies separately underlying ("adjusted") performance measures and non-underlying items. The following sets out those items which have been excluded from the adjusted profit measures in the three years ended 31 December 2015.

	Year ended 31 December (£000s)		
	2015	2014	2013
Adjusted profit before tax	1,850	13,418	14,561
Operating loss from closed businesses	–	(100)	(93)
Other costs excluded from adjusted profit:			
Onerous contracts (associated with property relocation)	294	(788)	–
Property related	210	(543)	117
Gain on bargain purchase	405	–	–
Acquisition-related expenses	(198)	(397)	(54)
Movement in deferred consideration	1,020	228	–
Business unit closure costs	(823)	–	–
Strategy review and executive recruitment costs	(537)	–	–
Impairment of goodwill	(38,802)	(12,849)	–
Impairment of development costs	(7,989)	(2,630)	–
Amortisation of IFRS 3 intangibles	(1,686)	(1,729)	(231)
	(48,106)	(18,808)	(261)

	<i>Year ended 31 December (£000s)</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
Interest rate hedge instrument	–	–	(453)
Fees associated with covenant waiver	(456)	–	–
Unwind of discount on deferred contingent consideration	(585)	(876)	(350)
	<u>(49,147)</u>	<u>(19,684)</u>	<u>(1,064)</u>
Statutory (loss)/profit before tax	<u>(47,297)</u>	<u>(6,266)</u>	<u>13,497</u>

Property relocation

During FY14, the Group relocated its Head Office to more suitable premises. In doing so, it secured a significant incentive to enter into the lease of the new premises, the cash value of which offset the costs of exiting the previous premises. The accounting charge of £0.5m relates to the onerous lease cost of the previous premises, and will be offset by credits related to the receipt of the incentive for the new premises over time. In the year ending 31 December 2015, a credit arises on the amortisation of the related incentive.

Strategy review and executive recruitment costs

Following Keith Evans' retirement in the first half of 2015, a search was undertaken to identify his successor leading to the appointment of Ian Bowles in February 2016. Alongside this replacement process, the Board has undertaken a review of aspects of the Group's strategy. Costs arising from these activities have been excluded from the underlying profits in the year ending 31 December 2015.

Impairment of goodwill

As a result of Ofsted's decision to bring its schools inspection activities in house, the Group recorded a £9.2m impairment to the related goodwill carrying value at the end of FY14. As the Group commenced re-structuring of the Professional and Business Solutions division a further goodwill impairment charge of £3.7m was recorded in FY14, bringing the total impairment to £12.8m in the year. As the Ofsted contracts are expiring, as the Professional and Business Solutions division has been further restructured during FY15, and in light of the challenges faced by the Group during FY15, a further goodwill impairment charge of £38.8m was recorded in FY15.

Impairment of development costs and related provisions

The acquisitions of Sky Software and Human Edge brought significant new software and intellectual property into the Group. After assessment of areas of overlap between existing products and those owned by acquired businesses, the Group determined that future investment should focus on certain areas and cease in others. As a result, a number of products were retired from the portfolio, and the carrying value of these assets was written down in FY14. Where there were additional costs associated with the withdrawal of those products, provisions were recorded as appropriate.

The Group continued to invest in its portfolio of student management systems during FY15. However, as a result of the uncertainties affecting the business during the year and in the near term, the future benefits of certain of these investments is unclear. As a result, investments in product development and enhancement with a value of £8m have been written down in FY15. Impairment charges arose across the product portfolio, but focussed particularly on enhancements to the ebs product which may now be superseded by the development of the Tribal Campus product, and the k2 asset management system and the Synergy EIS product, which remain key products but for which forecast revenues are now lower than previously expected.

Amortisation of IFRS 3 intangibles

The amortisation charge in relation to IFRS 3 intangible assets arose from separately identifiable assets recognised as part of the Group's acquisition programme, principally in relation to the software and customer relationships in the respective businesses at completion.

Unwind of discount on deferred contingent consideration

The adjustment to deferred consideration represents changes in expectations of total deferred contingent consideration payments in respect of the acquisition of i-graduate and Sky Software (now renamed Tribal Campus) based on the Directors' forecasts of expected performance over the earn out period at the relevant balance sheet dates. There is also an income statement charge arising from the unwinding of the discount applied to the deferred contingent consideration on the acquisition of i-graduate and Sky Software, reflecting the fact that these payments are expected to be made over a number of years.

4.4 Discontinued activities

	<i>Year ended 31 December (£000s)</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
Profit attributable to Health and Government	–	74	242
Profit attributable to Kindred	–	(9)	318
Profit attributable to Resourcing	–	115	413
Loss attributable to Nightingale Associates	(80)	(361)	(131)
Attributable tax (charge)/credit	–	16	(54)
Net (loss)/profit attributable to discontinued operations	<u>(80)</u>	<u>(165)</u>	<u>788</u>

The Group's major disposal programme, which was initiated in 2010, was completed in 2011. Since completion of the disposals, certain deferred consideration payments have continued to be receivable. The Group also undertook a programme to mitigate residual property lease obligations which remained with the Group. In these respects, the Group recovered significant portions of the receivable amounts by disposing of residual property and in securing deferred contingent consideration in excess of our previous expectations. In one instance, residual litigation (for which the Group had a remaining liability) within the disposed business necessitated an increased provision (provision increased in FY14, and settled in FY15) to cover potential costs to the extent that they are not fully addressed by insurance arrangements.

4.5 Net finance costs

	<i>Year ended 31 December (£'000s)</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
Investment income	(49)	(58)	(37)
Interest payable on bank loans and overdrafts	695	510	493
Other interest payable	116	62	256
Amortisation and write-off of loan arrangement fees	272	577	486
Adjusted finance costs (net)	<u>1,034</u>	<u>1,091</u>	<u>1,198</u>
Interest rate hedge instrument	–	–	453
Unwind of discount on deferred contingent consideration	585	876	350
Fees associated with covenant waiver	456	–	–
Total financing costs (net)	<u>2,075</u>	<u>1,967</u>	<u>2,001</u>

Overall net finance costs were impacted between FY13 and FY15 due to higher other finance charges, including in particular the unwinding of the discount on the i-graduate and Sky Software deferred contingent consideration. Unwinding of the discount in this respect in FY15 was £0.6m (FY14: £0.9m; FY13: £0.4m).

4.6 Tax

The corporation tax charge on adjusted continuing operations in FY15 was £0.7m (FY14: £2.8m; FY13: £2.9m), and the adjusted effective tax rate was 38% (FY14: 21%; FY13: 20%). This includes the impact of higher rates of taxation arising in overseas jurisdictions, as well as a conservative position in respect of overseas tax losses and transfer pricing, given the Group's performance in the year.

As the Group continues to grow its activities in international jurisdictions which typically operate with a higher rate of corporation tax, it is anticipated that the tax charge on profits in the near to medium-term future is likely to be higher than the standard UK corporation tax rate.

The total tax charge of £1.5m in 2014 includes a deferred tax credit of £1.0m which largely relates to the unwinding of deferred tax liabilities arising on acquisitions in respect of IFRS 3 intangible balances and share scheme credits. The total current tax charge in 2014 of £2.5m largely relates to overseas profit, reflecting the impairments in the UK in the year.

In 2015, the total tax credit of £1.9m includes a credit of £0.3m in respect of previous periods, but offset by the impact of goodwill impairments, which are not deductible for tax purposes.

5. Critical accounting estimates and assumptions

In applying the Group's accounting policies, the Directors must make the following judgements that have the most significant effect on the amounts recognised in the financial statements.

5.1 Revenue recognition

Application of the Group's revenue recognition policies requires judgement in some cases, particularly in relation to significant software delivery programmes international, to determine the most appropriate measure of the fair value and the timing of revenue and profit recognition related to the services and products that have been delivered to customers at the balance sheet date.

Judgement is also required in the assessment of the risk of recoverability of any associated receivables and accrued income where invoicing and/or payment is subject to certain future milestones. Programme delivery requirements, software specification and customer expectations may evolve during the course of these major projects. This may result in developments to ongoing commercial arrangements that could materially impact the basis of financial judgements made at a period end. Therefore the potential impact of these evolving obligations and the overall customer project status must be considered carefully and where appropriate reflected in accounting judgements.

5.2 Goodwill and other intangible assets

Goodwill is required to be valued annually to assess the requirement for potential impairment. Other assets are assessed on an on-going basis to determine whether circumstances exist that could lead to the conclusion that the net book value of such assets is not supportable. Such calculations require judgement relating to the appropriate discount factors and long-term growth prevalent in a particular market as well as short and medium term business plans. In assessing impairment of intangible assets and property, plant & equipment, discounted cash flow methods are used.

5.3 **Share-based payments**

The Group has issued certain employees with share-based incentives which vest based on cumulative three-year EPS targets. Judgement is required to determine the expected future EPS which drives the level of charge made in respect of the incentives.

5.4 **Acquisition accounting**

The Group has completed acquisitions with an element of the consideration being deferred and contingent of the future performance of the acquired business. Judgement is required to estimate the expected probability of the acquired business over the performance period, which determines the level of provision for deferred contingent consideration required. As part of the accounting for acquisitions judgement is also required to identify the fair value of intangible assets relating to software, and customer contracts and relationships.

5.5 **Defined benefit pension schemes**

The surplus or deficit in a UK defined benefit pension scheme that is recognised through the consolidated statement of comprehensive income and expense is subject to a number of assumptions and uncertainties. The calculated liabilities of the scheme are based on assumptions regarding salary increases, inflation rates, discount rates and member longevity. Such assumptions are based on actuarial advice and are benchmarked against similar pension schemes.

5.6 **Taxation**

The Group recognises liabilities for anticipated taxes due based on the best information available and where the anticipated liability is probable and estimable. Where the final outcome of such matters differs from the amounts initially recorded, any differences will impact the income tax and deferred tax provisions in the year to which such determination is made. Where the potential liabilities are considered remote, the amount at risk is not disclosed.

Deferred tax is recognised on taxable losses based on the expected ability to utilise such losses. This ability takes account of the business plans for the relevant companies, potential uncertainties around the longer term aspects of these business plans, any expiry of taxable benefits and potential future volatility in the local tax regimes.

6. **Capital resources and liquidity**

6.1 **Analysis of net funds/(debt)**

	Year ended 31 December (£'000s)		
	2015	2014	2013
Cash at bank and in hand	3,896	9,345	7,555
Overdraft	(2,160)	–	–
Syndicated bank facility (net of bank arrangement fees)	(34,207)	(21,023)	(12,114)
Net debt	(32,471)	(11,678)	(4,559)

Group net debt increased to £32.5m from £11.7m at 31 December 2014, and from £4.6m at 31 December 2013. The increase was primarily as a result of acquisition-related payments, and significant adverse working capital movements during FY15.

As at 31 December 2015, cash at bank and in hand included restricted advance cash receipts in relation to customer programmes of £0.2m (31 December 2014: £6.6m; 31 December 2013: £4.8m).

6.2 Cash flow analysis

	Year ended 31 December (£'000s)		
	2015	2014	2013
Net cash from operating activities before tax and before other cash flows	(4,119)	22,254	20,743
Capital expenditure (net)	(1,679)	(1,345)	(1,552)
Capital expenditure on software product development and business systems	(5,138)	(5,156)	(6,994)
Operating cash flow from underlying operations after capital expenditure before other cash flows	(10,936)	15,753	12,197
Other cash flows	(390)	(1)	(375)
Operating cash flow from underlying operations after capital expenditure	(11,326)	15,752	11,822
Operating cash flow from discontinued operations after capital expenditure	(80)	34	446
Net interest	(762)	(513)	(633)
Tax	(1,827)	(2,571)	(2,168)
Free cash flow	(13,995)	12,702	9,467
Acquisitions and deferred consideration	(4,510)	(15,100)	(2,521)
Disposal of discontinued operations	–	321	638
Dividends paid	(1,794)	(1,587)	(1,260)
Financing	12,912	5,619	(6,647)
Effect of foreign exchange rate changes	(222)	(165)	(546)
(Decrease)/increase in cash and cash equivalents in year	(7,609)	1,790	(869)

Operating cash flow

During 2014, the Group's underlying activities generated strong operating cash flows after capital expenditure, but before other cash costs, of £15.8m (FY13: £12.2m), with cash conversion of 109% (FY13: 77%). The Group's strong cash collection profile in FY14 included significant milestone receipts relating in part to work on to the SALM programme during 2013.

In 2015, the Group's underlying activities experienced significant adverse working capital movements. At the start of the year, the Group anticipated certain negative working capital movements associated with contracted changes to payment schedules in relation to its Ofsted contracts, and the forthcoming expiry of a non-core contract associated with which £6.6m of advance cash receipts were recorded at 31 December 2014. Additional key negative working capital movements arose associated with the SALM contract renegotiation, where despite contractual completion in early October 2015, significant cash receipts associated with the Group's historical delivery remained outstanding at 31 December 2015. Since the end of the year, all outstanding invoices relating to the SALM programme have been settled. Alongside the SALM contract working capital position, cash receipts expected in FY15 in respect of the TAFE Queensland contract were not received. Discussions in relation to this contract are ongoing and it is uncertain as to whether any amounts will be received in respect of past or future work. No such revenues or cash receipts have been assumed to be received by the Group in its forecasts.

Capital expenditure

Capital expenditure totalled £6.8m (FY14: £6.5m; FY13: £8.6m), comprising £4.1m (FY14: £4.8m; FY13: £6.9m) on software product development, and £2.7m (FY14: £1.3m; FY13: £1.6m) on enhancements to office premises and replacement of IT systems and equipment.

Net other cash flows

Net other cash flows in FY15 of £0.4m primarily relate to costs associated with acquisition costs. Net other cash flows were minimal during FY14, however included within this amount are other inflows of £0.7m related to our relocation of head office as previously explained and also other outflows of £0.7m including costs associated with acquisition activity and withdrawal of products from the market following product portfolio rationalisations. Other cash flows in FY13 related to onerous lease costs and acquisition related expenses.

Acquisitions and deferred consideration

Cash payments in relation to acquisitions were comprised as follows.

	<i>Year ended 31 December (£000s)</i>		
	<i>2015</i>	<i>2014</i>	<i>2013</i>
Acquisition of i-graduate	–	2,858	2,521
Acquisition of Sky Software (now renamed Tribal Campus)	5,592	1,082	–
Acquisition of Human Edge	–	11,160	–
Acquisition of Callista	737	–	–
Cash acquired with acquisitions	(1,819)	–	–
	<u>4,510</u>	<u>15,100</u>	<u>2,521</u>

7. Treasury policies and objectives

Treasury operates within documented policies approved by the Tribal Board and manages, *inter alia*, foreign exchange and interest rate exposures, funding and cash needs and banking relationships. Foreign exchange exposures are hedged with appropriate instruments as these risks arise. With funding and liquidity, forecasts are reviewed regularly to ensure that the required level of committed facilities are available to meet the Group's funding needs as they fall due. Credit exposure is managed by continuous monitoring including reviews of the credit quality of counterparties and limits placed on individual credit exposures.

8. Funding arrangements

On 28 January 2014, the Group entered into the Facility Agreement with Lloyds Banking Group, HSBC and Clydesdale Bank (collectively the "**Banks**"). This banking facility is committed until June 2018, subject to compliance with covenants. Under the terms of the facility, £50m is available under a revolving credit facility of which £5m is available as an overdraft facility. Pursuant to an agreement reached on 21 December 2015 the Banks agreed to waive the financial covenant tests which would otherwise have been applicable under the Facility Agreement on 31 December 2015. Further details of the Facility Agreement are summarised in paragraph 6.7 of Part XII (*Additional Information*).

In addition to the Facility, the Group has arranged bilateral bank guarantee facilities with HSBC and Lloyds Banking Group of £9.7m as at 31 December 2015.

9. Returns to shareholders

The Directors have pursued a progressive dividend policy over the period of FY13 to date, although the Directors considered during that time that it was in the Group's best interest

generally to retain cash generated from operations for reinvestment in the development of the business. As a result, the Group has generally maintained a high level of dividend cover in the period until FY15. A full year dividend of 1.60p was declared in relation to FY13, which was covered 7.8 times, and a full year dividend of 1.80p was declared in relation to FY14, which was 6.3 times covered. At the half year for FY15, the Group declared a dividend of 0.70p, which was 2.3 times covered.

However, the Directors have determined that it is not appropriate, in the context of the Rights Issue, to declare a final dividend in respect of the 2015 financial year. However, the Company expects to resume its progressive dividend policy in due course once it is justifiable to do so in the context of better financial performance.

PART VII

CAPITALISATION AND INDEBTEDNESS

The following tables show the capitalisation of Tribal and the consolidated indebtedness of the Group as at 31 December 2015. The figures for capitalisation have been extracted without material adjustment from Tribal's consolidated, audited financial statements which are incorporated by reference into this document.

	£'000
Total current debt	
Overdraft	2,160
Contingent deferred consideration payable within one year	1,223
Deferred consideration payable within one year	1,403
Total non-current debt (excluding current portion of long-term debt)	
Contingent deferred consideration payable in more than one year	1,194
Deferred consideration payable in more than one year	897
Unguaranteed/Unsecured bank loans	34,207
Shareholders' equity	
Share capital	4,743
Share premium	21
Other reserves	20,503
Total capitalisation and indebtedness	66,351
Cash	3,896
Overdraft	(2,160)
Contingent deferred consideration payable within one year	(1,223)
Deferred consideration payable within one year	(1,403)
Total current debt	(4,786)
Contingent deferred consideration payable in more than one year	(1,194)
Deferred consideration payable in more than one year	(897)
Non-current bank loans	(34,207)
Total non-current debt (excluding current portion of long term debt)	(36,298)
Net financial indebtedness	(37,188)

Notes:

1. Capital and reserves do not include consolidated retained losses of £19,107,000 as at 31 December 2015.
2. Contingent deferred consideration is contingent upon the performance of acquired entities, with the amounts shown above reflecting the Company's best estimate of the profitability of those entities and the resultant payments due under the terms of the relevant Sale and Purchase Agreements. The amount by which the maximum amount which could be payable exceeds the amounts shown above is £1.0m.

