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31 July 2015

RECOMMENDED CASH OFFER

for

Chime Communications plc (“Chime”) by

Bell Bidder Limited (“Bidco”)

to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006

Summary

• The boards of Bidco and Chime are pleased to announce that they have reached agreement on the terms of a recommended cash offer pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of Chime (the “Offer”).

• Providence and WPP are joint offerors for the purposes of the Code.

• Bidco is a newly-incorporated entity indirectly controlled, as at the date of this Announcement, by funds managed by Providence. As described below, WPP will acquire an indirect minority interest in Bidco on or around the Effective Date in exchange for transferring its Chime Shares to Bidco’s parent company.

• Under the terms of the Offer, Chime Shareholders (other than WPP) will be entitled to receive 365 pence in cash (the “Offer Price”) for each Chime Share held. In addition, Chime Shareholders who are on the Chime shareholder register on 11 September 2015 will be entitled to receive an interim dividend for the current year of 2.53 pence per Chime Share.

• Taking into account the Interim Dividend, the Offer values the entire issued and to be issued share capital of Chime at approximately £374 million.

• The Offer represents:

  • a premium of approximately 33 per cent. to the Closing Price per Chime Share of 275 pence on 29 July 2015 (being the last Business Day prior to the commencement of the Offer Period);

  • a premium of approximately 37 per cent. to the average Closing Price per Chime Share of 266 pence during the one month period to 29 July 2015 (being the last Business Day prior to the commencement of the Offer Period);

  • an Enterprise Value representing a multiple of approximately 25.4x Chime’s Reported Operating Profit for the year ended 31 December 2014; and

  • an Enterprise Value representing a multiple of approximately 14.5x Chime’s Headline Operating Profit for the year ended 31 December 2014.

• The Chime Independent Directors consist of the directors of Chime other than Christopher Sweetland, who is an employee of the WPP Group.
• The Chime Independent Directors, who have been so advised by Moelis & Company and HSBC as to the financial terms of the Offer, unanimously consider the Offer to be fair and reasonable. In providing advice to the Chime Independent Directors, Moelis & Company, which is providing independent financial advice for the purposes of Rule 3 of the Code, has taken into account the commercial assessments of the Chime Independent Directors. The Chime Independent Directors have also been so advised as to the financial terms of the Offer by HSBC. In providing advice to the Chime Independent Directors, HSBC has taken into account the commercial assessments of the Chime Independent Directors.

• Accordingly, the Chime Independent Directors recommend unanimously that Independent Shareholders vote in favour of the Scheme at the Court Meeting and that all Chime Shareholders vote in favour of the resolution to be proposed at the General Meeting, as the Chime Independent Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 1,555,926 Chime Shares representing, in aggregate, approximately 1.5 per cent. of the share capital of Chime in issue on 30 July 2015 (being the latest practicable date prior to this Announcement) and approximately 1.9 per cent. of the Scheme Shares.

• The Offer is intended to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (the “Scheme”).

• WPP will contribute its entire existing interest in Chime (being 20,158,421 Chime Shares, representing approximately 20.03 per cent. of the share capital of Chime in issue on 30 July 2015 (being the latest practicable date prior to this Announcement)) to Topco, in exchange for the issue and allotment of ordinary shares in the capital of Topco, pursuant to the Subscription and Reinvestment Agreement. The remaining ordinary shares in Topco will be held indirectly by funds managed by Providence.

• Providence is a premier global asset management firm with over $40 billion in assets under management across complementary private equity and credit businesses. Since the firm’s inception in 1989, Providence has invested in over 140 companies and is the leading private equity investment firm focused on the media, communications, education and information industries. Providence has made a number of investments in media related fields, including in the advertising, sports and entertainment sectors which are relevant to Chime. As an experienced media investor with a particular focus on sports related media, Providence is well positioned to assist Chime, together with WPP, in growing the business in the future.

• WPP Group is the world leader in marketing communications services. It comprises leading companies in advertising, media investment management, data investment management, public relations & public affairs, branding & identity, healthcare communications, direct, digital, promotion & relationship marketing and specialist communications.

• As WPP is a joint offeror, WPP will not be entitled to vote its Chime Shares at the Court Meeting. However, WPP will be entitled to vote at the General Meeting and Bidco has received an undertaking from WPP in the Bid Conduct Agreement to vote in favour of the resolution to be proposed at the General Meeting in respect of, in aggregate, 20,158,421 Chime Shares, representing approximately 20.03 per cent. of the share capital of Chime in issue on 30 July 2015 (being the latest practicable date prior to the date of this Announcement).

• The Offer is subject to a number of Conditions and further terms, including the approval of the Scheme by Independent Shareholders at the Court Meeting, the passing of the resolution by the Chime Shareholders at the General Meeting by the requisite majorities and customary regulatory conditions. The Conditions are set out in full at Appendix I to this document.

• The Scheme Document, containing further information about the Offer and notices of the Court Meeting and the General Meeting, will be published as soon as practicable and, in any event, within 28 days of this Announcement.
Commenting on the Offer, Lord Davies of Abersoch, Chairman of Chime, said:

“Chime has achieved great success to date in building a leading position in the global sports marketing and communications industry, which is reflected in the attractive premium being offered to shareholders. However, to fulfil Chime’s considerable growth potential, significant new capital is required. Providence and WPP offer Chime both the capital and the industry expertise to fast-track our ambitions to build a full scale, global sports marketing and communications business. Taking this into account, Chime’s independent Directors unanimously recommend that shareholders vote in favour of the resolutions at the General Meeting and in favour of the Scheme at the Court meeting.”

Commenting on the Offer, Andrew Tisdale, director of Bidco, said:

“Chime’s history is one of innovation, creativity and consistent delivery of superior results for its clients. We believe Chime’s true assets are its people, and are excited to have the opportunity to partner with them as we embark on the next phase of the company’s growth.”

This summary should be read in conjunction with the full text of this Announcement, including the Appendices. The Offer will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix II to this Announcement contains the sources of information and bases of calculation of certain information contained in this Announcement, Appendix III contains a summary of the irrevocable undertakings received in relation to the Offer and Appendix IV contains definitions of certain expressions used in this summary and in this Announcement.

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Robey Warshaw LLP (“Robey Warshaw”) is authorised and regulated by the Financial Conduct Authority in the UK. Robey Warshaw is acting exclusively as financial adviser to Bidco and no one else in connection with the Offer and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Robey Warshaw nor for providing advice in connection with the Offer or any matter referred to herein.

Moelis & Company UK LLP ("Moelis & Company") is authorised and regulated by the Financial Conduct Authority in the UK. Moelis & Company is acting exclusively as financial adviser to Chime and no one else in connection with the Offer and will not be responsible to anyone other than Chime for providing the protections afforded to clients of Moelis & Company nor for providing advice in connection with the Offer or any matter referred to herein. Neither Moelis & Company nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Moelis & Company in connection with this Announcement, any statement contained herein, the Offer or otherwise.

HSBC Bank plc, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to Chime and for no-one else in connection with the Offer and will not be responsible to anyone other than Chime for providing the protections afforded to its clients nor for providing advice in connection with the Offer or any matter referred to herein.

Numis Securities Limited (“Numis”), which is authorised and regulated by the Financial Conduct Authority, is acting as broker to Chime and for no one else in connection with the Offer and will not be responsible to anyone other than Chime for providing the protections afforded to clients of Numis or for providing advice in relation to or in connection with the Offer or any matter referred to herein.

IMPORTANT NOTICES

This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Offer or otherwise. The Offer will be made solely by means of the Scheme Document or any document by which the Offer is made which will contain the full terms and Conditions of the Offer, including details of how to vote in respect of the Scheme. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Scheme Document.

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

Chime will prepare the Scheme Document to be distributed to Chime Shareholders. Chime and Bidco urge Chime Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Offer.

This Announcement does not constitute a prospectus or prospectus equivalent document.
Overseas Shareholders

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Chime Shares with respect to the Scheme at the Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located.

The Offer relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under English law. The scheme of arrangement will relate to the shares of a UK company that is a “foreign private issuer” as defined under Rule 3b-4 under the Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the Exchange Act. Accordingly, the Offer is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable to the UK that may not be comparable to the financial statements of US companies.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Offer by any such use, means, instrumentality or from within a Restricted Jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Offer to Chime Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

Forward-looking statements

This Announcement contains statements about Bidco and Chime that are or may be forward-looking statements. All statements other than statements of historical facts included in this Announcement may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco’s or Chime’s operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on Bidco’s or Chime’s business.

Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Bidco and Chime disclaim any obligation to update any forward-looking or other statements contained herein, except as required by applicable law.

All subsequent oral or written forward-looking statements attributable to Bidco or Chime or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.
No profit forecasts or estimates

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

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the Announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the Announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.

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

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

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

Electronic communications

Addresses, electronic addresses and certain information provided by Chime Shareholders, persons with information rights and other relevant persons for the receipt of communications from Bidco may be provided to Bidco during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.12(c) of the Code.
Publication on website

A copy of this Announcement will be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Chime’s website at http://chimeplc.com/ by no later than 12 noon (London time) on the day following this Announcement. For the avoidance of doubt, the contents of these websites are not incorporated into and not do form part of this Announcement.

Requesting hard copy documents

In accordance with Rule 30.2 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested from Bidco by contacting Robey Warshaw on 020 7317 3900 or Chime by contacting Moelis & Company on 020 7634 3500, as appropriate.

Rounding

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

for

Chime Communications plc ("Chime") by

Bell Bidder Limited ("Bidco")

31 July 2015

1 Introduction

Bidco and Chime are pleased to announce that they have reached agreement on the terms of a recommended cash offer pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of Chime (the "Offer"). The Offer is intended to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (the "Scheme").

2 The Offer

Under the terms of the Offer, which will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document, Chime Shareholders will be entitled to receive the following (the "Offer Price"): 

for each Chime Share subject to the Scheme 365 pence in cash

In addition, Chime Shareholders who are on the Chime shareholder register on 11 September 2015 will be entitled to receive an interim dividend for the current year of 2.53 pence per Chime Share. Taking into account the Interim Dividend, the Offer values the entire issued and to be issued share capital of Chime at approximately £374 million.

The Offer represents:

- a premium of approximately 33 per cent. to the Closing Price per Chime Share of 275 pence on 29 July 2015 (being the last Business Day prior to the commencement of the Offer Period);

- a premium of approximately 37 per cent. to the average Closing Price per Chime Share of 266 pence during the one month period to 29 July 2015 (being the last Business Day prior to the commencement of the Offer Period);

- an Enterprise Value representing a multiple of approximately 25.4x Chime’s Reported Operating Profit for the year ended 31 December 2014; and

- an Enterprise Value representing a multiple of approximately 14.5x Chime’s Headline Operating Profit for the year ended 31 December 2014.

It is expected that the Scheme Document will be published as soon as reasonably practicable and, in any event, within 28 days of this Announcement and that the Scheme will become effective in the final quarter of 2015, subject to Chime Shareholder approval and regulatory clearances.
3 Background to the Offer

Providence is one of the leading private equity investors in the media and communications sectors globally, with over $40 billion of assets under management across complementary private equity and credit portfolios. Over its 25 year history, Providence has successfully backed a number of companies that either operate directly in, or are tangential to Chime’s core markets of advertising and sports marketing. These investments include Learfield Sports, YES Network, World Triathlon Corporation, ProSiebenSat.1, Univision, Warner Music Group, Soccer United Marketing and The Chernin Group, among others.

WPP is part of the WPP Group, which is the world leader in marketing communications services. It comprises leading companies in advertising, media investment management, data investment management, public relations & public affairs, branding & identity, healthcare communications, direct, digital, promotion & relationship marketing and specialist communications.

Providence identified Chime as an attractive platform due to its strong market position in sports marketing and advertising, as well as its experienced and skilled management team. Providence and WPP ultimately share a common vision for Chime’s future potential, which has enabled Bidco to offer, in its view, a substantial premium to Chime’s shareholders whilst at the same time observing Providence’s and WPP’s disciplined approach to investing.

Providence and WPP believe that there are many attractive organic and inorganic growth opportunities available to Chime, but which will require continued investment into the business. As a private company, with Providence’s and WPP’s collective wealth of media industry experience and access to growth capital, Providence and WPP believe that Chime’s management would be well positioned to continue its track record of impressive growth in a large and growing global market.

4 Recommendation

The Chime Independent Directors, who have been so advised by Moelis & Company as to the financial terms of the Offer, consider the Offer to be fair and reasonable. In providing advice to the Chime Independent Directors, Moelis & Company, which is providing independent financial advice for the purposes of Rule 3 of the Code, has taken into account the commercial assessments of the Chime Independent Directors.

The Chime Independent Directors have also been so advised as to the financial terms of the Offer by HSBC. In providing advice to the Chime Independent Directors, HSBC has taken into account the commercial assessments of the Chime Independent Directors.