PART VIII

FINANCIAL INFORMATION ON THE SYNERGY BUSINESS

The following financial information relating to the Synergy business has been extracted from the Group's accounting records as Synergy has not previously been a separately reported business unit. In preparing the information relating to it, as shown in the table below, it has been necessary to reanalyse the general ledger and other accounting records for the Group's subsidiary company, Tribal Education Limited, in which the Synergy business resides. This has also entailed the allocation of certain costs and balances between Synergy and the other businesses within that subsidiary and the Group as a whole. Such allocations provide a reasonable basis for the presentation of the financial information for the Synergy business to enable shareholders to make a fully informed voting decision.

The financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS"). Whilst Tribal Education Limited prepares its financial statements in accordance with UK GAAP, the financial information presented below is in accordance with IFRS. Shareholders should read the whole of this document and not rely on the summarised financial information contained in this section. The financial information contained in this Part VIII does not constitute statutory accounts within the meaning of Section 434 of the Act. The auditors' reports in respect of the statutory accounts of the Group for the three years ended 31 December 2015 were unqualified and did not contain statements under Section 498 of the Act. The consolidated statutory accounts of the Group in respect of the two years ended 31 December 2014 have been delivered to the Registrar of Companies. The consolidated statutory accounts of the Group in respect of the year ended 31 December 2015 have not yet been filed with the Registrar of Companies.

Deloitte LLP were the auditors for the Group in respect of the three years ended 31 December 2015.

1. Income statement

The historical income statements for the Synergy business, for the three years ended 31 December 2015, were as follows:

	Year ended 31 December 2015 £m	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Revenue	6.3	6.6	5.8
Cost of sales	(2.8)	(2.5)	(1.9)
Gross profit	3.5	4.1	3.9
Other administrative expenses	(0.8)	(0.9)	(0.8)
Operating profit after other administrative expenses but before exceptional administrative expenses, amortisation of IFRS3 intangibles and goodwill impairment	2.7	3.2	3.1
Exceptional administrative expenses	(1.0)	—	—
Total administrative expenses	(1.8)	(0.9)	(0.8)
Operating profit	1.7	3.2	3.1
Finance costs	—	—	—
Profit before tax	1.7	3.2	3.1
Tax	(0.5)	(0.7)	(0.7)
Profit for the year	1.2	2.5	2.4

Notes:

1. Included in administrative expenses are allocations of costs relating to centrally administered functions such as Sales, Property and Management. There has been no allocation of other central and head office costs on the basis that none of the services relating to these areas, which include IT services, HR, finance, legal, marketing and head office costs, are transferring with the Synergy business.
2. The Tribal Group tax charge has been allocated to the Synergy business by applying the effective tax rate for the applicable part of the Group for the applicable financial year to the profit before tax (excluding the exceptional administrative expenses in 2015 as these are not tax deductible).

The historical statement of net assets for the Synergy business, as at 31 December 2015, was as follows:

<i>Summary of assets and liabilities</i>	<i>£m</i>
Non-current assets	
Goodwill	19.1
Other intangible assets	0.5
Property, plant and equipment	0.2
	<hr/> 19.8
Current assets	
Trade and other receivables	1.4
Cash and cash equivalents	–
	<hr/> 1.4
Total assets	<hr/> 21.2
Current liabilities	
Trade and other payables	(0.2)
Accruals	(0.2)
Deferred income	(2.4)
Corporation tax liability	(0.5)
Total liabilities	<hr/> (3.3)
Net assets	<hr/> 17.9

Notes:

The historical statement of net assets for the Synergy business at 31 December 2015 has been compiled on the following basis:

- (i) The goodwill represents the amount allocated to the Synergy business from the wider PD & CS and Implementation Services divisions, and includes £6.1m arising on the original acquisition of the Synergy business.
- (ii) Property, plant and equipment includes an allocation of the property related assets which are occupied along with other parts of the Tribal Group.
- (iii) The Synergy business' share of the Group's tax liabilities have been allocated in line with the revenues and costs of the business giving rise to those liabilities.

PART IX

UNAUDITED PRO FORMA INFORMATION

SECTION A: UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited consolidated pro forma income statement and unaudited pro forma statement of net assets have been prepared in a manner consistent with the accounting policies adopted in preparing the financial information as at 31 December 2015 and for the three years ended 31 December 2015 as incorporated by reference in paragraph 18 of Part XII (*Additional information*) of this document, on the basis set out in the notes below and in accordance with the requirements of Listing Rule 13.3.3R and Annex I item 20.2 and Annex II items 1 to 6 of the Prospectus Directive.

The unaudited pro forma income statement has been prepared to illustrate the effect on the earnings of the Group as if the Disposal and the Rights Issue had taken place on 1 January 2015. The unaudited consolidated pro forma statement of net assets of the Group has been prepared to illustrate the effect on the net assets of the Group, if the Disposal and the Rights Issue as if they had taken place as at 31 December 2015.

The unaudited consolidated pro forma financial information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results.

The unaudited pro forma statement of net assets does not constitute statutory accounts within the meaning of section 434 of the Act.

No account has been taken of the trading of the Group since 31 December 2015.

Shareholders should read the whole of this document and not rely solely on summarised information contained in this Part IX.

1. Unaudited pro forma income statement of the Group

	<i>Group</i> <i>31 Dec 2015</i> <i>£m</i> <i>Note (i)</i>	<i>Adjustments</i>		<i>Pro forma</i> <i>Continuing</i> <i>Group</i> <i>31 Dec 2015</i> <i>£m</i>
		<i>Synergy</i> <i>Business</i> <i>31 Dec 2015</i> <i>£m</i> <i>Note (ii)</i>	<i>Finance</i> <i>costs</i> <i>31 Dec 2015</i> <i>£m</i> <i>Note (iii)</i>	
Revenue	106.7	(6.3)	–	100.4
Cost of sales	(68.7)	2.8	–	(65.9)
Gross profit	38.0	(3.5)	–	34.5
Other administrative expenses	(35.1)	0.8	–	(34.3)
Operating profit after other administrative expenses but before 'exceptional' administrative expenses including, amortisation of IFRS3 intangibles and goodwill and development cost impairment	2.9	(2.7)	–	0.2
Exceptional administrative expenses	(48.1)	1.0	–	(47.1)
Total administrative expenses	(83.2)	1.8	–	(81.4)
Operating profit/loss	(45.2)	(1.7)	–	(46.9)
Finance costs	(2.1)	–	1.0	(1.1)
Profit/loss before tax	(47.3)	(1.7)	1.0	(48.0)
Tax	1.9	0.5	–	2.4
Profit/loss for the year	(45.4)	(1.2)	1.0	(45.6)

Notes

The unaudited pro forma income statement for the year ended 31 December 2015 has been compiled on the following basis:

- i. The income statement for the Group for the year ended 31 December 2015 has been extracted without material adjustment from the audited consolidated income statement of the Group.
- ii. The income statement for the Synergy business has been extracted without material adjustment from the unaudited financial information set out in Part VIII (*Financial information on the Synergy business*) of this document.
- iii. This adjustment relates to the elimination of finance costs as a result of the reduction in bank loans as if the proceeds from the Disposal and Rights Issue had been received on 1 January 2015.

2. Unaudited pro forma statement of net assets of the Group

	Group 31 Dec 2015 £m Note (i)	Adjustments			Pro forma Continuing Group 31 Dec 2015 £m
		Synergy Business 31 Dec 2015 £m Note (ii)	Transaction adjustments £m Note (iii)	Other adjustments £m Note (iv)	
Non-current assets					
Goodwill	38.3	(19.1)	—	—	19.2
Other intangible assets	14.8	(0.5)	—	—	14.3
Property, plant and equipment	3.4	(0.2)	—	—	3.2
Retirement benefit surplus	0.1	—	—	—	0.1
Deferred tax asset	3.2	—	—	—	3.2
	<u>59.8</u>	<u>(19.8)</u>	<u>—</u>	<u>—</u>	<u>40.0</u>
Current assets					
Inventories	0.1	—	—	—	0.1
Trade and other receivables	26.0	(1.4)	—	—	24.6
Cash and cash equivalents	3.9	—	2.4	—	6.3
	<u>30.0</u>	<u>(1.4)</u>	<u>2.4</u>	<u>—</u>	<u>31.0</u>
Current liabilities					
Trade and other payables	(7.0)	0.2	—	—	(6.8)
Accruals	(9.7)	0.2	—	—	(9.5)
Deferred income	(22.4)	2.4	—	—	(20.0)
Tax liabilities	(0.2)	0.5	—	(0.5)	(0.2)
Overdraft	(2.1)	—	2.1	—	—
Provisions	(3.8)	—	—	—	(3.8)
	<u>(45.2)</u>	<u>3.3</u>	<u>2.1</u>	<u>(0.5)</u>	<u>(40.3)</u>
Net current assets/liabilities	<u>(15.2)</u>	<u>1.9</u>	<u>4.5</u>	<u>(0.5)</u>	<u>(9.3)</u>
Non-current liabilities					
Bank loans	(34.2)	—	34.2	—	—
Deferred tax liabilities	(2.1)	—	—	—	(2.1)
—Provisions	(2.1)	—	—	—	(2.1)
	<u>(38.4)</u>	<u>—</u>	<u>34.2</u>	<u>—</u>	<u>(4.2)</u>
Net assets	<u>6.2</u>	<u>(17.9)</u>	<u>38.7</u>	<u>(0.5)</u>	<u>26.5</u>

Notes:

The unaudited pro forma statement of net assets as at 31 December 2015 has been compiled on the following basis:

- (i) The net assets of Tribal Group at 31 December 2015 have been extracted without material adjustment from the audited consolidated balance sheet of the Tribal Group.
- (ii) The net assets of the Synergy business as at 31 December 2015 have been extracted without material adjustment from the historical financial information set out in Part VIII (*Financial information on the Synergy business*) of this document.
- (iii) The transaction adjustments include the net consideration for the Disposal (net of expenses) of £19.5m and the net proceeds from the Rights Issue of £19.2m.
- (iv) Other adjustments represent corporation tax liabilities included in the net assets of the Synergy business but which will not form part of the disposal and will remain with the Group.

SECTION B: REPORTING ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION



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Draft Report on Pro forma financial information

The Board of Directors
on behalf of Tribal Group plc
Kings Orchard
One Queen Street
Bristol
BS2 0HQ

Investec Bank plc
2 Gresham Street
London
EC2V 7QP

16 March 2016

Dear Sirs,

Tribal Group plc (the “Company”)

We report on the pro forma financial information (the “**Pro forma financial information**”) set out in Section A of Part IX of the combined Class I circular and prospectus dated 16 March 2016 (the “**Prospectus**”), which has been prepared on the basis described in Section A and in the notes to the pro forma financial information, for illustrative purposes only, to provide information about how the Disposal and Rights Issue might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2015. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority (the “**Listing Rules**”) and by the Commission Regulation (EC) No 809/2004 (the “**Prospectus Directive Regulation**”) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the “**Directors**”) to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules and Annex I item 20.2 and Annex II items 1 to 6 of the Prospectus Directive Regulation.

It is our responsibility to form an opinion, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and

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given solely for the purposes of complying with Listing Rule 13.4.1R(6) and Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP

Chartered Accountants

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PART X

UK TAXATION CONSIDERATIONS

General

The following comments do not constitute tax advice and are intended only as a guide to current UK law and HMRC's published practice (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK taxation treatment of Shareholders and are intended to apply only to Shareholders who are resident in the UK for UK tax purposes and who are and will be the absolute beneficial owners of their Shares and who hold, and will hold, them as investments (and not as securities to be realised in the course of a trade). They may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment. Such persons may be subject to special rules. The position may be different for future transactions and may alter between the date of this document and the implementation of the Rights Issue.

In particular, the description of the UK Tax Issues set out in this Part X is based on the position as at 15 March 2016 (the last Business Day prior to publication of this document). As such it may not reflect any changes to UK tax provisions announced in the Budget on the date of this document.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser.

Dividend income

Withholding tax

There is no UK withholding tax by the Company on dividends paid by the Company.

Individual Shareholders within the charge to UK income tax

If the Company pays a dividend to a Shareholder who is an individual resident (for tax purposes) in the UK, the Shareholder will be entitled to a tax credit equal to one-ninth of the dividend received. The dividend received plus the related tax credit (the "**gross dividend**") will be part of the Shareholder's total income for UK income tax purposes and will, generally, be regarded as the top slice of that income. However, in calculating the Shareholder's liability to income tax in respect of the gross dividend, the tax credit (which equates to 10 per cent. of the gross dividend) is set off against the tax chargeable on the gross dividend.

In the case of a Shareholder who is liable to income tax at the basic rate only, the Shareholder will be subject to tax on the gross dividend at the rate of 10 per cent. The tax credit will, in consequence, satisfy in full the Shareholder's liability to income tax on the gross dividend.

To the extent that, after taking into account the Shareholder's other taxable income, the gross dividend falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax, the Shareholder will be subject to tax on the gross dividend at the rate of 32.5 per cent. This means that the tax credit will satisfy only part of the Shareholder's liability to income tax on the gross dividend, so that to that extent the Shareholder will have to account for income tax equal to 22.5 per cent. of the gross dividend (which equates to 25 per cent. of the dividend received). For example, assuming the entire gross dividend falls above the higher rate threshold and below the additional rate threshold, a dividend of £90 from the Company would represent a gross dividend of £100 (after the addition of the tax credit of £10) and the Shareholder would be required to account for income tax of £22.50 on the dividend, being £32.50 (i.e. 32.5% of £100) less £10 (the amount of the tax credit).

To the extent that, after taking into account the Shareholder's other taxable income, the gross dividend falls above the threshold for the additional rate of income tax, the Shareholder will be subject to tax on the gross dividend at the rate of 37.5 per cent. This means that the tax credit will satisfy only part of the Shareholder's liability to income tax on the gross dividend, so that to that extent the Shareholder will have to account for income tax equal to 27.5 per cent. of the gross dividend (which equates to approximately 30.6 per cent. of the dividend received). For example, assuming the entire gross dividend falls above the additional rate threshold, a dividend of £90 from the Company would represent a gross dividend of £100 (after the addition of the tax credit of £10) and the Shareholder would be required to account for income tax of £27.50 on the dividend, being £37.50 (i.e. 37.5 per cent. of £100) less £10 (the amount of the tax credit).

Draft legislation was published on 9 December 2015 which is expected to be applicable for dividends paid on or after 6 April 2016 and which will, if enacted, abolish the tax credit and introduce a new dividend tax allowance of £5,000 a year instead. Under the draft legislation, new rates of tax on dividend income above the allowance will be 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

The Government has also launched a consultation on the taxation of company distributions generally, so it is possible that further changes will be made to the rules.

Corporate Shareholders within the charge to UK corporation tax

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of dividends) should not generally expect to be subject to tax on dividends from the Company.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid to a UK corporate shareholder holding less than 10% of the issued share capital of the payer (or any class of that share capital in respect of which the dividend is paid) is an example of a dividend that falls within an exempt class. Shareholders will need to ensure that they satisfy the requirements of any exempt class before treating any dividend as exempt, and seek appropriate professional advice where necessary.

No payment of tax credit

A Shareholder (whether an individual or a company) who is not liable to tax on dividends from the Company will not be entitled to claim payment of the tax credit in respect of those dividends.

Taxation of chargeable gains

Reorganisation Treatment

For the purposes of UK taxation of chargeable gains, the issue of the Rights Issue Shares by the Company should constitute a reorganisation of the Company's share capital. On this basis, a Qualifying Shareholder should not be treated as making a disposal of all or any part of his holding of Shares by reason of taking up his rights to Rights Issue Shares. No liability to UK taxation on chargeable gains should arise in respect of the issue of Rights Issue Shares to the Shareholder taking up his full entitlement to Rights Issue Shares.

If a Shareholder takes up all or any part of his rights to the Rights Issue Shares, his existing holding of Shares and his Rights Issue Shares should be treated as the same asset, acquired at the time he acquired his existing Shares. The subscription amount paid by a Shareholder in consideration for the Rights Issue Shares will be added to the acquisition cost of his existing Shares when computing the gain or loss on any subsequent disposal.

Disposals and “small disposals”

Any future disposal of the Shares should be treated as a disposal of those shares for UK tax purposes. This may, subject to the Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax.

If a Shareholder sells or otherwise disposes of all or some of the Rights Issue Shares allotted to him, or his rights to acquire them, or if he allows or is deemed to have allowed all or some of his rights to acquire Rights Issue Shares to lapse and receives a cash payment in respect of them, he may, depending on his circumstances, incur a liability to UK taxation on any chargeable gain realised.

However, if the proceeds resulting from a lapse or disposal of the rights to acquire Rights Issue Shares are “small” as compared with the market value (on the date of lapse or disposal) of the Shares in respect of which the rights arose, a Shareholder should not be treated as making a disposal for the purposes of UK taxation of chargeable gains. The proceeds will instead be deducted from the acquisition cost of the relevant Shares for the purposes of computing any chargeable gain or allowable loss on a subsequent disposal. The current practice of HMRC is to apply this treatment where either (i) the proceeds of the disposal or lapse of rights do not exceed 5 per cent. of the market value (at the date of the disposal or lapse) of the Shares in respect of which the rights arose or (ii) the amount of the proceeds is £3,000 or less, regardless of whether the 5 per cent. test is satisfied. This treatment will not apply where such proceeds are greater than the base cost of the Shares in respect of which the rights arose.