Accordingly, the Chime Independent Directors recommend unanimously that Independent Shareholders vote in favour of the Scheme at the Court Meeting and that Chime Shareholders vote in favour of the resolution(s) to be proposed at the General Meeting, as the Chime Independent Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 1,555,926 Chime Shares representing, in aggregate, approximately 1.5 per cent. of the share capital of Chime in issue on 30 July 2015 (being the latest practicable date prior to this Announcement) and approximately 1.9 per cent. of the Scheme Shares.

Chris Sweetland is an employee of WPP Group and is not considered to be independent in relation to the Offer.

5 Background to and reasons for the Chime Board recommendation

Chime continues to transition from a public relations led company to a sports, entertainment and communications group. The Chime Group is now structured into five divisions with an increasing focus on global clients. During this period of transition, Chime has delivered strong growth in
income and profits across all divisions with like-for-like growth in operating profits of 10% in FY 2014.

The sports and communications markets in which Chime operates are becoming increasingly global, with scale and breadth of presence across multiple geographies becoming critical factors in winning new business and driving growth. In this context, Chime views its current scale as a constraining factor on its ability to deliver growth relative to larger global competitors. Whilst Chime has been successful in extending its global footprint, particularly in the US following the acquisitions of Just Marketing, Inc. and SJX Partners, LLC, its ability to grow to match the scale of its global competitors is constrained by Chime’s relative size and lack of liquidity as a mid-market publicly listed company.

A significant proportion of Chime’s business is in sports marketing related to major events such as the Olympics and the FIFA World Cup, which are subject to bi-annual cycles and thus create inevitable fluctuations in Chime’s revenues. In addition, winning major contracts is important to Chime’s business but difficult to implement in the context of delivering consistent financial results to the public markets as a listed company.

Having considered the proposal from Bidco, which was unsolicited, the Chime Independent Directors believe that Providence and WPP are attractive partners to support Chime’s future growth. Providence and WPP combine leading capabilities across the sports, communications and marketing services industries with an ambition to accelerate Chime’s evolution towards being a leading global sector player. Bidco has emphasised its focus on preserving Chime’s independence and providing opportunities for its employees, whilst providing significant capital for future acquisitions and operational investments. Taking these factors into consideration, the Chime Independent Directors believe that Bidco will be able to add value to Chime under private ownership in ways that the Chime Group is not currently able to effect as a public company.

The Offer Price of 365 pence in cash for each Chime Share represents a premium of approximately 33 per cent. to the Closing Price per Chime Share of 275 pence on 29 July 2015 (being the last Business Day prior to the commencement of the Offer Period) and a premium of approximately 37 per cent. to the average Closing Price per Chime Share of 266 pence during the one month period to 29 July 2015. In addition, Chime Shareholders who are on the Chime shareholder register on 11 September 2015 will be entitled to receive an interim dividend for the current year of 2.53 pence per Chime Share. The Offer values Chime at an Enterprise Value representing a multiple of approximately 25.4x Chime’s Reported Operating Profit for the year ended 31 December 2014 and an Enterprise Value representing a multiple of approximately 14.5x Chime’s Headline Operating Profit for the year ended 31 December 2014.

Following careful consideration of the above factors, the Chime Independent Directors believe that the Offer Price of 365 pence per Chime Share in cash provides attractive value and certainty to Chime Shareholders, recognising Chime’s market position, its future growth prospects and the risks associated with those prospects.

6 Information relating to Bidco

Bidco is a newly-incorporated entity indirectly controlled, as at the date of this Announcement, by funds managed by Providence. As described below, WPP will acquire an indirect minority interest in Bidco on or around the Effective Date in exchange for transferring its Chime Shares to Topco. Providence and WPP are joint offerors for the purposes of the Code.

7 Information relating to Chime

Chime is an international sport, entertainment and communications group, including CSM Sport & Entertainment, the VCCP Partnership and the Chime Specialist Group in advertising and marketing services, OPEN Health in healthcare communications, and CIE our insight and engagement group. Chime is made up of four divisions, 56 agencies and over 2000 people. It has
offices in the UK, France, Germany, Spain, Czech Republic, Russia, Abu Dhabi, Dubai, Qatar, South Africa, China, Hong Kong, Japan, Malaysia, Singapore, Australia, New Zealand, USA, Canada and Brazil.

8 Current trading

The Chime Group continues to trade satisfactorily. Chime’s interim results for the six months ended 30 June 2015 will be announced on or before the date of publication of the Scheme Document.

9 Interests in Chime Shares and irrevocable undertakings

All of the Chime Independent Directors who hold Chime Shares have irrevocably undertaken to vote, or procure the vote, in favour of the Scheme at the Court Meeting and the resolution(s) to be proposed at the General Meeting in respect of their own beneficial holdings of, in aggregate, 1,555,926 Chime Shares representing, approximately 1.5 per cent. of the share capital of Chime in issue on 30 July 2015 (being the latest practicable date prior to this Announcement) and approximately 1.9 per cent. of the Scheme Shares.

As WPP is a joint offeror, the Chime Shares held by WPP will not be entitled to vote at the Court Meeting. However, WPP will be entitled to vote at the General Meeting and Bidco has received an undertaking from WPP in the Bid Conduct Agreement to vote in favour of the resolution to be proposed at the General Meeting in respect of, in aggregate, 20,158,421 Chime Shares, representing approximately 20.03 per cent. of the share capital of Chime in issue on 30 July 2015 (being the latest practicable date prior to the date of this Announcement).

10 Management, employees and locations

Bidco greatly values the skills, knowledge and expertise of Chime’s existing management and employees and therefore intends to preserve the current Chime organisation, including Chime’s existing management team, brand and culture, to ensure continuity of a strong track record.

Bidco confirms that, following the Scheme becoming effective, the existing contractual and statutory employment rights, including in relation to pensions, of all Chime employees will be safeguarded in accordance with contractual and statutory requirements. Bidco expects the existing personnel of Chime to continue to contribute to the success of Chime following completion of the Offer.

Bidco intends to put in place appropriate incentive arrangements for management and senior staff of Chime following completion of the Offer. However, Bidco does not intend to hold any discussions in relation to such arrangements until after the Effective Date.

11 Chime’s Share Schemes

Participants in the Chime Share Schemes will be contacted regarding the effect of the Offer on their rights under the Chime Share Schemes and appropriate proposals will be made to such participants in due course. It is not expected that such proposals will be made immediately, but they will be made in advance of completion of the Offer. The Offer will extend to any Chime Shares which are unconditionally allotted or issued (or transferred) to participants under the Chime Share Schemes on or before the Effective Date.

12 Financing

Funds managed by Providence have agreed to make an indirect cash subscription of ordinary shares in Topco to finance the entire cash consideration payable to Chime Shareholders under the Offer. Bidco is a wholly-owned subsidiary of Topco, and Topco will use the proceeds of the subscription described above to subscribe (directly or indirectly) for ordinary shares in Bidco.
Bidco intends to seek to put in place debt financing of the Offer prior to the Effective Date in order to finance part of the cash consideration payable to Chime Shareholders under the Offer. In that event, the cash financing commitments of the Providence funds may be reduced.

Robey Warshaw, which is acting as financial adviser to Bidco on this transaction, is satisfied that sufficient resources are available to satisfy in full the cash consideration payable to Independent Shareholders under the terms of the Offer.

13 Offer-related arrangements

Confidentiality Agreement

Providence and Chime entered into the Confidentiality Agreement on 14 July 2015, pursuant to which Providence has undertaken to keep confidential certain information relating to Chime and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force until 14 July 2017. The Confidentiality Agreement contains standstill provisions which restrict Providence from acquiring or offering to acquire any interest in securities in Chime without the written consent of Chime. For these purposes, the Chime Independent Directors have consented to the arrangements described in this Document. These restrictions cease to apply upon the earlier of: (i) the date on which all confidential information provided to Providence ceases to be price sensitive information (as defined in the Criminal Justice Act 1993); and (ii) 14 April 2016. Providence is permitted to disclose confidential information to WPP pursuant to the terms of the Confidentiality Agreement and WPP is not subject to the standstill.

Cooperation Agreement

Pursuant to the Cooperation Agreement, Bidco and Chime have, amongst other things, each agreed to (i) cooperate in relation to the obtaining of any and all consents, clearances, permissions, waivers and/or approvals as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Offer and (ii) cooperate in preparing and implementing appropriate proposals in relation to the Chime Share Schemes. The Cooperation Agreement will terminate if the Offer is withdrawn or lapses, if prior to the Long Stop Date any Condition becomes incapable of satisfaction, if the Chime Independent Directors withdraw their recommendation of the Offer or if the Scheme does not become effective in accordance with its terms by the Long Stop Date or otherwise as agreed between Bidco and Chime.

Subscription and Reinvestment Agreement

Funds managed by Providence, WPP and Bidco (amongst others) entered into the Subscription and Reinvestment Agreement relating to Bidco and its parent undertaking, Topco, on 31 July 2015, pursuant to which, amongst other things, funds managed by Providence have agreed to make a cash investment in ordinary shares in Topco, WPP has agreed to sell and Topco has agreed to acquire all of the Chime Shares held by WPP in exchange for the issue of shares in Topco to WPP and Topco has, in turn, agreed to use the proceeds of such cash investment to subscribe for shares (directly or indirectly) in Bidco and to sell such Chime Shares to Bidco in exchange for the issue of shares in Bidco to Topco. The Subscription and Reinvestment Agreement also contains provisions which relate to the ongoing governance and operation of Topco beyond the Effective Date. WPP is not investing any cash in Topco pursuant to the Subscription and Reinvestment Agreement for the purposes of financing the cash consideration payable to Chime Shareholders.

Bid Conduct Agreement

Pursuant to the Bid Conduct Agreement, funds managed by Providence, WPP, Topco and Bidco have each agreed, amongst other things, that they will not (and will procure that none of their concert parties will), other than by means of the Offer: (i) acquire, announce an intention to acquire or enter into any arrangement to acquire any interest in any Relevant Securities; (ii) enter
into discussions, negotiations or any agreement with any person or entity regarding the share capital or assets of Chime; or (iii) sell, transfer or charge (or agree to do so) their holding of Relevant Securities or any portion thereof. The parties have also agreed that they will not make any material changes to the terms of the Offer as set out in this Announcement without the consent of Providence and WPP.

14 Structure of the Offer

It is intended that the Offer will be effected by means of a Court-sanctioned scheme of arrangement between Chime and Chime Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Bidco to become the holder of the Scheme Shares. Together with the Chime Shares to be acquired pursuant to the terms of the Subscription and Reinvestment Agreement, Bidco will own the entire issued share capital of Chime following the Scheme becoming effective.

The Scheme Shares will be transferred to Bidco in consideration for which Scheme Shareholders will receive cash consideration on the basis set out in paragraph 2 of this Announcement.

WPP holds 20,158,421 Chime Shares, representing approximately 20.03 per cent. of the issued Chime Shares. Those Chime Shares will be acquired by Topco pursuant to the Subscription and Reinvestment Agreement in consideration of the issue of ordinary shares in Topco to WPP. Topco will subsequently procure that such Chime Shares are transferred to Bidco in exchange for ordinary shares in Bidco. Further details of the Subscription and Reinvestment Agreement are set out in paragraph 13 of this Announcement.

To become effective, the Scheme must be approved by a majority in number of the Independent Shareholders voting at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Scheme Shares voted. The Scheme also requires the passing at the General Meeting of a special resolution necessary to implement the Scheme (in respect of which all Chime Shareholders, including WPP, are entitled to vote), and the approval of the Court.

The Scheme is also subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document.

Once the necessary approvals from Chime Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived, in order to become effective the Scheme must be sanctioned by the Court. The Scheme will then become effective upon delivery of the Court Order to the Registrar of Companies. Subject to satisfaction of the Conditions, the Scheme is expected to become effective in the final quarter of 2015.

The Offer will lapse if the Scheme does not become effective by the Long Stop Date.

Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted (whether in favour or otherwise) at the Court Meeting or the General Meeting.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document, which is expected to be despatched to Chime Shareholders as soon as reasonably practicable and, in any event, within 28 days of the date of this Announcement.

15 Conditions to the Offer

The Offer will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document.
16 De-listing and re-registration

Prior to the Scheme becoming effective, Chime will make an application to the UK Listing Authority for the cancellation of the listing of Chime Shares on the Official List and to the London Stock Exchange for the cancellation of trading of Chime Shares on its main market for listed securities, in each case to take effect from or shortly after the Effective Date.

The last day of dealings in Chime Shares on the main market of the London Stock Exchange is expected to be the Business Day immediately prior to the date of the Scheme Court Hearing and no transfers will be registered after 6.00 p.m. (London time) on that date.

On the Effective Date, share certificates in respect of Chime Shares will cease to be valid and should be destroyed. In addition, entitlements to Chime Shares held within the CREST system will be cancelled.