The amount of capital gains tax, if any, payable by a Shareholder (on any disposal of Shares) who is an individual will depend on his or her own personal tax position. No tax will be payable on any gain realised if the amount of the net chargeable gains realised by a Shareholder, when aggregated with other chargeable gains realised by that Shareholder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exempt amount of £11,100 for the 2015/16 tax year. Broadly, any gains in excess of this amount will be taxed at a rate of 18 per cent. for a taxpayer paying tax at the basic rate and 28 per cent. for a taxpayer paying tax at a rate above the basic rate of income tax. Where the gains of a basic rate taxpayer subject to capital gains tax exceed the unused part of his or her basic rate band, that excess is subject to tax at the 28 per cent. rate.

A Shareholder who has previously been resident or ordinarily resident in the UK may in some cases be subject to UK tax on capital gains in respect of a disposal of Shares in the event that they re-establish residence in the UK. Subject to that, individual Shareholders who are not resident in the UK and who do not carry on a trade, profession or vocation in the UK through a branch or agency, will not be subject to UK capital gains tax in respect of gains arising on disposals of Shares.

A corporate shareholder is normally taxable on all of its chargeable gains, subject to any reliefs and exemptions. Corporate Shareholders should be entitled to indexation allowance up to the date the chargeable gain is realised.

A Shareholder which is a company not resident in the UK for tax purposes and without a UK permanent establishment will have no liability to UK tax on chargeable gains in respect of a disposal of Shares, though may be subject to foreign tax on the capital gain under local law.

Stamp duty and SDRT

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or to persons connected with depositary arrangements or clearance services who may be liable at higher rates.

Provisional Allotment Letters, Nil Paid Rights and Fully Paid Rights

No stamp duty or SDRT should be payable on the issue of Provisional Allotment Letters or on the crediting of Nil Paid Rights or Fully Paid Rights to stock accounts in CREST. Persons who, on or before the latest time for registration of renunciation, purchase (or are treated as purchasing) rights to Rights Issue Shares represented by Provisional Allotment Letters (whether nil paid or fully paid), or Nil Paid Rights or Fully Paid Rights held in CREST, will not generally be liable to pay stamp duty. However, such a purchaser will normally be liable to pay SDRT at the rate of 0.5 per cent. of the actual consideration paid.

Where such a purchase is effected through a stockbroker or other financial intermediary, that person will normally account to HMRC for the SDRT and should indicate that this has been done in any contract note issued to the purchaser. In other cases, the purchaser of the rights to the New Ordinary Shares represented by the Provisional Allotment Letters is liable to pay the SDRT and must account for it to HMRC. Any SDRT arising on the transfer of Nil Paid Rights or Fully Paid Rights held in CREST should be collected and accounted for, in accordance with the CREST rules, to HMRC by the operator of CREST. No stamp duty or SDRT will be payable on the registration of renunciation of Provisional Allotment Letters, whether by the original holders or their renounees.

Issue of New Shares

No stamp duty or SDRT should be payable on the issue of New Shares.

Transfers of New Shares Prior to Delisting and AIM Admission

The transfer on sale of New Shares held outside CREST after the last date for registration of renunciation will generally give rise to a liability, ordinarily payable by the purchaser, to stamp duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) of the amount or value of consideration paid. An exemption from stamp duty will be available on an instrument transferring New Shares where the amount or value of the consideration for the sale is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

An agreement to transfer New Shares which is or becomes unconditional will generally give rise to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration paid, such SDRT ordinarily being payable by the transferee or purchaser. The liability to SDRT will generally be cancelled or any SDRT paid refunded if the agreement is completed by a duly stamped transfer, or a transfer which is not chargeable with any stamp duty or otherwise required to be stamped, within six years of either the date of the agreement or, if the agreement was conditional, the date when the agreement became unconditional.

No stamp duty or SDRT should arise on a transfer of New Shares into CREST provided that, in the case of SDRT, the transfer is not for money or money's worth. A transfer of New Shares effected on a paperless basis through CREST will generally be subject to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable, which will be collected and accounted for to HMRC by the operator of CREST (such SDRT generally being payable by the transferee or purchaser).

Where New Shares are transferred (i) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depository receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the New Shares (rounded up in the case of stamp duty to the nearest £5), unless the transfer is integral to the raising of new capital.

Transfers of New Shares Following Delisting and AIM Admission

AIM qualifies as a recognised growth market for the purpose of stamp duty and SDRT legislation. Therefore, for so long as the New Shares are admitted to trading on AIM and are not listed on any

market (and being admitted to trading on AIM will not constitute a listing for these purposes) no charge to stamp duty or SDRT will arise on their subsequent transfer. If the New Shares do not qualify for this exemption their transfer on sale will be subject to stamp duty (ordinarily payable by the purchaser and generally at the rate of 0.5 per cent. of the consideration given) save in respect of shares held in a clearance service or in a depositary receipt arrangement in respect of which other provisions may apply.

Further Tax Consequences of Delisting and AIM Admission

Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them. Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation.

Business Property Relief

Following the Delisting and AIM Admission, the Shares should constitute relevant business property for the purposes of UK inheritance tax business property relief (up to 100%). Prior to the Delisting and AIM Admission, provided the other conditions for business property relief were available, a controlling stake would have been required to obtain up to 50% business property relief. Accordingly, following the Delisting and AIM Admission, individuals who hold Shares and who meet the applicable conditions may therefore be eligible for UK inheritance tax business property relief. As to the extent of the relief and whether such UK inheritance tax benefit may be available to them, Shareholders and prospective investors should seek advice from their own professional advisers.

Individual Savings Accounts

Since 5 August 2013, shares traded on AIM can be held in individual saving accounts (in the same way as shares traded on the Main Market).

PART XI

DIRECTORS, RESPONSIBLE PERSONS, CORPORATE GOVERNANCE AND EMPLOYEES

1. Responsibility

The Directors (other than Duncan Lewis), whose names appear at paragraph 2.1 below, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors (other than Duncan Lewis) and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Duncan Lewis has been unwell during the latter stages of the Board's deliberations on matters covered by this document. Accordingly, he has not been able to attend Board Meetings or participate in the Board's decisions in respect of these matters. Mr Lewis has therefore not been able to consent to the issue of, or accept responsibility for, this document.

2. Directors and Senior Managers

- 2.1 The following table sets out information relating to each of the Directors as at the date of this document:

<i>Name</i>	<i>Position</i>
Richard Last	Non-Executive Chairman
Ian Bowles	Chief Executive
Steve Breach	Group Finance Director
David Egan	Non-Executive Director
Duncan Lewis	Non-Executive Director
Roger McDowell	Non-Executive Director

The following table sets out information relating to each of the Senior Managers as at the date of this document:

Rob Ewin	Company Secretary
Rob Garner	Interim Chief Executive prior to the appointment of Ian Bowles
Jon Baldwin	Managing Director: Market Development
Barbara Staruk	Managing Director: Product Development and Customer Services
Nick Stevens	Managing Director: Implementation Services and Professional and Business Solutions
Janet Tomlinson	Managing Director: Quality Assurance Solutions

- 2.2 The business address of the Directors is Kings Orchard, One Queen Street, Bristol BS2 0HQ.
- 2.3 Set out below are the business experience and principal business activities performed outside of Tribal by the Directors and Senior Managers, as well as the dates of their initial appointment as directors or senior managers of the Company.

Ian Bowles – Chief Executive

The appointment of Ian Bowles as Chief Executive of Tribal was announced on 17 February 2016. Ian joined the Board on that date and assumed the role of Chief Executive on 1 March 2016.

Mr Bowles joins Tribal with a strong track record of driving financial and operational improvement and shareholder value creation, having held Board and other senior management positions across a number of leading IT companies. Most recently he was from 2007 to 2015 Chief Executive Officer of Allocate Software, a leading international provider of specialist workforce management optimisation and corporate governance, risk & compliance software, where he oversaw strong organic and acquisitive growth in revenue and profits and its sale to HgCapital and de-listing in 2015. Prior to joining Allocate Software, from 2004 Mr Bowles was Chief Operating Officer of Clearswift, the information security company, where he oversaw Clearswift's restructuring, rebranding and new marketing strategy, leading to a material improvement in the company's performance ahead of its sale to Lyceum Capital.

Other senior roles during Mr Bowles' career include positions at Interwoven (now part of the HP Market Optimisation business group), Chordiant Software and Oracle.

Richard Last – Non-Executive Chairman

Mr Last joined the board in November 2015. He is currently Chairman and Non-Executive Director of Servelec Group plc (the purchaser of Synergy pursuant to the Disposal) and AIM quoted Gamma Communications plc, a communications group. In addition, Mr Last is currently Chairman and Non-Executive Director of the British Smaller Companies VCT 2 plc, Arcontech Group plc, and Lighthouse Group plc, and Non-Executive Director of Corero Network Security plc. Mr Last is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA).

Steve Breach – Group Finance Director

Mr Breach joined the Board of Tribal Group in January 2010 from Euromedic UK, where he was Chief Financial Officer. Mr Breach was previously Finance Director of Mercury Health, Tribal's healthcare business, from its establishment in 2003 until its sale in April 2007. Mr Breach qualified as a chartered accountant with Ernst & Young in 1993, where he focused on providing corporate finance advice to technology businesses in the UK and internationally. As announced on 9 March 2016, Mr Breach has indicated his intention to stand down as Group Finance Director and leave the Group, in order to pursue other interests. Mr Breach will remain with the Group and on the Board for the immediate future and a successor will be announced by the Group in due course.

David Egan – Non-Executive Director and Chairman of the Audit Committee

Mr Egan was appointed to the board in April 2014. Mr Egan became Group Finance Director of Electrocomponents plc with effect from 1 March 2016. Previously he was Group Financial Director of Alent Plc and Chief Financial Officer at ESAB, a division of Charter International plc. Prior to joining ESAB in 2008, Mr Egan was Group Financial Controller of Hanson plc based in London, and prior to that Chief Financial Officer, Hanson Asia Pacific based in Singapore. He has extensive international experience of business in Europe, including the Russian Federation, Asia, Australasia, and the Americas. Mr Egan is a Certified Practising Accountant (CPA) Australia.

Duncan Lewis – Non-Executive Director

Mr Lewis joined the board of Tribal with effect from 1 June 2015. He has extensive experience as a Non-Executive Director, comprising current roles with JQW plc and Spirent Communications plc, as well as previous executive roles in Vislink plc, Cable & Wireless plc, GTS Inc, Equant nv and an advisory role with the Carlyle Group.

Roger McDowell – Non-Executive Director and Chairman of the Remuneration Committee

Mr McDowell joined the board in November 2015. He is currently serving as Non-Executive Chairman of Avingtrans plc, Senior Independent Non-Executive Director of Servelec Group plc (the purchaser of Synergy pursuant to the Disposal) and is also a Non-Executive Director

of premier Technical Services Group plc, Proteome Sciences plc, Swallowfield plc and IS Solutions plc.

Rob Ewin – Company Secretary

Mr Ewin was appointed Company Secretary in May 2014. He has worked for Tribal since 2004, advising on many of the contracts concluded by the Group in that time. He previously worked for Irwin Mitchell, an independent law firm, providing a wide range of advice on commercial and procurement matters.

Rob Garner – Interim Chief Executive prior to the appointment of Ian Bowles

Rob re-joined Tribal in 2013, having previously been a member of the executive board between 2009 and 2011. Rob re-joined after two years working in the NHS and has over 20 years' experience as a management consultant, including 13 years in executive leadership roles in a variety of private and public companies and most recently in the public sector. Rob was appointed interim CEO in May 2015, prior to the appointment of Ian Bowles.

Jon Baldwin – Managing Director: Market Development

Mr Baldwin became Managing Director: Market Development at Tribal in May 2014. Prior to his appointment, Mr Baldwin had an extensive career in tertiary education. This included the position of vice chancellor at Murdoch University in Perth and over 15 years' experience as the registrar of higher education institutions, including the University of Warwick, UMIST and the University of Wolverhampton. Mr Baldwin has also held management, teaching and administration posts at Queen Margaret College, Edinburgh and Lancashire Polytechnic, as well as teaching at the Open University and in Further Education and publishing papers and articles on a wide range of education-related topics.

Barbara Staruk – Managing Director: Product, Development and Customer Services

Ms Staruk joined Tribal as Global Product Director in February 2015. Prior to this Ms Staruk was the Global Product Director for Optum International, a healthcare technology, analytics, software and services company. Prior to Ms Staruk's time with Optum International, she was responsible for product management, product marketing and external development for Picis. She has also worked on large-scale transformation programmes, including the NHS' national programme for IT.

Nick Stevens – Managing Director: Implementation Services

Mr Stevens joined Tribal in July 2014, having previously worked for Tribal as a Consulting Director and Divisional Chief Operating Officer of the Government Consulting Division prior to its sale to Capita in 2011. Mr Stevens is an accountant by training, having started his career with the National Audit Office, and is an experienced management consultant, with a specialisation in strategy and performance improvement.

Janet Tomlinson – Managing Director: Quality Assurance Solutions

Mrs Tomlinson joined Tribal in 2009 and is currently the Managing Director of the Quality Assurance Solutions business. Prior to this Mrs Tomlinson was Director of Education and Children's Services in Oxfordshire, responsible for all local authority services to children and young people. In addition to this, Mrs Tomlinson has held senior educational leadership positions in both the public and private sector.

3. Directors' and Senior Managers' interests

- 3.1 The direct and indirect interests (all of which are beneficial) of the Directors in Shares as at 15 March 2016 (being the latest practicable date prior to the publication of this document) and as expected to subsist immediately following Admission are set out in the following table:

<i>Director</i>	<i>Interests in Shares as at 15 March 2016</i>		<i>Interests in Shares immediately following Admission</i>	
	<i>Number of voting rights in respect of Shares</i>	<i>Percentage of issued share capital</i>	<i>Number of voting rights in respect of Shares</i>	<i>Percentage of issued share capital</i>
Steve Breach	172,728	0.18%	345,456	0.18%
Jon Baldwin	20,675	0.02%	41,350	0.02%

- 3.2 Taken together, based on the information above, the combined percentage interest of the Directors and Senior Managers in voting rights in respect of the issued ordinary share capital of Tribal as at 15 March 2016 (being the latest practicable date prior to the publication of this document) was approximately 0.2%.
- 3.3 Taken together, the combined percentage interest of the Directors and Senior Managers in voting rights in respect of the issued ordinary share capital of Tribal immediately following Admission, assuming they take up their rights in full, and taking into account the issue of the Subscription Shares, will be approximately 0.2%.
- 3.4 The Directors have no interests in the shares of the Company's subsidiaries.
- 3.5 Details of options over the Shares held by the Directors and Senior Managers as at 15 March 2016 (being the latest practicable date prior to publication of this document) are set out below. They are not included in the interests of the Directors and Senior Managers shown in the table in paragraph 3.1 above.

LTIP

<i>Option holder</i>	<i>Number of Shares</i>	<i>Exercise price per Share (pence)</i>	<i>Date from which exercisable</i>	<i>Expiry date</i>
Steve Breach	185,757	Nil	30 March 2018	30 March 2025
Steve Breach	154,166	Nil	21 March 2017	21 March 2024
Steve Breach	156,853	Nil	15 March 2016	15 March 2023
Rob Garner	100,000	Nil	30 March 2018	30 March 2025
Rob Garner	100,000	Nil	21 March 2017	21 March 2024
Rob Ewin	10,000	Nil	30 March 2018	30 March 2025
Rob Ewin	10,000	Nil	21 March 2017	21 March 2024
Rob Ewin	10,000	Nil	15 March 2016	15 March 2023
Jon Baldwin	60,000	Nil	30 March 2018	30 March 2025
Nick Stevens	20,000	Nil	30 March 2018	30 March 2025
Barbara Staruk	25,000	Nil	30 March 2018	30 March 2025
Janet Tomlinson	30,000	Nil	21 March 2017	21 March 2024
Janet Tomlinson	63,488	Nil	15 March 2016	15 March 2023

- 3.6 Save as disclosed in this paragraph 3, no Director nor their immediate families, nor any person connected with any Director or Senior Manager within the meaning of section 252 of the Act has any interests (beneficial or non-beneficial) in the share capital of Tribal or any of its subsidiaries.
- 3.7 Save as disclosed above, no other person involved in the Rights Issue or Admission has an interest which is material to the Rights Issue or Admission.

4. Directors' remuneration and pensions

4.1 Remuneration

The remuneration (including pension contributions) of the Directors for the year ended 31 December 2015 is set out in the table below. Ian Bowles was appointed as Chief Executive of the Group on 17 February 2016, after the end of the 2015 financial year and, accordingly, the table below does not include any remuneration for him. Details of this service contract are set out at paragraph 5.1 below.

<i>Director</i>	<i>Basic salary/fees</i>	<i>Benefits</i>	<i>Bonus</i>	<i>LTIP</i>	<i>Pension</i>	<i>Total</i>
Steve Breach	£227,256	£15,500	–	–	£35,225	£277,981
Richard Last	£13,532	–	–	–	–	£13,532
David Egan	£45,900	–	–	–	–	£45,900
Duncan Lewis	£23,027	–	–	–	–	£23,027
Roger McDowell	£6,150	–	–	–	–	£6,150

4.2 Aggregate remuneration

The aggregate amount of remuneration paid (including contingent and deferred compensation), and benefits-in-kind granted, by the Group to both the Directors and Senior managers for financial year 2015 was £1,429,199, of which the aggregate amount paid to the Senior Managers was £1,097,833.

- 4.3 The aggregate amounts set aside or accrued by the Group to provide pension, retirement or similar benefits for both the Directors and the Senior Managers for financial year 2015 was £92,388, of which the aggregate amount for the Senior Managers was £57,164.