It is also proposed that, following the Effective Date and after its shares are delisted, Chime will be re-registered as a private limited company.

17 Disclosure of interests in Chime

Save in respect of the irrevocable undertakings referred to in paragraph 8 above and as disclosed below, as at the close of business on 30 July 2015 (being the last practicable date prior to the date of this Announcement) neither Bidco, nor any of its directors, nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Code) with it has (i) any interest in or right to subscribe for any relevant securities of Chime, nor (ii) any short positions in respect of relevant Chime Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor (iii) borrowed or lent any relevant Chime Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

WPP holds 20,158,421 Chime Shares.

It has not been practicable for Bidco to make enquiries of all of its concert parties in advance of the release of this Announcement. Therefore, if Bidco becomes aware, following the making of such enquiries, that any of its concert parties have any such interests in Chime Shares, all relevant details in respect of Bidco’s concert parties will be included in Bidco’s Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Code which must, unless there are no such interests of which Bidco is aware, be made on or before 12 August 2015.

18 General

The Offer is to be effected by means of a scheme of arrangement within the meaning of Part 26 of the Companies Act. However, Bidco reserves the right to elect (subject to the consent of the Panel) to implement the acquisition of the Chime Shares not already directly or indirectly owned by it by way of a takeover offer as an alternative to the Scheme. In such event, the acquisition will be implemented on substantially the same terms as those which would apply to the Scheme (subject to appropriate amendments, including an acceptance condition set at 90 per cent. of the shares to which such offer relates or such lesser percentage, being more than 50 per cent., as Bidco may decide).

The Offer will be made subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document. The sources and bases of certain financial information contained in this Announcement are set out in Appendix II to this Announcement. A summary of the irrevocable undertakings given in relation to the Offer is contained in Appendix III to this Announcement. Certain terms used are defined in Appendix IV to this Announcement.
The Offer will be governed by English law. The Offer will be subject to applicable requirements of the Code, the Panel and the UK Listing Authority.

Moelis & Company, which is acting as financial adviser to Chime and Rule 3 adviser, has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the reference to its name in the form and context in which it appears.

HSBC, which is acting as financial adviser to Chime, has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the reference to its name in the form and context in which it appears.

Numis, which is acting as corporate broker to Chime, has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the reference to its name in the form and context in which it appears.

19  **Documents available on website**

Copies of the following documents will be made available on Chime’s website at [http://chimeplc.com/](http://chimeplc.com/) until the end of the Offer Period:

- the irrevocable undertakings referred to in paragraph 8 above and summarised in Appendix III to this Announcement;
- the Confidentiality Agreement;
- the Cooperation Agreement;
- the Subscription and Reinvestment Agreement;
- the Bid Conduct Agreement;
- the Funding Undertakings; and
- a copy of this Announcement.

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IMPORTANT NOTICES

This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Offer or otherwise. The Offer will be made solely by means of the Scheme Document or any
document by which the Offer is made which will contain the full terms and Conditions of the Offer, including details of how to vote in respect of the Scheme.

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

Chime will prepare the Scheme Document to be distributed to Chime Shareholders. Chime and Bidco urge Chime Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Offer.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Overseas Shareholders

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

The Offer relates to shares of a UK company and is proposed to be effected by means of a scheme of arrangement under English law. The scheme of arrangement will relate to the shares of a UK company that is a “foreign private issuer” as defined under Rule 3b-4 under the Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the Exchange Act. Accordingly, the Offer is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standards applicable to the UK that may not be comparable to the financial statements of US companies.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Offer by any such use, means, instrumentality or from within a Restricted Jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Offer to Chime Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

Forward-looking statements

This Announcement contains statements about Bidco and Chime that are or may be forward-looking statements. All statements other than statements of historical facts included in this Announcement may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues,
earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco’s or Chime’s operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on Bidco’s or Chime’s business.

Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Bidco and Chime disclaim any obligation to update any forward-looking or other statements contained herein, except as required by applicable law.

All subsequent oral or written forward-looking statements attributable to Bidco or Chime or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

No profit forecasts or estimates

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

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the Announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the Announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.
Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

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

Electronic communications

Addresses, electronic addresses and certain information provided by Chime Shareholders, persons with information rights and other relevant persons for the receipt of communications from Bidco may be provided to Bidco during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.12(c) of the Code.

Publication on website

A copy of this Announcement will be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on and Chime’s website at http://chimeplc.com/ by no later than 12 noon (London time) on the day following this Announcement. For the avoidance of doubt, the contents of these websites are not incorporated into and not do form part of this Announcement.

Requesting hard copy documents

In accordance with Rule 30.2 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested from Bidco by contacting Robey Warshaw on 020 7317 3900 or Chime by contacting Moelis & Company on 020 7634 3500, as appropriate.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.
APPENDIX I
CONDITIONS AND FURTHER TERMS OF THE OFFER

Part A: Conditions of the Scheme

1 The Offer will be conditional upon the Scheme becoming unconditional and effective, subject to the Takeover Code, by not later than 31 December 2015 or such later date (if any) as Bidco and Chime may agree and the Panel and the Court may allow.

2 The Scheme will be subject to the following conditions:

(a) its approval by a majority in number of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) who are present and vote, whether in person or by proxy, at the Court Meeting (and at any separate class meeting which may be required by the Court) or any adjournment of any such meeting and who represent 75 per cent. in value of the Scheme Shares (or the relevant class or classes thereof, if applicable) voted by those Scheme Shareholders (or the relevant class or classes thereof, if applicable);

(b) the resolution required to approve and implement the Scheme and adopt the Amended Chime Articles being duly passed by the requisite majority of Chime Shareholders at the General Meeting; and

(c) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Chime and Bidco) and the delivery of a copy of the Court Order to the Registrar of Companies.

In addition, subject as stated in Part B below and to the requirements of the Panel, the Offer will be conditional upon the following Conditions and, accordingly, the Court Order will not be delivered to the Registrar of Companies unless such Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

Notifications, waiting periods and Authorisations

3 Excluding any antitrust or merger control clearance, all material mandatory notifications, filings or applications which are necessary in connection with the Offer having been made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all material statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Offer and all Authorisations (excluding any antitrust or merger control) necessary in any jurisdiction for or in respect of the Offer and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Chime by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider Chime Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider Chime Group in any jurisdiction which is material in the context of the Wider Chime Group as a whole having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise wholly unconditional and there being no notice of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;
General antitrust and regulatory

4 Insofar as the Offer falls within the scope of Council Regulation (EC) No 139/2004 (the "Regulation"):

4.1 the European Commission taking a decision, on terms reasonably satisfactory to Bidco, that it does not intend to initiate proceedings under Article 6(1) of the Regulation in relation to the Offer or any matter arising from or relating to the Offer (or being deemed to have done so under Article 10(6) of the Regulation);

4.2 if the European Commission makes a referral under Article 4(4) or 9(1) of the Regulation to the competent National Competition Authority ("NCA") of any Member State other than the UK, that NCA taking a decision, on terms reasonably satisfactory to Bidco, of equivalent effect to that set out in paragraph 4.1 above;

5 All material mandatory notifications, filings or applications under anti-trust legislation in the United States, Russia and Germany having been made, all necessary waiting periods (including any extensions thereof) under any applicable anti-trust legislation or regulation of the United States, Russia or Germany having expired, lapsed or been terminated (as appropriate), and all necessary anti-trust Authorisations in the United States, Russia and Germany having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties, in each case for or in respect of the Offer and the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Chime by any member of the Wider Bidco Group;

6 No antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted or made any statute, regulation, decision, order or change to published practice (and, in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:

(a) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider Chime Group of all or any material part of its businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);

(b) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Bidco Group or the Wider Chime Group to acquire or offer to acquire a material number of any shares, other securities (or the equivalent) or interest in any member of the Wider Chime Group or any asset owned by any third party (other than in the implementation of the Offer);

(c) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Chime or on the ability of any member of the Wider Chime Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Chime Group;

(d) otherwise materially adversely affect any or all of the business, assets or profits of any member of the Wider Chime Group;
(e) result in any member of the Wider Chime Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Chime Group taken as a whole or in the context of the Offer (as the case may be);

(f) make the Offer, its implementation or the acquisition of any shares or other securities in, or control or management of, Chime by any member of the Wider Bidco Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise materially prevent or prohibit, restrict, restrain, or delay or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Offer or the acquisition of any shares or other securities in, or control or management of, Chime by any member of the Wider Bidco Group; or

(g) impose any material limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Chime Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Chime Group in a manner which is materially adverse to the Wider Chime Group taken as a whole or the Wider Bidco Group taken as a whole or in the context of the Offer (as the case may be),

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any relevant jurisdiction in respect of the Offer or the acquisition of any Chime Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

7 Except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Chime Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject which, as a consequence of the Offer or the acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in Chime or because of a change in the control or management of any member of the Wider Chime Group or otherwise, could or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Chime Group taken as a whole:

(a) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Chime Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

(b) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Chime Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;

(c) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Chime Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
(d) any liability of any member of the Wider Chime Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;

(e) the rights, liabilities, obligations, interests or business of any member of the Wider Chime Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Chime Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

(f) any member of the Wider Chime Group ceasing to be able to carry on business under any name under which it presently carries on business;

(g) the value of, or the financial or trading position of, any member of the Wider Chime Group being prejudiced or adversely affected; or

(h) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Chime Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Chime Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might result in any of the events or circumstances as are referred to in Conditions 7 (a) to (h), in each case to the extent material in the context of the Wider Chime Group taken as a whole;

**Certain events occurring since 31 December 2014**

8 Except as Disclosed, no member of the Wider Chime Group having since 31 December 2014:

(a) issued or agreed to issue, or authorised or announced its intention to authorise or propose the issue, of, additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised the transfer or sale of Chime Shares out of treasury (except, where relevant, as between Chime and wholly owned subsidiaries of Chime or between the wholly owned subsidiaries of Chime and except for the issue or transfer out of treasury of Chime Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Chime Share Schemes);

(b) recommended, declared, paid or made, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions, whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Chime to Chime or any of its wholly owned subsidiaries and excluding the final dividend of 5.87p per Chime Share in respect of the year ended 31 December 2014 paid on 12 June 2015 and excluding the Interim Dividend;

(c) other than pursuant to the Offer (and except for transactions between Chime and its wholly owned subsidiaries or between the wholly owned subsidiaries of Chime and transactions in the ordinary course of business), implemented, effected, authorised or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Chime Group taken as a whole;
(d) (except for transactions between Chime and its wholly owned subsidiaries or between the wholly owned subsidiaries of Chime and except for transactions in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so to an extent which is material in the context of the Wider Chime Group taken as a whole;

(e) (except for transactions between Chime and its wholly owned subsidiaries or between the wholly owned subsidiaries of Chime) issued, authorised or announced an intention to authorise or propose the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability (other than trade credit incurred in the ordinary course of business) or incurred or increased any indebtedness which is material in the context of the Wider Chime Group taken as a whole;

(f) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) except in the ordinary course of business which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is reasonably likely to be materially restrictive on the business of any member of the Wider Chime Group which, taken together with any other such material transaction, arrangement, agreement, contract or commitment, is material in the context of the Wider Chime Group taken as a whole;

(g) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any contract, service agreement, commitment or arrangement with any director or, except for salary increases, bonuses or variations of terms in the ordinary course, senior executive of any member of the Wider Chime Group;

(h) proposed, agreed to provide or modified the terms of any Chime Share Option Scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Chime Group which is material in the context of the Wider Chime Group taken as a whole;

(i) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (a) above, made any other change to any part of its share capital;

(j) other than in respect of claims between Chime and its wholly owned subsidiaries, waived, compromised or settled any claim otherwise than in the ordinary course of business, in each case to an extent which is material in the context of the Wider Chime Group taken as a whole;

(k) terminated or varied the terms of any agreement or arrangement between any member of the Wider Chime Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Chime Group taken as a whole;

(l) save as required in connection with the adoption of the Amended Chime Articles, made any material alteration to its memorandum or articles of association or other incorporation documents to an extent which is material in the context of the Offer;

(m) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to:
(i) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Chime Group for its directors, employees or their dependants;

(ii) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;

(iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or

(iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to, to an extent which is in any such case material in the context of the Wider Chime Group;

(n) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Chime Group taken as a whole;

(o) (other than in respect of a member of the Wider Chime Group which is dormant and was solvent at the relevant time) taken any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

(p) (except for transactions between Chime and its wholly owned subsidiaries or between Chime’s wholly owned subsidiaries) made, authorised, proposed or announced an intention to propose any change in its loan capital;

(q) entered into or implemented any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which would be restrictive on the business of any member of the Wider Chime Group other than to a nature and extent which is immaterial in the context of the Wider Chime Group taken as a whole; or

(r) other than in the ordinary course of business, entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 8;