5. Directors' and Senior Managers terms of appointment and remuneration

5.1 Executive Directors' service agreements

The Company has entered into the following service agreements with the Executive Directors:

<i>Director</i>	<i>Date of Agreement</i>
Ian Bowles	16 February 2016
Steve Breach	1 January 2010

Ian Bowles is employed as Chief Executive Officer pursuant to the terms of a service agreement with the Company dated 16 February 2016. The agreement is terminable by either party on not less than 6 months' written notice. Mr Bowles is paid a basic annual salary of £270,000 and is entitled to receive a bonus equal to 100% of basic salary if certain performance conditions are met. His basic salary will be reviewed annually by the Board. In addition, he is entitled to receive an award of shares calculated as 200% of base salary in accordance with the LTIP scheme and is eligible for awards of up to 100% of base salary in 2017 and 2018. Other benefits Mr Bowles is entitled to are memberships of the group health plan, the private medical expenses insurance scheme and a contribution of 10% of his base salary to the Group's defined contribution pension scheme. Mr Bowles is also entitled to a mileage allowance for carrying out his duties pursuant to the service agreement. Mr Bowles is subject to certain non-competition and non-solicitation covenants for a period of six months' following the termination of his employment. The agreement is governed by English law.

Steve Breach is employed as Group Finance Director pursuant to the terms of a service agreement with the Company dated 12 November 2009. The agreement is terminable by either party on not less than 12 months' written notice. Mr Breach is paid a basic annual salary of £227,256 and is entitled to receive a bonus equal to 100% of basic salary in the event that the Group achieves certain performance objectives. His basic salary and bonus are subject to annual review by the Remuneration Committee. In addition, he is entitled to

membership of the Group health and death in service schemes and receives a contribution of 15% of his basic salary to the Group's defined contribution scheme. Mr Breach also receives an annual car allowance of £9,500 along with a travel allowance of £6,000. Mr Breach is subject to certain non-competition and non-solicitation covenants for a period of 12 months' following the termination of his employment. The agreement is governed by English law.

5.2 *Non-executive Directors' letters of appointment*

Pursuant to the terms of a letter of engagement with the Company dated 16 November 2015, Richard Last has agreed to serve as Non-executive Chairman for an annual fee of £110,000. This appointment will terminate automatically if Mr Last is removed from office by a resolution of the Shareholders or is not re-elected to office.

Pursuant to the terms of a letter of engagement with the Company dated 20 February 2014, David Egan has agreed to serve as a Non-executive Director for an annual fee of £40,800 (£36,050 before June 2014) and to chair the Audit Committee for an additional fee of £5,000 per year. This appointment is for a rolling term which is terminable by either party on three months' written notice, but will terminate automatically if Mr Egan is removed from office by a resolution of the Shareholders or is not re-elected to office.

Pursuant to the terms of a letter of engagement with the Company dated 5 June 2015, Duncan Lewis has agreed to serve as a Non-executive Director for an annual fee of £40,800. This appointment is for a rolling term and expected to continue until 2022, but is terminable by either party on three months' written notice and will terminate automatically if Mr Lewis is removed from office by a resolution of the Shareholders or is not re-elected to office.

Pursuant to the terms of a letter of engagement with the Company dated 16 November 2015, Roger McDowell has agreed to serve as a Non-executive Director for an annual fee of £40,800, to chair the Remuneration Committee for an additional fee of £5,100 per year and to serve as the Senior Independent Director for a further fee of £4,100 per year. This appointment is for a rolling term and expected to continue until 2022, but is terminable by either party on three months' written notice and will terminate automatically if Mr McDowell is removed from office by a resolution of the Shareholders or is not re-elected to office.

6. Corporate Governance

6.1 Tribal is committed to, and recognises the value and importance of, high standards of corporate governance as appropriate for an AIM-quoted company will continue to comply with the Corporate Governance Code following AIM Admission. Details of the current structures and membership of the Audit Remuneration and Nomination Committees, which the Company intends to retain after AIM Admission are set out below.

6.2 The Audit Committee's role is to assist the Board with the discharge of its responsibilities in relation to internal and external audits and controls, including reviewing the Group's annual financial statements, considering the scope of the annual audit and the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the internal control systems in place within the Group.

The Audit Committee is chaired by David Egan. Its other members are Richard Last, Duncan Lewis and Roger McDowell. The Audit Committee meets at least three times a year and has unrestricted access to the Company's auditors.

6.3 The Remuneration Committee makes recommendations to the Board in respect of executive remuneration policy, determines the levels of remuneration for each of the Executive Directors and recommends and monitors the remuneration of members of senior

management. The Remuneration Committee also generates the annual remuneration report to be approved by Shareholders at Tribal's annual general meeting.

The Remuneration Committee is chaired by Roger McDowell. Its other members are Richard Last, David Egan and Duncan Lewis. The Remuneration Committee meets at least twice a year.

- 6.4 The Nomination Committee assists the Board in determining the composition and make-up of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors, as the need may arise. The Nomination Committee also determines succession plans for the chairman and chief executive.

The Nomination Committee is chaired by Richard Last. Its other members are David Egan, Duncan Lewis and Roger McDowell. The Nomination Committee meets, as necessary, to review appointments to the Board.

7. Directors' and Senior Managers' confirmations

- 7.1 Save as set out in this paragraph 7, none of the Directors or Senior Managers has, during the 5 years prior to the date of this document been:

- (a) convicted in relation to a fraudulent offence;
- (b) associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company;
- (c) subject to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
- (d) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any company.

- 7.2 The following Directors have held directorships during the past 5 years at a company that has entered receivership or liquidation:

<i>Director</i>	<i>Company</i>	<i>Type of proceeding</i>	<i>Date</i>
Roger McDowell	Corsair Techinvest Ltd	Members' voluntary liquidation	23 November 2015
Richard Last	The Coombes Estate Ltd	Members' voluntary liquidation	26 November 2013

8. Conflicts of interest

- 8.1 Save as disclosed in this paragraph 8 and paragraph 9 (Directorships and partnerships), below, there are no actual or potential conflicts of interests between any Director or Senior Manager's duties to Tribal and the private interests and/or other duties he/she may also have.
- 8.2 No Director or Senior Manager was selected to be a director of Tribal pursuant to any arrangement or understanding with any major, shareholders, customers, suppliers or other persons.
- 8.3 No restrictions have been agreed by any Director or Senior Manager on the disposal within a certain period of time of his holding in Tribal securities.
- 8.4 There are no family relationships between any of the Directors or Senior Managers.

9. Directorships and partnerships

- 9.1 Save as set out below, the Directors and Senior Managers have not held any directorships of any company, other than those companies in the Group which are subsidiaries, or been a partner in a partnership at any time in the 5 years prior to the date of this document:

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships</i>
Richard Last	APD Communications Limited APD Mobile Data Limited Arcontech Group plc Blackwell Property Development Limited British Smaller Companies VCT2 plc Cord Developments Limited Corero Network Security plc Gamma Communications plc Hobbs Hole Limited Learn Solutions Limited Lighthouse Group plc Longfield Management Company Limited Lynx Group Limited Lynx Holdings Limited Lynx Limited Servelec Group plc Sphinx CST (Ireland) Limited Waste Management Systems Limited	Arcontech Limited Arcontech Solutions Limited CNH Subsidiary Ltd Cognita Technologies Limited Gapaid Parseq Limited Patsystems Limited PVG 2007 Limited The Coombes Estate Ltd
Ian Bowles	Time Care (UK) Ltd	Allocate Limited Allocate Bidco Limited Allocate Holdco Limited Allocate Midco Limited Allocate Software Limited Allocate Software Technology Systems Limited Allocate Software Worldwide Limited Allocate Topco Limited Dynamic Change Limited Manpower Software Limited MSW Technology Limited Realtime Health Limited Zircadian Limited Zircadian Holdings Limited
David Egan	Electrocomponents plc	Alent plc ESAB Group (UK) Limited ESAB Holdings Limited ESAB Technology Limited ESAB Treasury Limited

<i>Director</i>	<i>Current directorships/partnerships</i>	<i>Former directorships/partnerships</i>
Roger McDowell	Avingtrans plc Disperse Ltd Dovehoco 201 Ltd Fineguard Ltd I S Solutions plc Premier Technical Services Group Plc Proteome Sciences plc Servelec Group plc Swallowfield plc	Alkane Energy plc Augean plc Corsair Techninvest Ltd Harrington Brooks Limited Ultimate Finance Holdings Limited
Duncan Lewis	Goldacre Ventures Limited NIU Solutions Holdings Limited Spirent Communications plc Teletique Limited	12 Charles Street (Freehold) Limited Advent Communications Limited Continental Microwave Limited Duncary 79 Limited Harlow DC GP Limited JQW plc Link Research Limited Mobbu Limited MPME Limited Multipoint Communications Limited Thomson Reuters Mobile Products Limited Twelve Charles Street (Tenants) Limited Vislink Communications Limited Vislink Holdings Limited Vislink International Limited Vislink plc Vislink Technology Limited Wisecracker Limited Workshare Limited

10. Employees

- 10.1 The average number of full time equivalent staff employed by the Group for the 3 years ended 31 December 2015, 31 December 2014, and 31 December 2013 is set out below:

<i>Financial year ended</i>	<i>Average number of FTE employees</i>
31 December 2015	1,352
31 December 2014	1,411
31 December 2013	1,415

- 10.2 As at 29 February 2016, (being the latest practicable date prior to the date of this document), the Group had 1,282 employees. Of this number, approximately 73.2% were located in the United Kingdom and 26.8% were located overseas.

10.3 As at 31 December 2015, the employees of the Group were employed as follows:

Product development and customer support	608
Quality assurance solutions	230
Implementation services	158
Professional business solutions	95
Group and central services	232
Total	1,323

11. Share Schemes

11.1 Long Term Incentive Plan (LTIP)

The Company adopted the Tribal Group plc Long Term Incentive Plan (“LTIP”) in 2010. The LTIP is an unapproved share scheme for UK tax purposes.

The following is a summary of the principal terms of the LTIP.

(a) *Operation*

The LTIP is administered by the Remuneration Committee. The LTIP is discretionary and only operates in those years that the Remuneration Committee determines.

(b) *Participants*

The LTIP enables the Remuneration Committee to grant awards of Shares (“Awards”) to certain employees (including executive Directors) of the Company and its participating subsidiaries at its discretion.

(c) *Awards*

Awards may be granted in the form of options, conditional awards (over shares or cash) or as forfeitable shares. Awards may only be granted within the period of 6 weeks following the dealing day after the date on which the Company announces its results for any period or at any other time when the Remuneration Committee, in its discretion, consider that exceptional circumstances exist which justify the grant of an Award. No Award is capable of being granted under the LTIP after 19 May 2020.

(d) *Scheme Limits*

No Award which may be satisfied by the issue of new Shares may be granted on any date if the number of Shares to which it relates when aggregated with the number of shares issued or issuable under the LTIP and any other employees’ share scheme operated by the Company in the preceding 10 year period would exceed 10 per cent. of the issued ordinary share capital of Company at that time. For the purpose of this limit, Awards or other rights to acquire Shares which lapse or have been released do not count. The proposed Share Matching Plan, if approved, will not be counted within the 10 per cent. limit.

(e) *Annual Limits*

During each financial year, the maximum market value of Shares under Awards which may be granted to an eligible employee shall not exceed 100 per cent of their annual salary. The Remuneration Committee may, at its discretion, increase this limit to 200 per cent of an eligible employee’s annual salary in exceptional circumstances.

(f) *Vesting*

An Award shall vest in normal circumstances on the third anniversary of the date of grant providing that any performance or other conditions imposed by the Remuneration Committee have been satisfied. Any vested Award granted in the form of an option may be exercised (subject to its earlier lapse) during the remaining period of ten years from the date of grant, either in full or in multiples of 1,000 Shares, unless it is being exercised to the full extent outstanding. Vested Awards may be satisfied in cash where the Remuneration Committee determines.

(g) *Leaver provisions*

If a participant ceases to be employed by the Company or a participating subsidiary before the normal vesting date by reason of death, retirement, injury, disability, redundancy, the employing company or the business they work for being sold out of the Group, or for any other reason determined by the Remuneration Committee, their Award shall vest on the date of cessation of employment. The number of shares vesting shall be calculated by applying any performance conditions imposed on the vesting of the Award and by applying a pro-rata reduction to the number of shares to which the Award relates based on the period of time after the date of grant and ending on the date of cessation of employment as a proportion of the three year vesting period). Alternatively the Remuneration Committee may determine that an Award shall vest on the normal vesting date, applying the performance conditions and pro-rata reduction in number of shares.

(h) *Change of control*

In the event of a takeover or winding up of the Company, a participant's Award shall vest to the extent that any performance conditions imposed on the vesting of the Award have been met and by applying a pro-rata reduction to the number of Shares to which the Award relates calculated by reference to the period of time elapsed from the date of grant to the date of the event as a proportion of the three year vesting period.

(i) *Adjustment*

In the event of a variation of share capital, demerger or other similar event which may affect the market value of the Shares, the Remuneration Committee may adjust the number of shares subject to any Awards and/or the exercise price payable (if any) as it considers appropriate.

(j) *Dividend equivalent*

Unless the Remuneration Committee determines otherwise, when Awards vest, Participants shall be entitled to an amount equal to the value of dividends which would have been paid in respect of those Shares for the period from the date of the Award until its vesting. Such amounts shall be paid in the form of cash or Shares as determined by the Remuneration Committee.

(k) *Scheme alterations*

The Remuneration Committee may at any time amend the LTIP or the terms of any Awards. No amendment to the rules dealing with eligibility, individual limits on participation, share capital limits, share capital variations or the basis for determining and adjusting a participant's entitlement, may be made without the prior approval of the shareholders in general meeting, unless the amendment is minor and for the benefit of the administration of the LTIP or to maintain favourable tax, exchange control or regulatory treatment for the Company or participants.

No alteration shall be made to the disadvantage of participants unless the Board has invited each relevant participant to indicate whether they shall approve of the alteration and the alteration is approved by a majority of the relevant participants.

(l) *General*

An Award cannot be transferred (except on death to a personal representative). Benefits under the LTIP are not pensionable.

11.2 **Share Incentive Plan (SIP)**

The Company adopted the Tribal Share Incentive Plan (“**SIP**”) in 2006, the purpose of which is to provide benefits to eligible employees in the form of Shares. The SIP was approved by HM Revenue & Customs under Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003 (“**ITEPA**”). The following is a summary of the principal terms of the SIP.

(a) *Administration*

The SIP is administered by the Remuneration Committee with the assistance of a professional SIP administrator appointed by the Board. The SIP is operated through a UK resident trust (the “**Trust**”). The Trust subscribes for or purchases shares in the market that are awarded to employees under the SIP.

(b) *Eligible employees*

All UK resident employees of the Company and its participating subsidiaries must be offered the opportunity to participate in the SIP on the same terms. The Remuneration Committee can require employees to have completed a minimum qualifying period of employment before they can participate, but that period must not exceed eighteen months before the first award is made where the Company does not operate an accumulation period (see below). Where an accumulation period is operated, the qualifying period of employment must not exceed six months before the accumulation period starts. Other employees who are not resident in the UK for tax purposes and who satisfy the qualifying period of employment may be permitted to participate at the Remuneration Committee’s discretion.

(c) *Award of shares*

Under the SIP, employees may be invited to invest in “**Partnership Shares**” and may be awarded “**Matching**” and/or “**Free Shares**” in a potentially tax-efficient manner. The Company may offer different combinations of awards as it considers best suits its business requirements from time to time.

The SIP provides for employees to acquire Partnership Shares by way of deduction from their gross salary up to a maximum of £1,800 per tax year and 10 per cent of the employee’s salary. The amounts must be invested in the SIP on behalf of the participants within 30 days of their deduction from salary, or alternatively accumulated over a period of not more than 12 months (“**accumulation period**”), and then invested. The Remuneration Committee can award up to two free Matching Shares for each Partnership Share acquired (equivalent to a maximum of £3,600 per annum). In addition, the Remuneration Committee can award up to £3,600 worth of Free Shares per annum per employee and can use Free Shares to reward employees for reaching team or divisional performance targets, provided such targets are established in accordance with the SIP legislation.

Cash dividends paid in respect of shares awarded to eligible employees under the SIP may be reinvested in Dividend Shares by the Trustee. The Dividend Shares shall be of the same class and carry the same rights as the shares in respect of which the dividends are paid. There is no financial limit on reinvestment of dividends.

(d) *Holding periods*

Partnership Shares are not subject to any holding period and employees can withdraw their Partnership Shares from the SIP at any time. Matching and Free Shares may be subject to a holding period of between three and five years during which time they must be held within the SIP unless the participant ceases employment, whereupon they must be removed (see below).

(e) *Forfeiture*

Matching Shares and Free Shares may be subject to forfeiture in the event that a Participant ceases employment within a specified forfeiture period not exceeding three years (other than as a result of death, redundancy, injury, ill health, or reaching retirement age in which case no forfeiture may apply). Matching Shares can also be awarded on the basis that they are forfeited if the corresponding Partnership Shares to which they relate are withdrawn within the forfeiture period.

(f) *Cessation of employment*

Employees are required to take all their shares out of the SIP when they leave employment with the Company or a Group company.

(g) *Scheme Limits*

The maximum number of newly issued shares which may be awarded under the SIP when aggregated with all shares issued or issuable under the SIP or any other employee share scheme adopted by the Company may not, in any ten year period, exceed 10 per cent of the issued ordinary share capital of the Company. The proposed Share Matching Plan, if approved, will count towards the 10 per cent. limit.

Awards of shares are not capable of being made under the SIP after the tenth anniversary of its approval by the shareholders in general meeting.

(h) *Alterations*

The Board may, with the consent of the Trustee, amend the SIP in any way it thinks fit. If the proposed amendment shall be to the material advantage of eligible employees and relates to eligibility, share capital limits, individual limits, share capital variations or the basis for determining an eligible employee's entitlement, the amendment cannot be made without the prior approval of the shareholders in general meeting unless the amendment is minor and for the benefit of the administration of the SIP or to maintain favourable tax, exchange control or regulatory treatment for the Company or participants.

No alteration shall be made which will abrogate or adversely affect the subsisting rights of eligible employees unless consent has been obtained from them. For these purposes, a resolution approved by 75 per cent of eligible employees will be required in order for the amendment to be approved.

(i) *Voting rights*

The trustees of the Trust will not exercise the voting rights attributable to the shares held in the trust except in accordance with the participants' instructions.

(j) *Change of control, reorganisations etc*

In the event of a general offer being made to the shareholders or a rights or capitalisation issue, participants will be able to direct the trustees of the Trust how to act on their behalf.

(k) *General*

Benefits under the SIP are not pensionable.

11.3 **Sharesave Scheme (SAYE)**

The Company adopted the Tribal Sharesave Scheme in 2010, which is administered by the Remuneration Committee.

The scheme is a Save-As-You-Earn share option scheme ("**SAYE Scheme**") and was approved by HM Revenue & Customs under Schedule 3 ITEPA. The following is a summary of the principal terms of the SAYE Scheme.

(a) *Eligible employees*

All executive Directors and employees of the Company and participating companies within the Group who are resident in the UK for tax purposes and who have completed such minimum period of service not exceeding 5 years as the Remuneration Committee may determine must be entitled to participate. Other employees who are not resident in the UK for tax purposes and who satisfy the service criteria may also be invited to join at the Remuneration Committee's discretion.

(b) *Administration*

The SAYE Scheme is administered by the Board. The Board shall decide if and when invitations shall be issued to eligible employees to apply for an option (the "**Invitations**"). If the Board decides to issue Invitations, the Board must issue Invitations to each eligible employee.

(c) *The savings contract*

The savings provider is appointed by the board of directors of the Company and provides support in relation to the administration of the SAYE Scheme.

To participate in the SAYE Scheme, an eligible employee must enter into a Save-As-You-Earn contract (the "**Savings Contract**") with an appropriate savings carrier approved by the Company, thereby agreeing to make monthly contributions not exceeding £500 for a specified period of three or five years. The Remuneration Committee has discretion to determine whether three or five year Savings Contracts will be offered in respect of Invitations to apply for options to acquire shares in the Company.

Applications to participate in the SAYE Scheme may be scaled down by the Remuneration Committee in accordance with procedures laid down in the rules of the SAYE Scheme, if applications exceed the number of shares available for the grant of options. Such scaling down may include:

- (a) reducing the level of bonuses;
- (b) reducing monthly contributions above a certain level pro rata; or
- (c) reducing the length of savings contracts.

Payment for shares shall only be made out of the repayment received under the Savings Contract, which may include a bonus payable at the end of the specified period. An option granted shall be to acquire the largest whole number of ordinary shares based on the monthly contributions made together with any bonus which may be payable.

(d) *Option price*

Options granted to acquire shares under the SAYE Scheme will have an option price determined by the Remuneration Committee, which will be not less than the higher of:

- (i) 80% of the closing middle market quotation for such a Share for the dealing day (or, if so determined by the Remuneration Committee the average of such quotations for the five dealing days) immediately preceding the date on which invitations to apply for options are issued to employees; and
- (ii) the nominal value of a Share.

The option price (or how the option price shall be determined) shall be specified in each Invitation issued by the Board.

(e) *Grant of options*

The number of Shares over which options may be granted must, as nearly as possible, be equal to, but not in excess of, such number of Shares which may be purchased out of the repayment proceeds (including, where the Remuneration Committee so allow, any bonus) of the relevant Savings Contract at the option price.

Options must be granted not later than 30 days (or 42 days in the event that applications are scaled down) following the dealing day by reference to which the market value of a Share was determined. Options may be granted over newly issued Shares, treasury Shares and Shares purchased in the market in conjunction with an employee benefit trust established by the Company.

No payment will be required for the grant of an option. Options will not be taken into account in determining a participant's pension rights. Options are not transferable (other than on death in which case they may be exercised by a participant's personal representatives).

(f) *Exercise and lapse of options*

An option shall normally be exercisable during the six months commencing from the Bonus Date, unless leaver or takeover provisions apply. If an option is not exercised, it shall lapse at the end of that period.

(g) *Scheme Limits*

The Board may impose a limit on the number of Shares over which options may be granted on any particular occasion.

The maximum number of newly issued Shares which may be awarded under the SAYE Scheme when aggregated with all Shares issued or issuable under the SAYE Scheme or any other employee share scheme adopted by the Company may not, in any ten year period, exceed 10 per cent of the issued ordinary share capital of the Company. The proposed Share Matching Plan, if approved, will count towards this 10 per cent. limit.

No option is capable of being granted under the SAYE Scheme after 19 May 2020.

(h) *Exercise*

Options will only normally be exercisable for a period of six months commencing on the third or fifth anniversary (as the case may be) of the starting date of the related Savings Contract and, if not exercised by the end of that period, the option will lapse.

Earlier exercise may, however, be permitted in specified circumstances, including:

- (i) termination of employment as a result of death, injury, disability, redundancy, retirement or the sale of the subsidiary or business for which the participant works; or
- (ii) in the event of a takeover or change of control of the Company.

(i) *Adjustment*

In the event of any variation of share capital, the Board may make such adjustments as it considers appropriate, provided the total market value of Shares under option and the total option price remains substantially the same before and after the variation.

(j) *Alterations*

The Board may at any time alter the provisions of the SAYE Scheme or the terms of any option. No amendments to the rules dealing with eligibility, individual limits on participation, share capital limits, share capital variations or the basis for determining and adjusting a participant's entitlement, may be made without the prior approval of the shareholders in general meeting, unless the amendment is minor and for the benefit of the administration of the SAYE or to maintain favourable tax, exchange control or regulatory treatment for the Company or participants.

No alteration shall be made to the disadvantage of participants unless the Board has invited each relevant participant to indicate whether they shall approve of the alteration and the alteration is approved by a majority of the relevant participants.

(k) *General*

An option cannot be transferred (except on death to a personal representative).

Benefits under the SAYE Scheme are not pensionable.

PART XII

ADDITIONAL INFORMATION

1. The Company

- 1.1 Tribal was incorporated and registered in England and Wales on 15 December 2000 with registered number 04128850 as a public company limited by shares with the name Tribal Services plc. On 23 January 2001, the name of the Company was changed to Tribal Group plc.
- 1.2 The principal legislation under which the Company operates, and pursuant to which the New Shares will be created, is the Act and regulations made thereunder.
- 1.3 The Company is domiciled in England and Wales and its registered and head office is King Orchard, Queen Street, St Philips, Bristol BS2 0HQ (telephone number: +44 (0)845 123 6001).
- 1.4 The auditors of Tribal are, and have been throughout the period covered by the financial information in this document, Deloitte LLP of 3 Rivergate, Temple Quay, Bristol BS1 6GD. Deloitte LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

2. Share Capital

2.1 *Share capital summary*

As at 15 March 2016, the issued share capital of the Company, all of which was fully paid up, was made up as follows:

	<i>Issued</i> <i>Number</i>	<i>Amount</i> <i>£'000s</i>
Ordinary Shares of £0.05 each	94,849,241	4,743

For the period covered by the historical financial information the issues of shares are as follows:

	<i>Issued</i> <i>Date</i>	<i>Number</i>
Ordinary Shares of £0.05 each	6 February 2014	20,033
	19 June 2014	1,133,223

As at 31 December 2015, being the latest date to which audited accounts for the Company have been prepared, the authorised and issued share capital of the Company, all of which was fully paid up, was made up as follows:

	<i>Authorised</i> <i>Number</i>	<i>Amount</i> <i>£'000s</i>
Ordinary Shares of £0.05 each	125,000,000	6,250

	<i>Issued</i> <i>Number</i>	<i>Amount</i> <i>£'000s</i>
Ordinary Shares of £0.05 each	94,849,241	4,743

The issued share capital of the Company, all of which will be fully paid up on or before Admission, as it is expected to be immediately following Admission will be made up as follows:

	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Shares	195,380,299	£9,769,014.95

Details of the total number of options (all granted for nil consideration) under the Share Schemes outstanding as at 15 March 2016 (being the latest practicable date prior to the publication of this document) are as follows:

LTIP

<i>Date of grant</i>	<i>Number of Shares under option</i>	<i>Exercise price (p)</i>	<i>Exercise period</i>
30 March 2015	185,757	Nil	20 March 2018 to 30 March 2025
21 March 2014	154,166	Nil	21 March 2017 to 21 March 2024
21 March 2013	156,853	Nil	15 March 2016 to 15 March 2023
Total	<u>496,776</u>	<u>–</u>	<u>–</u>

SAYE

<i>Date of grant</i>	<i>Number of Shares under option</i>	<i>Exercise price (p)</i>	<i>Exercise period</i>
18 October 2008	1,346	108p	1 December 2015 – 1 June 2016
Total	<u>1,346</u>		

The Shares are in registered form and capable of being held in uncertificated form. Application has been made to Euroclear for the New Shares to be enable for dealings through CREST as a participating security. The International Securities Identification Number (ISIN) for the Shares is GB0030181522. No temporary documents of title will be issued. It is expected that definitive share certificates will be posted to those Shareholders who have requested the issue of New Shares in certificated form by 26 April 2016.

The Company does not have in issue any securities not representing share capital and there are no outstanding debentures, convertible securities, exchangeable securities or securities with warrants issued or proposed to be issued by the Company.

As at 15 March 2016 (being the latest practicable date prior to the publication of this document), the Company held no treasury shares.

2.2 Existing Shareholder authorities

At the annual general meeting of Tribal held on 15 May 2015 the following authorities were obtained:

- The Directors are authorised, pursuant to the Articles and section 551 of the Act, to allot Shares, grant rights to subscribe for Shares and to convert any security into Shares up to an aggregate nominal amount of £1,721,196.20;
- The Directors are authorised to allot Shares wholly for cash under the authority granted under resolution (a), above, and to sell treasury shares, in each case as if

Section 561(1) of the Act did not apply, up to an aggregate nominal value of £237,123.10.

- (c) The Directors are authorised, for the purposes of section 701 of the Act, to make market purchases (as defined in section 693 of the Act) of Shares in the capital of the Company, provided that: (i) the maximum number of Shares purchased is no greater than 9,484,924; (ii) the maximum price which may be paid for a Share is an amount equal to 105 per cent. of the middle market quotation of the Shares on the London Stock Exchange Daily Official List for the five business days prior to the date of purchase; and (iii) the authority will expire at the conclusion of the 2016 annual general meeting.

3. Summary of the Articles

The Articles, which were adopted pursuant to a special resolution of the Company passed on 20 May 2010, contain, amongst other things, provisions to the following effect:

- (a) ***Objects***

The Articles do not contain any restrictions on the objects of the Company.

- (b) ***Rights attaching to Shares***

- (i) ***Voting rights***

Article 70: Subject to the provisions of the Act and the Articles and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands, every member who (being an individual) is present in person has one vote. On a vote on a show of hands, a proxy appointed by one member has one vote and a proxy appointed by more than one member has one vote, if instructed to vote in the same way by all those members, and is entitled to one vote for and one vote against, if instructed to vote in different ways by those members. On a poll, every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which he is the holder.

Article 72: A member of the Company shall not be entitled, in respect of any share held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that share in the Company have been paid or credited as having been paid.

- (ii) ***Joint holders***

Article 70.3: In the case of joint holders of shares, only the vote of the senior holder who votes (and any proxies duly authorised by him) may be counted. For this purpose, the senior holder of a share shall be determined by the order in which the names of the joint holders stand in the register of members.

- (iii) ***Dividends***

Article 140: Subject to the provisions of the Act and of the Articles the Company may, by ordinary resolution, declare that out of profits available for distribution dividends be paid to members of the Company according to their respective rights and interests in the profits of the Company available for distribution. However, no such dividends shall exceed the amount recommended by the Board.

Article 141: Interim dividends may be declared and paid provided that they appear to the Board to be justified by the profits available for distribution and the financial position of the Company.

Article 142.1: Except as otherwise provided by the rights attached to shares, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

Article 145: Unless otherwise provided by the rights attached to any share, no dividends payable by the Company shall bear interest as against the Company.

Article 144: The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid shares or debentures of any other company.

Article 150.1: The Board may, with the prior authority of an ordinary resolution of the Company and subject to such conditions as the Board may determine, provided the Company has sufficient undistributed profits or reserves to give effect to it, offer the holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid in whole or in part instead of cash in respect of all or part of any dividend specified in the ordinary resolution.

Article 148: All dividends unclaimed for a period of 12 years from the date on which the dividend became due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

(iv) *Return of capital*

Article 172.2: On a winding-up of the Company, the surplus assets remaining after payment of all creditors shall be divided amongst the members in proportion to the capital which, at the commencement of the winding up, is paid up on their respective shares and if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively.

(c) ***Transfer of shares***

Article 36: Each member may transfer all or any of his shares, in the case of certified shares, by an instrument of transfer in writing in any usual form or in any other form approved by the Board, or, in the case of uncertified shares, without a written instrument in accordance with the CREST Regulations. Any instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee.

Article 37: The Board may, in its absolute discretion, refuse to register any transfer of certificated shares unless it is:

- (A) in respect of a share which is fully paid up;
- (B) in respect of a share on which the Company has no lien;
- (C) in respect of only one class of share;
- (D) in favour of a single transferee or not more than 4 joint transferees;
- (E) duly stamped (if required); and
- (F) delivered for registration to the registered office of the Company (or such other place as the Board may from time to time determine) accompanied (except in the case of a transfer by a financial institution where a certificate has not been issued) by the relevant share certificate(s) and such other evidence as the Board may reasonably

require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board may not exercise such discretion in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

Article 37.2: The Board shall register a transfer of title to any CREST share, except the Board may, in its absolute discretion, refuse (subject to any relevant requirements of the applicable recognised investment exchange) to register the transfer of an uncertificated share which is in favour of more than 4 persons jointly or in any other circumstances permitted by the Uncertificated Regulations.

Article 38: If the Board refuses to register a transfer of a share it shall, within 2 months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for refusal.

(d) ***Disclosure of interests in shares***

Article 81.1: If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the “**default shares**” which express shall include further shares which are issued in respect of such shares unless a separate notice is issued in respect of such further shares) to give the Company the information thereby required within the prescribed period from the date of service of the notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Board may serve on the holder of such default shares a notice (“**disenfranchisement notice**”) pursuant to which the following sanctions shall apply:

- (A) the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (B) where the default shares represent at least 0.25% in nominal value of their class:
 - (i) any dividend or other money payable in respect of the shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect pursuant to Article 150 to receive shares instead of that dividend; and
 - (ii) subject, in the case of uncertificated shares to the Uncertificated Regulations, no transfer, other than an approved transfer, of any shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required; and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

(e) ***Purchase of own shares***

Article 11: Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may enter into a contract for the purchase of its own shares of any class and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares.

(f) ***Distribution of assets on liquidation***

Article 172: On a winding-up of the Company, the surplus of assets available for distribution shall be divided amongst the members in proportion to the amounts paid up on their respective shares at the commencement of the winding-up, or with the sanction of an extraordinary resolution of the Company, be divided amongst the members in specie in such manner as shall be determined by the liquidator.

(g) ***Variation of rights***

Article 12: Subject to the provisions of the Act and of the Articles, if at any time the share capital of the Company is divided into shares of different classes, any of the rights attached to any share or class of share in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by those rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value 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 duly convened and held as provided in the Articles (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation.

Article 13: The quorum for such separate general meeting of the holders of the shares of the class shall be not less than 2 persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares).

(h) ***General Meetings***

Article 44.1: Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine.

Article 45: The Board may convene any other general meeting whenever it thinks fit. A general meeting shall also be convened by the Board on the requisition of members in accordance with the Act.

Article 46: A general meeting of the Company (other than an adjourned meeting) shall be called by notice of:

- in the case of an annual general meeting, at least 21 clear days; and
- in any other case, at least 14 clear days (unless, at the relevant time, either of the conditions set out in sub-section 307A(3) and sub-section 307A(4) of the Act have not been met by the Company, in which case at least 21 clear days' notice will be required).

Article 54: The accidental failure to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person(s) entitled to receive the same shall not invalidate the proceeding at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given.

Article 56: No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, 2 persons entitled to attend and vote on the business to be transacted, each being a member present in person or a proxy for a member, shall be a quorum.

Article 62: With the consent of any general meeting at which a quorum is present the chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as he shall determine. Without prejudice to any other power which he may have under the Articles or at common law, the chairman may, without consent of the meeting, interrupt or adjourn any general meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

Article 63: Notice of adjournment or of the business to be transacted at the adjourned meeting is not required unless the meeting is adjourned for 14 days or more, in which case at least 7 clear days' notice is required. No business shall be dealt with at any adjourned meeting, the general nature of which was not stated in the notice of the original meeting.

(i) ***Board authorisation of conflicts***

Article 127: Subject to the Articles, the Board may authorise any matter or situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. Any such authorisation shall be effective only if:

- (A) the matter or situation arose on or after 1 October 2008 (or such other date when section 175, of the Act came into force);
- (B) any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the conflicted Director or any other interested Director;
- (C) the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted Director and without counting the votes of any other interested Director; and
- (D) the conflicted Director has disclosed in writing all material particulars of the matter, office, employment or position which relates to the matter or situation which is the subject of the conflict or possible conflict.

(j) ***Directors' interests in contracts***

Article 128: Provided permitted by any relevant legislation and provided that he has disclosed to the Board the nature and extent of his interest in accordance with the Articles, a Director, notwithstanding his office:

- (A) may be party to or otherwise interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- (B) may hold any other office or position of profit under the Company (except that of auditor of the Company or of any subsidiary of the Company) and may act by himself or through his firm in a professional capacity for the Company;
- (C) may be a member of or a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, anybody corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (D) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, payment or benefit.

(k) ***Directors' ability to vote and count for quorum***

Article 130: Director shall not vote on or be counted in the quorum in relation to, any resolution of the Board or any committee of the Board concerning any transaction or arrangement with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, save that a Director shall be entitled to vote and be counted in the quorum in respect of any resolution at such meeting if the resolution relates to one of the following matters:

- (A) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (B) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (C) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (D) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing 1% or more of either any class of the equity share capital, or the voting rights, in such company;
- (E) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- (F) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors;
- (G) the funding of expenditure by one or more Directors in defending proceedings against him or them or doing anything to enable such Directors to avoid incurring such expenditure provided that such funding is consistent with, or no more beneficial to him or them than the provisions of the Articles and is permitted pursuant to the provisions of the relevant legislation;
- (H) the giving of an indemnity or indemnities in favour of one or more Directors which is/are consistent with, or no more beneficial to him or them than any such indemnities provided pursuant to the Articles (and provided such indemnities are permitted pursuant to the relevant legislation).