No adverse change, litigation, regulatory enquiry or similar

9 Except as Disclosed, since 31 December 2014 there having been:

(a) no adverse change and no circumstance having arisen which would or might reasonably be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Chime Group which is material in the context of the Wider Chime Group taken as a whole;

(b) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of any member of the Wider Chime Group or to which any member of the Wider
Chime Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Chime Group, in each case which is or might reasonably be expected to be material in the context of the Wider Chime Group taken as a whole;

(c) no contingent or other liability having arisen or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Chime Group to an extent which is material in the context of the Wider Chime Group taken as a whole; and

(d) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Chime Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would or might reasonably be expected to have a material adverse effect on the Wider Chime Group taken as a whole;

No discovery of certain matters regarding information, liabilities and environmental issues

10 Except as Disclosed, Bidco not having discovered:

(a) that any financial, business or other information concerning the Wider Chime Group publicly announced prior to the date of this Announcement or disclosed at any time to any member of the Wider Bidco Group by or on behalf of any member of the Wider Chime Group prior to the date of this Announcement is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case to a material extent;

(b) that any past or present member of the Wider Chime Group has not complied in any material respect with all applicable legislation, regulations or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability, including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Chime Group, in each case to an extent which is material in the context of the Wider Chime Group;

(c) that there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability on the part of any member of the Wider Chime Group, in each case to an extent which is material in the context of the Wider Chime Group;

(d) that there is or is reasonably likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Chime Group, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto, in each case to an extent which is material in the context of the Wider Chime Group; or
(e) that circumstances exist (whether as a result of making the Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Chime Group would be likely to be required to institute) an environment audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Chime Group (or on its behalf) or by any person for which a member of the Wider Chime Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, which is material in the context of the Wider Chime Group taken as a whole;

Anti-corruption and criminal property

11 Except as Disclosed, Bidco not having discovered:

(a) any member of the Wider Chime Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation; or

(b) any asset of any member of the Wider Chime Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Part B: Certain further terms of the Offer

1 Subject to the requirements of the Panel, Bidco reserves the right to waive in whole or in part all or any of the above Conditions 3 to 11 inclusive. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

2 If Bidco is required by the Panel to make an offer for Chime Shares under the provisions of Rule 9 of the Code, Bidco may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.

3 The Offer will lapse if, insofar as the Offer or any matter arising from or relating to the Scheme or Offer constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference before the date of the Court Meeting (unless otherwise agreed with the Panel).

4 Bidco will be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 3 to 11 (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

5 In the event that the Offer is implemented by way of a takeover offer, the Chime Shares acquired under the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement (other than the Interim Dividend).
If, after the date of this Announcement but prior to the Effective Date, any dividend or other distribution (other than the Interim Dividend) is declared, paid or made or payable by Chime (a “relevant distribution”), Bidco reserves the right (without prejudice to any right of Bidco), with the consent of the Panel, to invoke Condition 8(b) above to reduce the consideration payable under the Offer in respect of a Chime Share (the “Offer Price”) by an amount up to the aggregate amount of such dividend or distribution (excluding any associated tax credit).

If any such dividend or distribution (other than the Interim Dividend) occurs, any reference in this Announcement to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. If such reduction occurs, notwithstanding the terms on which the Chime Shares are expressed to be acquired by Bidco pursuant to the Offer in this Appendix I, the Chime Shares will be acquired by or on behalf of Bidco pursuant to the Offer fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now and hereafter attaching to such shares including the right to receive in full all dividends and other distributions (if any) declared, paid or made on or after the date of this Announcement, other than the dividend or distribution giving rise to such reduction.

To the extent that such a dividend or distribution has been declared, paid, made or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled, the Offer Price will not be subject to change in accordance with this paragraph.

Any exercise by Bidco of its rights referred to in this paragraph will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Offer.

Bidco reserves the right to elect (with the consent of the Panel) to implement the Offer by way of a takeover offer. In such event, the acquisition will be implemented on substantially the same terms subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such less percentage, being more than 50 per cent., as Bidco may decide) of the shares to which such offer relates, so far as applicable, as those which would apply to the Scheme. Bidco undertakes to extend the takeover offer if the acceptance condition has not been satisfied by the relevant closing date and to continue doing so up to and including Day 60.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

The Offer is governed by the law of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I and to be set out in the Scheme Document. The Offer will be subject to the applicable requirements of the City Code, the Panel, the London Stock Exchange and the UK Listing Authority.
APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this Announcement, unless otherwise stated or the context otherwise requires, the basis of calculation and sources of information are as described below

(a) Unless otherwise stated, the financial information relating to Chime is extracted from the audited consolidated financial statements of Chime for the financial year to 31 December 2014, prepared in accordance with IFRS.

(b) References to the existing issued share capital of Chime are to the number of Chime Shares in issue as at 30 July 2015, being the latest practicable date prior to the date of this Announcement, which was 100,657,570 Chime Shares. No Chime Shares are held in treasury. The International Securities Identification Number for Chime Shares is GB00B2QY9355.

(c) References to the fully diluted share capital of Chime are to 101,737,900 Chime Shares, based on:

(i) the number of existing Chime Shares set out in paragraph (b) of this Appendix II above; and

(ii) 1,080,330 Chime Shares to be issued under the terms of the Chime Share Schemes.

(d) Closing Prices for Chime Shares are taken from the Daily Official List.

(e) The Chime Group’s Reported Operating Profit for the year ended 2014 of approximately £18.307 million is extracted from page 16 of Chime Group’s annual report and accounts for that period.

(f) The Chime Group’s Headline Operating Profit for the year ended 2014 of approximately £32.168 million is extracted from page 16 of the Chime Group’s annual report and accounts for that period.

(g) The implied Enterprise Value (including the Interim Dividend) of Chime is based on the fully diluted share capital (as set out in paragraph (c)) at the Offer Price (including the Interim Dividend), Chime’s gross debt of £73.4 million (see page 82 of the Accounts), Chime’s forecasted earn-out payments of £36.9 million (see page 28 of Chime Group’s audited preliminary results presentation for the year ended 31 December 2014 - http://chimeplc.com/downloads/prelim_analyst_presentation_dec2014.pdf), Chime’s final dividend for the year ended 31 December 2014 of £5.9 million (see page 102 of the Accounts), the book value of Chime’s non-controlling interests of £2.8m (see page 83 of the Accounts), less Chime’s cash and cash equivalents of £20.3 million (see page 82 of the Accounts) and the book value of investment in associates of £7.0 million (see page 82 of the Accounts), as at 31 December 2014.