Article 131: A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment as the holder of any office or position of profit with the Company or any company in which the Company is interested (including fixing or varying the terms of such appointment or its termination). Where proposals are under consideration concerning the appointments (including fixing or varying the terms of the appointment) of 2 or more Directors to offices or position of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case, each such Director (if not otherwise debarred from voting) is entitled to vote (and be counted in the quorum) in respect of each resolution except that resolution concerning his own appointment.

(l) **Directors**

Article 100: The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £300,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided amongst the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally (save where any Director has held office for less than the whole of the relevant period in respect of which the fees are paid).

Article 101: Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of his duties as Director.

Article 102: If by arrangement with the Board any Director performs any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

(m) **Pensions and benefits**

Article 104: The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or who has at any time been a Director or any director of a subsidiary company of the Company or allied to or associated with the Company or such subsidiary or predecessor in business of the Company or any such subsidiary (and for any member of his family including a spouse or former spouse or civil partner or former civil partner or any person who is or was dependent on him). For this purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, club, trust or fund and pay premiums.

(n) **Indemnification of Directors**

Article 174: Subject to, and to the fullest extent permitted by, law, every Director and every director of any associated company, former Director, alternate Director secretary or other officer of the Company (other than an auditor) shall be fully indemnified out of the assets of the Company against all or any part of any costs, charges, losses, damages and liabilities incurred by him in relation to anything done, omitted or alleged to have been done by him in the actual or purported execution or discharge of his duties or exercise of his powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme, subject to the exclusions set out in the Articles.

(o) **Borrowing powers**

Article 115: Subject to the provisions of the Act and to the provisions set out in the Articles, the Board may exercise all the powers of the Company to borrow money to guarantee, to indemnify and to mortgage or charge its undertaking, property assets (present or future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

The aggregate principal amount at any one time outstanding in respect of monies borrowed or secured by the Company and its subsidiaries (exclusive of intra-group borrowings and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 4 times the Adjusted Capital and Reserves:

- (A) the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and

- (B) the amount outstanding to the credit of the capital and revenue reserves of the Company and its subsidiaries, whether or not distributable (including any share premium account, capital redemption reserve fund or revaluation reserve and credit or debit balance on any other reserve) after adding thereto or deducting therefrom any balance standing to the credit or debit of the income statement of the profit and loss account,

all as shown in the relevant balance sheet of the Company and its subsidiaries but after any adjustments, exclusions and deductions as set out in the Articles.

4. Major Shareholders

- 4.1 In addition to the interests of the Directors set out in Part XI (*Directors, Responsible persons, Corporate governance and employees*), as at 15 March 2016 (being the latest practicable date prior to the publication of this document) and in so far as is known to the Company, the following persons will, directly or indirectly, be interested in 3% or more of the issued share capital of the Company on the date of Admission based on the assumption that the holdings of such persons in Tribal as at 15 March 2016 do not change, 94,849,241 Rights Issue Shares are issued in connection with the Rights Issue, that all such Shareholders take up their rights in the Rights Issue, and that no other issues of Shares occur between the date of this document and Admission other than the Subscription Shares:

Name	As at 15 March 2016		Immediately following Admission	
	Number of Shares	Percentage of issued Shares	Number of Shares	Percentage of issued Shares
RWC Partners Ltd	19,593,700	20.66	39,187,400	20.06
Schroder Investment Management Limited	10,336,148	10.90	20,599,752	10.54
Strategic Equity Capital plc	9,320,095	9.83	18,640,190	9.54
Legal & General Group	7,017,884	7.40	14,472,222	7.41
Crystal Amber Advisors	6,093,301	6.42	12,186,602	6.24
Majedie Asset Mgt	4,745,242	5.00	9,490,484	4.86
Henderson Group	3,925,000	4.14	7,850,000	4.02

- 4.2 As set out in Part I (*Letter from the Chairman of Tribal*), RWC Partners Ltd have given an irrevocable commitment to take up their interests under the Rights Issue in respect of 14,227,386 Shares.
- 4.3 Save as disclosed above, the Directors are not aware of any person who is interested directly or indirectly in 3% or more of the existing issued share capital of the Company.
- 4.4 As at 15 March 2016 (being the latest practicable date prior to the publication of this document), the Company was not aware of any person or persons who directly or indirectly, jointly or severally, exercise or could exercise control over the Company, nor is it aware of any arrangements the operation of which may result in a change in control of the Company.
- 4.5 The Company's share capital consists of one class of ordinary shares with equal voting rights (subject to the Articles). None of the Company's major shareholders has or will have different voting rights attached to the shares they hold in the Company.

5. Related party transactions

Other than in relation to the proposed Subscriptions, the Group has entered into no related party transactions of the kind set out in the Standards adopted according to Regulation (EC) No 1606/2002 during the financial years ended 31 December 2015, 31 December 2014 and

31 December 2013 or during the period between 31 December 2015 and 15 March 2016 (being the latest practicable date prior to the publication of this document).

6. Material Contracts

There are no contracts (other than contracts entered into in the ordinary course of business entered into by the Synergy business (i) within the 2 years immediately preceding the date of this document which are or may be material to Synergy or (ii) which contain provisions under which Synergy has an obligation or entitlement which is or may be material to Synergy as at the date of this document.

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Tribal or another member of the Group (i) within the 2 years immediately preceding the date of this document and are or may be material to the Group or (ii) which contain provisions under which any member of the Group has an obligation or entitlement which is or may be material to the Group as at the date of this document.

6.1 Disposal Agreements

(a) Synergy SPA

The sale and purchase agreement in respect of the Disposal (the “**Synergy SPA**”) was entered into on 29 February 2016 between Tribal, Tribal Education Limited, Servelec Corelogic Limited and Servelec.

Pursuant to the Synergy SPA, Tribal Education Limited agreed to sell, and Servelec Corelogic Limited agreed to buy, Synergy Newco Limited.

Synergy Newco Limited is a newly incorporated company, which was incorporated as a wholly owned subsidiary of Tribal Education Limited and into which the Synergy business will be transferred prior to completion of the Synergy SPA pursuant to the Synergy BTA.

The only condition not within the control of Tribal is the approval of the Disposal Resolution by Shareholders at the General Meeting. Subject to such approval being obtained and to Servelec not having exercised their right to terminate, it is expected that the Disposal will complete at 2.00 p.m. on the date of the General Meeting.

Servelec also have the right to terminate the Synergy SPA in the event that there has been a material adverse change affecting the Synergy business prior to the expected completion time. A material adverse change is defined as one which either: (i) adversely effects the profitability of the Synergy business by more than £400,000 per annum; and/or (ii) in the reasonable opinion of Servelec materially prejudices Tribal Education Limited’s ability to perform its obligations under the Disposal transaction documents, the principal ones being the Synergy SPA, the Synergy BTA and the Synergy TSA. The Board believes that it is very unlikely given the relative historic stability of revenues and profits from the Synergy business, and the high threshold at which the Servelec termination right is triggered, that this termination right could be expected prior to the General Meeting.

Where the sale of Synergy does not complete as a result of a material adverse change or a failure by Shareholders to approve the Disposal, Tribal Education Limited is subject to an obligation to pay Servelec’s costs, up to a maximum of £150,000. In the event that the Board of Tribal withdraws its recommendation to Shareholders to vote in favour of the Disposal Resolution, the limit on costs payable is increased from £150,000 to £300,000 (i.e. the £150,000 and £300,000 limits are mutually exclusive).

The Synergy SPA contains warranties and tax covenant in respect of the Synergy business and Synergy Newco Limited, subject to a total cap on liability of £20.25m and a limit of 18 months to bring non-tax claims and 7 years for tax claims.

Tribal has guaranteed the obligations of Tribal Education Limited pursuant to the Synergy SPA.

(b) *Synergy BTA*

The business transfer agreement in respect of the Synergy business has not been entered into at the date of this document, but is in agreed form and annexed to the Synergy SPA.

The Synergy BTA will be entered into between Tribal Education and Synergy Newco Limited and transfers the Synergy business into Synergy Newco Limited prior to its sale to Servelec pursuant to the Synergy SPA.

The consideration payable under the Synergy BTA is £20.25m. This will be left outstanding as a debt owed by Synergy Newco Limited to Tribal Education Limited. On Completion of the Synergy SPA, Servelec Corelogic Limited will procure the repayment of the £20.25m debt by Synergy Newco Limited to Tribal Education Limited.

(c) *Synergy TSA*

On Completion of the Synergy SPA, Tribal Education Limited and Synergy Newco Limited will enter into a transitional services agreement pursuant to which certain services will be provided by Tribal Education Limited to Synergy Newco Limited for a transitional period.

6.2 ***Underwriting Agreement***

On 16 March 2016, Tribal and Investec entered into the Underwriting Agreement in connection with the Rights Issue, Admission and the Disposal. Pursuant to the Underwriting Agreement, Tribal appointed Investec as sole sponsor in relation to the Rights Issue, the CEO Subscription, the NED Subscription, the Share Matching Plan and the Disposal and as sole bookrunner and sole underwriter in relation to the Rights Issue.

Subject to the terms and conditions of the Underwriting Agreement, Investec (as agent of Tribal) has agreed to use reasonable endeavours to procure subscribers for the Rights Issue Shares which have not been taken up under the Rights Issue as soon as reasonably practicable and in any event by no later than 5.00 p.m. on the second dealing day after the last date for acceptance under the Rights Issue, for an amount which is not less than the total of the Issue Price multiplied by the number of Rights Issue Shares plus the expenses of procurement (including any applicable commissions and VAT). If and to the extent that Investec is unable to procure subscribers on the basis outlined above, Investec has agreed to subscribe for any remaining Rights Issue Shares. Investec has the right to obtain sub-underwriting commitments in respect of some or all of the Rights Issue Shares.

The underwriting commission payable is equal to 0.5 per cent. of £30 million (being the amount the subject of the Standby Underwriting Agreement), plus 2.5 per cent. of the Issue Price multiplied by the aggregate number of Rights Issue Shares (plus any applicable VAT). In addition, Tribal has agreed to pay a corporate finance fee of £250,000 (plus any applicable VAT). All commissions and fees payable pursuant to the Underwriting Agreement are payable as soon as practicable following the acceptance date but not later than the fifth Business Day following the acceptance date.

Irrespective of whether Admission occurs, the Company shall bear all expenses of or incidental to the Rights Issue, Admission, the Disposal and the arrangements contemplated

by the Underwriting Agreement, including the fees and expenses of its professional advisers, the fees and expenses of Investec and its professional advisers, the cost of preparation, advertising, printing and distribution of this document and all other documents connected with the Rights Issue, all roadshow expenses, including travel and accommodation, all bookbuilding expenses, the Registrar's fees, all filing fees and related and other expenses in connection with the qualification of the Rights Issue Shares for offering and sale in any jurisdiction pursuant to the Rights Issue and the Disposal and, where applicable, VAT.

Tribal has given certain customary representations, warranties and undertakings to Investec, and customary indemnities to Investec and to certain persons connected with it, in relation to the Rights Issue and the Disposal. The obligations of Investec under the Underwriting Agreement are subject to certain conditions customary in agreements of this type including, amongst others:

- (a) Admission of the Rights Issue Shares occurring at or before 8.00 a.m. on 24 April 2016 (or such later time and/or date (being not later than 8.00 a.m. on 30 April 2016) as Investec may determine);
- (b) the passing without amendment of the Rights Issue Resolutions and the Disposal Resolution at the General Meeting on 1 April 2016 (or such later date as Investec may determine) and such Resolutions remaining in force;
- (c) none of the warranties being (in the good faith opinion of Investec) untrue, inaccurate or misleading as at the date of the Underwriting Agreement at Admission (by reference to the facts and circumstances from time to time subsisting);
- (d) no matter referred to in Section 87G of FSMA arising in the period between the time of publication of this document and the time of Admission and no supplementary prospectus being required to be published by or on behalf of the Company before Admission;
- (e) completion of the Disposal having occurred and the Company having received all of the Consideration (as such term is defined in the Synergy SPA) in cleared funds on or prior to 1 April 2016;
- (f) the Company not being in breach of any term of its Facilities Agreement and (after taking into account the net proceeds of the Disposal and the Rights Issue) not being reasonably likely to breach any of the Facilities (save for any breach already waived in respect of which the waiver continues in force); and
- (g) the Company having complied with and not being in breach, at any time prior to Admission, of any of its obligations under the Underwriting Agreement or under the terms of the Rights Issue which, in each case, fall to be performed or satisfied prior to Admission and the Company having complied with those of its obligations under the Listing Rules and the Prospectus Rules which fall to be performed or satisfied prior to Admission.

Further conditions which the Board does not believe to be material are also contained in the Underwriting Agreement. If any of the conditions in the Underwriting Agreement is not satisfied (or waived by Investec), or become incapable of being satisfied, by the required time and date (or by such later time and/or date as Investec may determine) then, save for certain exceptions, the obligations of the parties under the Underwriting Agreement shall cease and terminate without prejudice to any liability for any prior breach of the Underwriting Agreement. For the avoidance of doubt, the Group is not currently in breach of any term of its Facilities Agreement and the Board believes there is no material risk of the Board being in breach of the Facilities Agreement during the term of the Underwriting Agreement.

In addition, Investec is entitled to terminate the Underwriting Agreement in certain circumstances, including for material adverse change and force majeure, but only prior to Admission.

Pursuant to the Underwriting Agreement, the parties have agreed that if a supplementary prospectus or a Supplementary Circular is issued by the Company two or fewer Business Days prior to the date specified as the latest date for acceptance and payment in full, such date shall be extended to the date which is three Business Days after the date of publication of the supplementary prospectus or the Supplementary Circular, and the dates and times of events due to take place following such date shall be extended accordingly.

The Company agrees that, between the date hereof and the date which falls 180 days after the commencement of dealing of the Rights Issue Shares it will not, without the prior written consent of Investec:

- (a) undertake any consolidation or subdivision of its share capital or any capitalisation issue;
- (b) directly or indirectly, issue, allot, offer, pledge, sell, contract to sell, lend, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, deposit into any depositary receipt facility or otherwise transfer or dispose of any Shares or any securities convertible into or exercisable or exchangeable for Shares or file any registration statement under the Securities Act with respect to any of the foregoing (or publicly announce the same);
- (c) enter into any swap or other agreement, arrangement or transaction that transfers or confers in whole or in part, directly or indirectly, any of the economic consequences of the ownership of its Shares; or
- (d) carry out any capital increases or issue any convertible bonds, exchangeable bonds or other securities which are convertible, exchangeable, exercisable into, or otherwise give the right to subscribe for or acquire its ordinary shares, whether directly or indirectly,

(whether any such swap, agreement, arrangement or transaction described in (a) to (d) above is to be settled by delivery of ordinary shares, cash or otherwise), except in each case with the prior written consent of Investec, provided that the restrictions above shall not apply in relation to (i) the issuance of the Rights Issue Shares to be issued in the context of the Rights Issue, and (ii) the grant or award in the ordinary course of options or ordinary shares under, and allotments and issuances of ordinary shares of the Company pursuant to the Company's executive or employee Share Schemes or incentive plans existing on the date of this agreement.

6.3 ***Standby Underwriting Agreement***

Tribal entered into a standby underwriting agreement dated 14 December 2015 (the "**Standby Underwriting Agreement**") with Investec pursuant to which Investec agreed to underwrite up to £30 million of a rights issue by Tribal, on the terms of an underwriting agreement to be agreed between Tribal and Investec. The Standby Underwriting Letter automatically terminated in accordance with its terms upon the execution of the Underwriting Agreement described in paragraph 6.2 above.

6.4 ***Callista share purchase agreement***

TGPL entered into a share purchase agreement dated 6 March 2015 (the "**Callista SPA**") for the acquisition of Callista.

The parties to the Callista SPA were Deakin University ("**Deakin**") as the seller, TGPL as the buyer, Tribal as the guarantor and Callista as the target company.

Callista is a software company based in Australia which owns the Callista Student Management System software programme used by tertiary educational institutions for managing the administrative process during a student's lifecycle.

The purchase price was A\$1,000,000 plus the net asset amount of A\$2,636,650, all of which has been paid.

Deakin gave certain warranties and indemnities in favour of TGPL in relation to (amongst other matters) tax, its title to shares, its capacity to enter into the Callista SPA, the liabilities and commitments of Callista and its intellectual property.

6.5 ***Sky Software share purchase agreement and subsequent variation***

TGPL entered into a share purchase agreement on or about 5 March 2014 (the "**Sky SPA**") for the acquisition of Sky Software.

The parties to the Sky SPA were Michael McKeand, Eriko Kinoshita, Nicole Judith Stanley, McKeand Investments Pty Limited as trustee for the McKeand Family Trust, Seven Seven Investments Pty Limited (ACN 124 972 872) as trustee for Seven Trust and Nicholas Peter Stanley together, the sellers, TGPL as the buyer, Tribal Education Ltd as the guarantor and Sky Software as the target company.

Sky Software is a software developer and provider of Cloud-based education solutions to tertiary and private educational institutions based in Australia.

The Sky SPA provided that the purchase price was the payment of A\$2,030,650.22 and a completion adjustment amount of A\$100,000 (as calculated in accordance with the completion statement), which have been paid. Deferred consideration for which the final payment date is no later than 31 March 2017 is capped at A\$18,000,000.

The Sky Sellers gave certain warranties in favour of TGPL in relation to (amongst other matters) the accuracy of information provided, title to the shares, capacity, tax, real estate of Sky, contracts entered into by Sky Software and the liabilities and commitments of Sky Software.

6.6 ***Human Edge share purchase agreement summary***

TGPL entered into a share purchase agreement in June 2014 (the "**Human Edge SPA**") for the acquisition of Human. The parties to the Human Edge SPA were Alexander Arvids Babauskis ("**Babauskis**") as the seller, TGPL as the buyer and Human Edge as the target.

Human Edge software companies based in Australia which create, build and deliver a range of products and services that help education, learning and training customers including administrative and operational software for the education sector.

Under the terms of the Human Edge SPA, Babauskis sold the legal and beneficial title to the shares of Human Edge for A\$15,450,000 with adjustments for cash, working capital and debt left in the business, which was settled on completion. A further balancing payment will be made or received by the Group following determination of the completion statement based on the balance sheets of Human Edge, this payment is outstanding.

Under the terms of the Human Edge SPA, upon completion, Babauskis acquired a put option which gave him the right to require TGPL to purchase the shares of Human Edge Software Philippines (Inc) for A\$100,000. This was subsequently exercised.

Babauskis gave certain warranties (including tax warranties) in favour of TGPL in relation to (amongst other matters) his title to the shares, as well as the real property, the contracts, the intellectual property, the employees, the IT and the liabilities and commitments of Human Edge.

6.7 **Facility Agreement**

The Company as a borrower and guarantor entered into a multicurrency revolving credit facility agreement dated 28 January 2014 with Tribal Education Limited, Tribal Holdings Limited, Tribal Technology Limited, TGPL, International Graduate Insight Group Ltd, Tribal Resourcing Limited, Tribal Agency Limited, Tribal Property Limited and Tribal Treasury Services Limited acting as additional guarantors and HSBC Bank plc, Lloyds Bank plc and Clydesdale Bank plc acting as arrangers (the “**Facility Agreement**”).

On 22 July 2014, HEG, Sky and HESC acceded to the Facility Agreement as additional guarantors.

The current principal terms of the Facility Agreement are described below:

Amount, term and purpose

The Facility Agreement provides for a multicurrency revolving facility of £40 million (the “**Revolving Credit Facility**”). The amount of the Revolving Credit Facility was increased by a further amount of up to £10 million by the exercise of an accordion option (in accordance with the terms of the Facility Agreement) on 4 November 2014.

The final maturity of the Revolving Credit Facility is 28 July 2018. The Revolving Credit Facility is available for general corporate purposes of the Group (including financing acquisitions which are permitted by the terms of the Facility Agreement). The Revolving Credit Facility is capable of being utilised by way of re-drawable cash loans or for the provision of ancillary facilities as agreed bilaterally with the lenders in place of their Revolving Credit Facility commitment.

Interest rate and fees

Utilisations under the Facility Agreement bear interest for each interest period at a rate per annum equal to LIBOR, EURIBOR or BBSW plus a margin.

The margin on the Revolving Credit Facility is subject to a margin “ratchet”. The initial margin in relation to the Revolving Credit Facility was 1.50 per cent. per annum. Pursuant to the margin ratchet, the margin is adjusted as the Group (on a consolidated basis) attains certain ratios of consolidated total net borrowings to EBITDA. The maximum margin is 2.60 per cent. per annum and the minimum margin is 1.50 per cent. per annum. Any change in the margin takes effect on the first day of the first interest period falling five business days after the date of delivery of the relevant quarterly compliance certificate.

The Revolving Credit Facility also bears customary arrangement, commitment and agency fees.

Guarantees

The Company is required to have its material subsidiaries (being those members of the Group expressly identified in the Facility Agreement together with any other member of the Group contributing 5 per cent. or more of the consolidated EBITDA, gross assets or turnover of the Group) provide guarantees for the benefit of the lenders. The Company is also required to ensure that the aggregate of the EBITDA, gross assets and turnover of the guarantors under the Facility Agreement are not, at any time, less than 80 per cent. of the total consolidated EBITDA, gross assets and turnover of the Group.

Covenants and events of default

The Facility Agreement requires the Company and certain subsidiaries to observe certain customary undertakings. The Facility Agreement also requires the Company and certain subsidiaries to comply with certain customary negative covenants and events of default.

The Facility Agreement requires the Company to comply with two principal financial covenants: (i) a minimum ratio of EBITDA to net financing costs (the “**Senior Interest Cover covenant**”) and (ii) a maximum ratio of consolidated total net borrowings to EBITDA (the “**Total Debt Cover covenant**”). The Senior Interest Cover covenant is tested quarterly and the Total Debt Cover covenant is tested half-yearly.

Pursuant to a letter dated 21 December 2015 between HSBC Bank plc (as agent) and the Company (the “**Waiver Letter**”), the testing of each of the financial covenants on 31 December 2015 was waived. Furthermore, pursuant to the Waiver Letter, the Company has agreed to enter into further discussions with HSBC Bank plc (as agent) as soon as reasonably practicable in the event that it becomes aware there is a reasonable chance that the proceeds of the Rights Issue (net of deductibles) will not be received by the Company by 30 April 2016, or aware of anything else which would materially prejudice the successful implementation of the Rights Issue.

Availability

The Revolving Credit Facility will cease to be available one month prior to 28 July 2018.

Prepayment

The Revolving Credit Facility is to be prepaid in full immediately upon the occurrence of certain events, including a change of control.

6.8 **CEO Subscription Agreement**

The Company entered into the CEO Subscription Agreement with Ian Bowles on 16 March 2016.

Pursuant to the CEO Subscription Agreement, Mr Bowles will subscribe for, and the Company will issue, 1,136,363 CEO Subscription Shares at a price of 22 pence per Share, raising total proceeds of £250,000 for the Company (there are no expenses associated with the Subscription). This will result in Mr Bowles having an interest of 0.6 per cent. in the Enlarged Issued Share Capital of the Company.

The CEO Subscription Agreement is conditional on the passing of the CEO Subscription Resolution, as well as completion of the Disposal and the Rights Issue.

Subject to satisfaction of the conditions, the CEO Subscription Shares will be issued on Admission.

6.9 **NED Subscription Agreements**

The Company entered into NED Subscription Agreements with each of Richard Last and Roger McDowell on 16 March 2016.

Pursuant to the NED Subscription Agreements, these Directors will subscribe for, and the Company will issue, NED Subscription Shares at a price of 22 pence per Share, raising total proceeds of £1,000,000 for the Company (there are no expenses associated with the NED Subscription), divided as follows:

<i>Director</i>	<i>Amount subscribed</i>	<i>NED Subscription Shares</i>	<i>% interest in the Enlarged Issued Share Capital (%)</i>
Richard Last	£500,000	2,272,727	1.2
Roger McDowell	£500,000	2,272,727	1.2

The NED Subscription Agreements are conditional on the passing of the NED Subscription Resolution, as well as completion of the Disposal and the Rights Issue. In addition, the

Subscription Agreements are conditional on the passing of the Share Matching Plan Resolutions.

Subject to satisfaction of the conditions, the Subscription Shares will be issued on Admission.

6.10 **Share Matching Agreements**

The Company entered into a Share Matching Agreement with each of Richard Last and Roger McDowell on 16 March 2016.

The Share Matching Agreements are conditional on the passing of the Share Matching Plan Resolution, as well as completion of the Disposal and the Rights Issue and the NED Subscription.

The Share Matching Agreements will give each of Mr Last and Mr McDowell an option to purchase 3,405,998 Share Matching Plan Shares. The exercise price for the options will be the nominal value of the Shares, and Mr Last and Mr McDowell will receive a bonus from the Company to fund such exercise price.

7. **Significant subsidiaries**

The Company is the principal operating and holding company of the Group. The principal subsidiaries and subsidiary undertakings of the Company are as follows:

<i>Name</i>	<i>Registration number</i>	<i>Status</i>	<i>Proportion of share capital held (%) (Note 1)</i>	<i>Country of incorporation</i>
Tribal Holdings Limited	03036966	Active	100%	England and Wales
Tribal Resourcing Limited	03765435	Active	100%	England and Wales
Tribal Education Limited	04163300	Active	100%	England and Wales
Tribal Technology Limited	04269915	Active	100%	England and Wales
The Tribal Group Foundation	04730598	Active	No shareholding – limited by guarantee	England and Wales
Tribal Group Pty Limited	ACN 135 097 942	Active	100%	Australia
International Graduate				
Insight Group Ltd	05368460	Active	100%	England and Wales
Tribal Resourcing Limited	03765435	Active	100%	England and Wales
Human Edge Group Pty Ltd	ACN 136 182 726	Active	100%	Australia
Human Edge Software Corporation Pty Ltd	ACN 006 130 829	Active	100%	Australia
Sky Software Pty Ltd	ACN 149 756 203	Active	100%	Australia
Callista Software Services PTY Ltd	ACN 078 516 248	Active	100%	Australia
Tribal Group South Africa Pty Ltd	2012/119157/07	Active	100%	South Africa
Tribal Systems Canada Limited	DC0982871	Active	100%	Canada
Tribal Group (Malaysia) (SDN BHD)	1155635-U	Active	100%	Malaysia

Note 1:

The proportion of voting power held is the same as the proportion of share capital held.

8. Working capital

In the opinion of the Company, taking into account the net proceeds of the Disposal, the net proceeds of the Rights Issue and the bank facilities available to the Group, the working capital available to the Group is sufficient for the Group's present requirements, that is for at least the next 12 months following the date of this document.

9. Litigation

There are no governmental, legal or arbitration proceeding (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on Synergy's financial position or profitability.

Save as disclosed below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

Tribal is engaged in a dispute with Bournemouth University further to a delay (among other things) in relation to a contract to provide the SITS software to handle student admissions. As a result of these delays the implementation and the admission modules were not installed by the date required by the University.

As admissions only occur on an annual basis, the University postponed the systems implementation by a year and are purporting to claim for costs in relation to finding an alternative method of handling admissions for that year. Tribal and the University have differing positions on the cause of the delay.

It is anticipated that the dispute will be settled commercially, without the need for formal proceedings. The claim is quantified at £3,914,142.20, however the Board expects to settle the claim at an amount very significantly below this level. Any settlement is likely to comprise of a lump sum payment and additional software and services at either a discount or no charge.

10. Sources and bases of selected financial information

10.1 In this document unless otherwise stated financial information relating to the Group has been extracted (without material adjustment) from the audited annual report and accounts for Tribal for the financial years ending 31 December 2013, 31 December 2014 and 31 December 2015 which were reported under IFRS.

10.2 Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as Tribal is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

11. Significant change

11.1 There has been no significant change in the financial or trading position of Synergy since 31 December 2015, being the end of the period for which the financial information on Synergy presented in Part VIII (*Financial information on the Synergy business*) of that document has been prepared.

11.2 There has been no significant change in the financial or trading position of the Group since 31 December 2015, being the end of the period for which the Group's last audited consolidated accounts have been published.

12. Consent

Deloitte, whose address is 3 Rivergate, Temple Quay, Bristol BS1 6GD has given and has not withdrawn its written consent to the inclusion in this document of its accountant's report on the unaudited pro forma financial information set out in Section B of Part IX (*Unaudited Pro Forma Information*) of this document in the form and context in which it is included.

13. Benefits received from the Company

Save as disclosed in this document, no person (excluding professional advisers named in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding AIM Admission; or entered into any contractual arrangement to receive, directly or indirectly, from the Company on or after AIM Admission, fees totalling £10,000 or above in the Company with a value of £10,000 or more calculated by reference to the issue price thereof) or any other benefit with a value of £10,000 or more.

14. Property, plant and equipment

- 14.1 Aside from the freehold and leasehold property listed below which is owned or leased by a member of the Group, there is no existing or planned tangible fixed asset which is material to the business of the Group.

Office	Address	Rent total p.a.	Lease Term	Lease End
Bristol Kings Orchard 2nd floor	Part 2nd Floor, Kings Orchard, One Queen Street, Bristol, BS2 0HQ	£152,595.00	10 years (5 year break)	22/07/2024

- 14.2 The Group holds leasehold interests in other properties around the world but none of these is material given the rental levels and terms of such leases.
- 14.3 The Group is not aware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.

15. Net proceeds and costs and expenses of the Disposal and the Rights Issue

- 15.1 The net proceeds of the Rights Issue receivable by the Company are expected to be approximately £19.2 million net of expenses of the Rights Issue. Expenses of the Rights Issue are estimated at £1.8 million, excluding recoverable VAT, (including Investec's fees and commissions, the UK Listing Authority listing fee, professional fees and expenses and the costs of printing and distribution of documents) and are payable by the Company.
- 15.2 The net proceeds of the Disposal receivable by the Company is £19.5 million net of expenses of the Disposal. Expenses of the Disposal are estimated at £0.75 million, excluding VAT, (including Investec's fees and professional fees) and are payable by the Company.

16. General

- 16.1 Save as disclosed in this document, the Directors are unaware of any exceptional factors which have influenced the Company's activities.
- 16.2 Save as disclosed in this document, the Directors are unaware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.
- 16.3 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments which are significant to the Group.

- 16.4 Save as disclosed in this document, the Directors believe that the Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 16.5 The Company is subject to the provisions of the Code, including the rules regarding mandatory takeover offers set out in the Code. Under Rule 9 of the Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him (as defined in the Code), carry 30% or more of the voting rights of a company subject to the Code or (ii) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights of a company subject to the Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights in the company, then, in either case, that person, together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him or any person acting in concert with him for shares in the company within the preceding 12 months, for all of the remaining equity share capital of the company.
- 16.6 The Shares will also be subject to the compulsory acquisition procedures set out in sections 979 to 991 of the Act. Under section 979 of the Act, where an offeror makes a takeover offer and has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90% of the shares to which the offer relates and, in a case where the shares to which the offer relates are voting shares, not less than 90% of the voting rights carried by those shares, that offeror is entitled to compulsorily acquire the shares of any holder who has not acquired the offer on the terms of the offer.
- 16.7 Since the date of incorporation of the Company, there has been no takeover offer (within the meaning of Part 28 of the Act) for any Shares.

17. Documents on display

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 12 months following Admission at the offices of Osborne Clarke LLP, One London Wall, London EC2Y 5EB:

- (a) the memorandum and articles of association of the Company;
- (b) the audited consolidated financial information of the Group for the 3 financial years ended 31 December 2015, 31 December 2014 and 31 December 2013;
- (c) this document;
- (d) the accountants' report prepared by Deloitte on the unaudited pro forma financial information set out in Section B of Part IX (*Unaudited pro forma information*) of this document;
- (e) the consent referred to in paragraph 12;
- (f) the Subscription Agreements;
- (g) the Share Matching Plan Agreements; and
- (h) the Synergy SPA, Synergy BTA and Synergy TSA in relation to the Disposal.

These documents will also be available for inspection by shareholders at the location of the General Meeting for at least 15 minutes before and during the General Meeting.

18. Information incorporated by reference

Where the information described below itself incorporates information by reference to another document ("**further information**"), the further information is not intended to form part of this document for any purpose.

Except as set out below, no other portion of the document referred to is incorporated by reference into this document and those portions which are not specifically incorporated by reference in this document are either not relevant for prospective investors or the relevant information is included elsewhere in this document.

<i>Information incorporated by reference into this document</i>	<i>Page numbers in such document</i>	<i>Location of incorporation in this document</i>	<i>Page number(s) in this document</i>
The following sections from the 2015 Annual Return:			
2015 financial statements	79-137	B7 – Selected historical key financial information	9-13
	79-137	Part VI (Operating and financial review of Tribal)	114-130
	79-137	Part IX (Unaudited pro forma information)	134-138
Consolidated financial statements	84-88	Part VII (Capitalisation and indebtedness)	131
Strategic report	8-45	Part I (Letter from the Chairman)	46-73
The following sections from the 2014 Annual Return:			
2014 financial statements	71 – 123	B7 – Selected historical key financial information	9-13
	71-123	Part VI (Operating and financial review of Tribal)	114-130
	71-123	Part IX (Unaudited pro forma information)	134-138
The following sections from the 2013 Annual Return:			
2013 financial statements	73 – 123	B7 – Selected historical key financial information	9-13
	71-123	Part VI (Operating and financial review of Tribal)	114-130
	71-123	Part IX (Unaudited pro forma information)	134-138

Dated: 16 March 2016

PART XIII

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“Admission and Disclosure Standards”	the requirements contained in the publication “Admission and Disclosure Standards” (as amended from time to time) published by the London Stock Exchange containing, amongst other things, the requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s Main Market for listed securities
“Admission”	the admission of the Rights Issue Shares (nil paid or fully paid as the case may be) and the Subscription Shares to listing on the premium listing segment of the Official List in accordance with the Listing Rules and of the Rights Issue Shares and the Subscription Shares to trading on the London Stock Exchange’s Main Market for listed securities in accordance with the Admission and Disclosure Standards and references to Admission becoming “effective” shall be construed accordingly
“AIM Admission”	the admission of the Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM Designated Market”	a market whose name appears in the latest publication by the London Stock Exchange of the document entitled “The AIM Designated Market Route”
“AIM Resolution”	the resolution to be proposed as a special resolution at the General Meeting (numbered Resolution 3 in the Notice) to approve the Delisting and AIM Admission
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“AIM”	the Alternative Investment Market, a market operated by the London Stock Exchange
“Allotment Resolution”	the resolution to be proposed at the General Meeting as an ordinary resolution (numbered Resolution 1 in the Notice) granting the Directors authority to allot the Rights Issue Shares in connection with the Rights Issue
“Articles”	the articles of association of Tribal
“Audit Committee”	the audit committee of Tribal
“Board” or “Directors”	the board of directors of Tribal, whose names are set out on page 45 of this document, and “Director” means any member of the Board
“Business Day”	any day on which the banks are generally open for business in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday

“Callista”	Callista Software Services Pty Ltd
“CEO Subscription”	the subscription for the CEO Subscription Shares by Ian Bowles at the Subscription Price
“CEO Subscription Agreement”	the subscription agreement dated 16 March 2016 between the Company and Ian Bowles
“CEO Subscription Shares”	the 1,136,363 new Shares to be issued to Ian Bowles pursuant to the CEO Subscription
“CEO Subscription Resolution”	the resolution to be proposed at the General Meeting as a special resolution (numbered Resolution 5 in the Notice) approving the CEO Subscription
“certificated” or “in certificated form”	a share or other security not held in uncertificated form (i.e. not in CREST)
“Closing Price”	the closing, middle market quotation of an Existing Share, as published in the Daily Official List
“Code”	the UK City Code on Takeovers and Mergers
“Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council in September 2012
“Continuing Group”	the Group following completion of the Disposal
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear describing the CREST system, and supplied by Euroclear to users and participants thereof
“CREST Regulations”	the Uncertificated Securities Regulations 2001, as amended from time to time
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator
“Daily Official List”	the daily official list of the London Stock Exchange
“Delisting”	the proposed cancellation of the listing of the Existing Shares on the Official List and from trading on the Main Market
“Disapplication Resolution”	the resolution to be proposed at the General Meeting as a special resolution (numbered Resolution 2 in the Notice) granting power to the Directors to issue the Rights Issue Shares and disapplying pre-emption rights in connection with the Rights Issue
“Disclosure and Transparency Rules”	the disclosure rules and transparency rules made by the FCA pursuant to section 73A of the FSMA
“Disposal”	the disposal of the Synergy business, as described further in Part II (<i>Detail of the disposal</i>)
“Disposal Resolution”	the resolution to be proposed at the General Meeting as an ordinary resolution approving the Disposal
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“EEA State”	a member state of the European Economic Area

“Enlarged Issued Share Capital”	the issued share capital of Tribal at Admission, as enlarged by the issue of the New Shares
“Euroclear”	Euroclear UK & Ireland Limited
“Exchange Act”	the United States Securities Exchange Act of 1934, as amended
“Excluded Shareholders”	those shareholders who are resident in or whose address on the register of members is in an Excluded Territory
“Excluded Territories”	the United States, Australia, Canada, Japan, New Zealand, South Africa and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law and “Excluded Territory” shall mean any one of them
“Executive Directors”	Ian Bowles and Steve Breach
“Existing Shares”	the Shares in issue as at the date of this document
“Facility Agreement”	the multicurrency revolving credit facility summarised in paragraph 6.7 of Part XII (<i>Additional Information</i>)
“FCA”	the Financial Conduct Authority in its capacity as competent authority for the purposes of Part VI of the FSMA
“Form of Proxy”	the enclosed form of proxy for use by shareholders in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fully Paid Rights”	rights to acquire Rights Issue Shares, fully paid
“General Meeting”	the general meeting of the Company convened for 9.30 a.m. on 1 April 2016, notice of which is set out at the end of this document
“Group”	Tribal, its subsidiary undertakings and joint ventures from time to time and “Group Company” should be interpreted accordingly
“HMRC”	Her Majesty's Revenue & Customs
“Human Edge”	Human Edge Group Pty Ltd and Human Edge Software Corporation Pty Ltd
“IFRS”	International Financial Reporting Standards as adopted by the European Union
“Investec”	Investec Bank plc
“Listing Rules”	the listing rules made by the FCA pursuant to section 73A of the FSMA
“London Stock Exchange”	London Stock Exchange plc
“LTIP”	the Group's long term incentive plan
“Main Market”	the regulated market of the London Stock Exchange

“Matching Share Option”	means the options granted to Richard Last and Roger McDowell over Share Matching Plan Shares pursuant to the Share Matching Plan
“Money Laundering Regulations”	the Money Laundering Regulations 2007, as amended
“MTM”	the many to many instruction which allows two CREST members to settle up to four movement of securities and create up to two assured payment obligations at the same time
“NED Subscription”	the subscription for the NED Subscription Shares by Richard Last and Roger McDowell at the Subscription Price
“NED Subscription Agreements”	the subscription agreements dated 16 March 2016 between the Company and each of Richard Last and Roger McDowell
“NED Subscription Shares”	the 4,545,454 new Shares to be issued to Richard Last and Roger McDowell pursuant to the NED Subscription
“NED Subscription Resolution”	the resolution to be proposed at the General Meeting as a special resolution (numbered Resolution 6 in the Notice) approving the NED Subscription
“New Shares”	the Rights Issue Shares and the Subscription Shares
“Nil Paid Rights”	rights to subscribe for Rights Issue Shares, nil paid
“Nomination Committee”	the nomination committee of Tribal
“Non-executive Directors”	Richard Last, David Egan, Duncan Lewis and Roger McDowell
“Notice of General Meeting” or “Notice”	the notice of the General Meeting set out at the end of this document
“Ofsted”	The UK Office for Standards in Education, Children’s Services and Skills
“Official List”	the official list maintained by the FCA
“Overseas Shareholders”	means shareholders with registered addresses outside the United Kingdom or who are incorporated in, registered in or otherwise resident or located in, countries outside the United Kingdom
“PD Amending Directive”	Directive 2010/73/EU of the European Parliament and of the Council
“PRA” or “Prudential Regulation Authority”	the Prudential Regulation Authority of the UK, or any successor entity
“Premium Listing”	a listing by the FCA of equity securities of a company which is required to comply with the provisions of Chapter 6 of the Listing Rules and the other rules in the Listing Rules that are expressed to apply to such securities with a premium listing
“Prospectus Directive Regulation”	Commission Regulation (EC) No 809/2004

“Prospectus Directive”	EU Prospectus Directive (2003/71/EC) (as amended), including any relevant implementing measure in each EEA State that has implemented Directive 2003/71/EC
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
“Provisional Allotment Letter”	a provisional allotment letter to be issued in connection with the Rights Issue
“Qualified Institutional Buyer” or “QIB”	the meaning given by Rule 144A under the Securities Act
“Qualifying Shareholders”	holders of Shares on the register of members of the Company on the Record Date
“Qualifying CREST Shareholder”	Qualifying Shareholders holding Shares in uncertificated form
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Shares in certificated form
“Receiving Agent”	Capita Asset Services
“Regulation S”	Regulation S under the Securities Act
“Record Date”	the close of business in London on 30 March 2016
“Registrars”	Capita Asset Services
“Regulatory Information Service”	any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in the Listing Rules
“Remuneration Committee”	the remuneration committee of Tribal
“Reporting Accountants”	Deloitte LLP
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice
“Revolving Credit Facility”	the multicurrency revolving facility of £50 million with a maturity date of 28 July 2018 provided under the terms of the Facility Agreement
“Rights Issue”	the offer by way of rights to Qualifying Shareholders to subscribe for Rights Issue Shares, on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, the Provisional Allotment Letter
“Rights Issue Price”	the price at which the Rights Issue Shares are issued, being 22 pence per Rights Issue Share
“Rights Issue Resolutions”	the Allotment Resolution and the Disapplication Resolution
“Rights Issue Shares”	the 94,849,241 new Shares to be issued at the Rights Issue Price by the Company pursuant to the Rights Issue
“Rule 144A”	Rule 144A as promulgated under the Securities Act
“SaaS”	software as a service

“SALM”	the Student Administration and Learning Management programme operated in South Australia
“SAYE Scheme”	the Group’s save as you earn share scheme plan
“SDRT”	stamp duty reserve tax
“Securities Act”	the United States Securities Act of 1933, as amended
“Servelec”	Servelec Group Plc
“Share Matching Agreements”	the agreements between the Company and each of Richard Last and Roger McDowell relating to the Share Matching Plan
“Share Matching Plan”	the share matching plan to be entered into between the Company and each of Richard Last and Roger McDowell as described in paragraph 8 of Part I (<i>Letter from the Chairman of Tribal Group plc</i>) of this document
“Share Matching Plan Resolution”	the resolution to be proposed at the General Meeting as a special resolution (numbered Resolution 7 in the Notice) approving the Share Matching Plan
“Share Matching Plan Shares”	the Shares to be issued to Richard Last and/or Roger McDowell pursuant to the Share Matching Plan
“Share Schemes”	the LTIP, the SIP and SAYE plan
“Shareholder”	a holder of Shares
“Shares”	ordinary shares of 5 pence each in the capital of Tribal including, for the avoidance of doubt, the New Shares
“SIP”	the Company’s Share Incentive Plan
“Sky Software”	Sky Software Pty Ltd
“Subscriptions”	the CEO Subscription and the NED Subscription
“Subscription Agreements”	the CEO Subscription Agreement and the NED Subscription Agreement
“Subscription Price”	22 pence per Share
“Subscription Shares”	the CEO Subscription Shares and the NED Subscription Shares
“Synergy”	the Synergy business, which as at the date of this document forms part of the business of Tribal Education Limited
“Synergy BTA”	the business transfer agreement entered into on 29 February 2016 between Tribal Education and Synergy Newco Limited in relation to the Synergy business
“Synergy SPA”	the share purchase agreement entered into on 29 February 2016 between Tribal, Tribal Education Limited and Servelec in relation to the sale of Synergy Newco Limited
“Synergy TSA”	the transitional services agreement entered into on 29 February 2016 between Tribal Education Limited and Synergy Newco Limited

“TAFE Queensland”	the Technical and Further Education institutes in Queensland
“TGPL”	Tribal Group Pty Ltd, registered in Australia with company number ACN 135 097 942
“Tribal” or the “Company”	Tribal Group plc, registered in England and Wales with company number 04128850
“UK Listing Authority” or “UKLA”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share or other security recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Underwriting Agreement”	the conditional sponsor and underwriting agreement entered into on 16 March 2016 between Tribal and Investec relating to the Rights Issue and the Disposal, further details of which are set out in paragraph 6.2 of Part XII (<i>Additional information</i>) of this document
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“VAT”	any value added tax imposed under directive 2006/11 2/EC, the Value Added Tax Act 1994 and/or any primary or secondary legislation supplemental to either of them.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

NOTICE OF GENERAL MEETING

TRIBAL GROUP PLC

*(Incorporated in England and Wales under the Companies Act 1985
with registered number 04128850)*

Notice is hereby given that a general meeting of Tribal Group plc (the “**Company**”) will be held at 9.30 a.m. on 1 April 2016 at the offices of Osborne Clarke LLP, 1 London Wall, London EC2Y 5EB for the purpose of considering and, if thought fit, passing the following resolutions. Resolutions 1 and 4 are being proposed as ordinary resolutions and resolutions 2, 3, 5, 6 and 7 are being proposed as special resolutions.

RESOLUTION 1: ORDINARY RESOLUTION

1. **THAT**, subject to the passing of Resolution 4 in the notice of meeting and completion of the disposal of the Synergy business as contemplated by it and subject to and conditional upon admission to listing on the premium segment of the Official List by the UK Listing Authority and to trading on the London Stock Exchange plc’s market for listed securities of the new ordinary shares of 5 pence each to be issued by the Company in connection with the issue by way of rights of up to 94,849,241 new ordinary shares at a price of 22 pence per new ordinary share to qualifying shareholders on the register of members of the Company at close of business on 30 March 2016 (the “**Rights Issue**”), and in addition to all existing authorities, the directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to:
 - (a) allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to a nominal amount of £4,742,462.05 pursuant to or in connection with the Rights Issue, such authority to apply (unless previously renewed, varied or revoked by the Company in general meeting) until the conclusion of the next annual general meeting of the Company after the date on which this resolution is passed; and
 - (b) make an offer or agreement in connection with the Rights Issue which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

RESOLUTION 2: SPECIAL RESOLUTION

2. **THAT**, subject to the passing of Resolution 1 and Resolution 4 in the notice of meeting, and in addition to all existing powers, the directors of the Company be generally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in the Act) for cash, pursuant to the authority conferred by Resolution 1 in the notice of meeting, as if section 561(1) of the Act did not apply to the allotment. This power:
 - (a) expires (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company after the date on which this resolution is passed, save that the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired; and
 - (b) shall be limited to the allotment of equity securities in connection with the Rights Issue and so that the directors may impose any limits or restrictions or make any arrangements which they consider necessary or appropriate to deal with treasury

shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

RESOLUTION 3: SPECIAL RESOLUTION

3. **THAT**, subject to and conditional upon the passing of Resolutions 1 and 2, the listing of the ordinary shares of 5 pence each in the capital of the Company on the premium segment of the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange plc's main market for listed securities be cancelled and application be made for admission of the Company's ordinary shares to trading on the AIM Market operated by the London Stock Exchange plc and the directors of the Company be and are hereby authorised to do and/or procure to be done all such acts and/or things as they may consider necessary or desirable in connection therewith.

RESOLUTION 4: ORDINARY RESOLUTION

4. **THAT**, the disposal of the Synergy business by the Group to Servelec Corelogic Limited on the terms and subject to the conditions contained in the sale and purchase agreement dated 29 February 2016 described in the combined prospectus and circular to shareholders of the Company dated 16 March 2016 to which this notice of meeting is attached be and is hereby approved and that the directors of the Company be and they are hereby authorised to do all such things and enter into such documents as may be necessary to give effect thereto including the making of such non-material variations to the terms and conditions of such agreement and related other documents as the directors of the Company (or any duly constituted committee thereof) shall, in their discretion, think necessary or desirable.

RESOLUTION 5: SPECIAL RESOLUTION

5. **THAT:**
- (a) in addition to all existing authorities, the directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Act to allot ordinary shares in the Company up to a nominal amount of £56,818.15 to Ian Bowles;
 - (b) in addition to all existing powers, the directors of the Company be generally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in the Act) for cash, pursuant to the authority conferred by paragraph (a) of this resolution, as if section 561(1) of the Act did not apply to the allotment; and
 - (c) the price to be paid by Ian Bowles in respect of the allotment authorised by this resolution of 22 pence per ordinary share be and is approved.

RESOLUTION 6: SPECIAL RESOLUTION

6. **THAT:**
- (a) in addition to all existing authorities, the directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Act to allot ordinary shares in the Company up to a nominal amount of £227,272.70 to Richard Last and Roger McDowell;
 - (b) in addition to all existing powers, the directors of the Company be generally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in the Act) for cash, pursuant to the authority conferred by paragraph (a) of this resolution, as if section 561(1) of the Act did not apply to the allotment; and
 - (c) the price to be paid by Richard Last and Roger McDowell in respect of the allotment authorised by this resolution of 22 pence per ordinary share be and is approved.

RESOLUTION 7: SPECIAL RESOLUTION

7. THAT:

- (a) in addition to all existing authorities, the directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Act to allot ordinary shares in the Company, and to grant rights to subscribe for or convert any security into shares in the Company up to a total nominal amount of £170,299.90 to Richard Last and Roger McDowell in connection with the share matching plan, a copy of which is produced to this meeting and signed by a director for the purposes of identification, (the principal features of which are summarised in the prospectus and circular of which this notice forms part) (the “**Share Matching Plan**”);
- (b) in addition to all existing powers, the directors of the Company be generally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in the Act) for cash, pursuant to the authority conferred by paragraph (a) of this resolution, as if section 561(1) of the Act did not apply to the allotment;
- (c) the grant of nil cost options by the Company over 3,405,998 ordinary shares to each of Richard Last and Roger McDowell pursuant to the Share Matching Plan be and is approved;
- (d) the rules of the Share Matching Plan be approved and adopted and the directors of the Company be authorised to do all things necessary or expedient to carry the Share Matching Plan into effect.

By order of the Board

Rob Ewin
Company Secretary

Registered office:

Kings Orchard
One Queen Street
Bristol BS2 0HQ

16 March 2016

NOTES TO THE NOTICE OF GENERAL MEETING

1. The business to be conducted at the meeting is set out on the previous page of this notice of meeting (the "Notice").
2. Only those shareholders on the register of members of the Company at 6.00 p.m. on 30 March 2016 (or in the event of any adjournment, at 6.00 p.m. on the day which is 48 hours before the reconvened meeting) will be entitled to attend or vote at the general meeting and they may only vote in respect of the number of shares registered in their name at the relevant time. Changes to entries on the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the meeting.
3. Members attending the meeting have the right to ask and, subject to the provisions of the Act, the Company must cause to be answered, any questions relating to the business being dealt with at the meeting.
4. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A form for appointing a proxy accompanies this Notice. To be effective, the form of proxy must be completed and reach the Company's registrars, Capita Asset Services, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 9.30 a.m. on 30 March 2016. You may also submit your proxy electronically; see your proxy card for details of how to register your vote. Completion of a form of proxy, other such instrument or any CREST Proxy Instruction will not preclude a member from attending and voting in person at the meeting. If you require additional forms of proxy, please contact the Registrars of the Company on 0371 664 0321.
5. In the case of a shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company.
6. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided they do not do so in relation to the same shares.
9. CREST members holding their shares in uncertificated form who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or relates to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA10) no later than 9.30 a.m. on 30 March 2016. For these purposes, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. No messages received through the CREST network after this time will be accepted. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s)) take(s) such actions as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning limitation of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. The CREST Manual can be reviewed at www.euroclear.com.
12. The Company cannot accept responsibility for loss or damage arising from the opening or use of any emails or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to opening or use. Any electronic communication received by the Company and/or Capita, including the lodgement of an electronic form of proxy, that is found to contain a computer virus will not be accepted.

13. A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Companies Act 2006 (a "nominated person") does not have a right to appoint any proxy. Nominated persons may have a right under an agreement with the shareholder to be appointed (or to have someone appointed) as a proxy for the meeting. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under an agreement with the relevant shareholder to give instructions as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 4 above does not apply to nominated persons. The rights described in paragraph 4 can only be exercised by shareholders of the Company. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to them in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
14. As at 15 March 2016 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consisted of 94,849,241 ordinary shares of 5 pence each, carrying one vote each. No shares were held in treasury. Therefore the total voting rights in the Company as at that date were 94,849,241.
15. A copy of this Notice and other information required by section 311A of the Companies Act 2006 can be found at www.tribalgroup.com.
16. You may not use any electronic address provided either in this Notice or any related documents to communicate with the Company for any purposes other than those expressly stated.