APPENDIX III

IRREVOCABLE UNDERTAKINGS
### Chime Independent Directors’ Irrevocable Undertakings

<table>
<thead>
<tr>
<th>Name of Chime Director</th>
<th>Number of Chime Shares in respect of which undertaking is given</th>
<th>Percentage of Chime issued share capital</th>
<th>Percentage of Scheme Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christopher Satterthwaite</td>
<td>539,720</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Seb Coe</td>
<td>475,268</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Mark Smith</td>
<td>446,100</td>
<td>0.4</td>
<td>0.6</td>
</tr>
<tr>
<td>Evan Mervyn Davies</td>
<td>67,785</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Rodger Hughes</td>
<td>27,053</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

These irrevocable undertakings cease to be binding if the Scheme (or takeover offer, as applicable) does not become effective or lapses in accordance with its terms or the Scheme (or takeover offer, as applicable) is withdrawn or any competing offer is made which is declared unconditional or otherwise becomes effective.

The terms of the irrevocable undertakings from each of the Chime Independent Directors will continue to be binding in the event a higher competing offer is made for Chime.
APPENDIX V

DEFINITIONS

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

“Accounts” the Chime Group’s annual report and accounts for the year ended 31 December 2014;

“Amended Chime Articles” the articles of association of Chime as at the Announcement Date, as amended to include provisions, in terms approved by Bidco, that avoid any person (other than Bidco or its nominee(s)) remaining as a holder of Chime Shares after the Effective Date, such proposed amendments to be set out in full in the notice of the General Meeting;

“Announcement” this announcement made in accordance with Rule 2.7 of the Code;

“Announcement Date” 31 July 2015;

“Authorisations” regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;

“Bidco” Bell Bidder Limited;

“Bidco Group” Bidco and its subsidiary undertakings and, where the context permits, each of them;

“Bid Conduct Agreement” the bid conduct agreement entered into on 31 July 2015 between (amongst others) funds managed by Providence, WPP, Topco and Bidco relating to the conduct of the Offer;

“Board” the board of directors of the relevant company;

“Business Day” a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;

“Chime” Chime Communications plc;

“Chime Group” Chime and its subsidiary undertakings and, where the context permits, each of them;

“Chime Independent Directors” the directors of Chime other than Christopher Sweetland who is an employee of the WPP Group;

“Chime Share Schemes” the Chime Savings-Related Share Option Scheme, the Chime Deferred Share Plan and the Chime Performance Share Plan;

“Chime Shareholders” or “Shareholders” the holders of Chime Shares;
“Chime Shares” the existing unconditionally allotted or issued and fully paid ordinary shares of 25 pence each in the capital of Chime and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes effective;

“City Code” or “Code” the City Code on Takeovers and Mergers;

“Closing Price” the closing middle market price of a Chime Share on a particular trading day as derived from the Daily Official List;

“CMA Phase 2 Reference” a reference of the Offer to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;

“Code” means the City Code on Takeovers and Mergers;

“Companies Act” the Companies Act 2006, as amended;

“Competition and Markets Authority” a UK statutory body established under the Enterprise and Regulatory Reform Act 2013;

“Conditions” the conditions to the implementation of the Offer, as set out in Appendix I to this Announcement and to be set out in the Scheme Document;

“Confidentiality Agreement” the confidentiality and standstill agreement entered into between Chime and Providence on 14 July 2015;

“Cooperation Agreement” the cooperation agreement entered into between Chime and Bidco dated 31 July 2015;

“Court Meeting” the meeting of Independent Shareholders to be convened pursuant to an order of the Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof;

“Court Order” the order of the Court sanctioning the Scheme;

“Court” the High Court of Justice in England and Wales;

“CREST” the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;


“Dealing Disclosure” has the same meaning as in Rule 8 of the Code;

“Disclosed” the information disclosed by, or on behalf of Chime, (i) in the annual report and accounts of the Chime Group for the financial year ended 31
“Effective Date” the date on which the Scheme becomes effective;

“Euroclear” Euroclear UK and Ireland Limited;

“Funding Undertakings” The undertakings entered into by funds managed by Providence on 31 July 2015 in relation to the provision of funding to Bidco for the purposes of the Offer;

“General Meeting” the general meeting of Chime Shareholders (including any adjournment thereof) to be convened in connection with the Scheme;

“HSBC” HSBC Bank plc;

“IFRS” International Financial Reporting Standards, as adopted by the European Union;

“Independent Shareholders” Shareholders other than WPP;

“Interim Dividend” The interim dividend of 2.53 pence per Chime Share to be paid to Chime Shareholders who are on Chime’s register of members on 11 September 2015;

“Listing Rules” the listing rules made by the UK Listing Authority;

“London Stock Exchange” the London Stock Exchange plc;

“Long Stop Date” 31 December 2015, or such later date (if any) as Bidco and Chime may agree and (if required) the Panel and the Court may allow;

“Moelis & Company” Moelis & Company UK LLP;

“Numis” Numis Securities Limited;

“Offer Period” the offer period (as defined by the Code) relating to Chime, which commenced on 29 July 2015;

“Offer Price” the consideration payable under the Offer in respect of a Chime Share;

“Offer” the recommended cash offer being made by Bidco to acquire the entire issued and to be issued share capital of Chime (other than the WPP Shares) to be effected by means of the Scheme (or, subject to the consent of the Panel, a takeover offer) and, where the context admits, any subsequent revision,
variation, extension or renewal thereof;

“Official List”
the Official List maintained by the UK Listing Authority;

“Opening Position Disclosure”
has the same meaning as in Rule 8 of the Code;

“Overseas Shareholders”
Chime Shareholders (or nominees of, or custodians or trustees for Chime Shareholders) not resident in, or nationals or citizens of, the United Kingdom;

“Panel”
the Panel on Takeovers and Mergers;

“Providence”
Providence Equity Partners L.L.C, in its capacity as manager of certain investment funds;

“Registrar of Companies”
the Registrar of Companies in England and Wales;

“Regulation”
Council Regulation (EC) 139/2004;

“Regulatory Information Service”
any of the services set out in Appendix III to the Listing Rules;

“Relevant Securities”
means relevant securities (as defined in the Code) of Chime;

“Restricted Jurisdiction”
the United States, Canada, Australia, Japan and any other jurisdiction, in each case where extension or acceptance of the Offer would violate the law of that jurisdiction;

“Robey Warshaw”
Robey Warshaw LLP;

“Scheme Court Hearing”
the Court hearing at which the Court Order is sought;

“Scheme Document”
the document to be sent to Chime Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting;

“Scheme”
the proposed scheme of arrangement under Part 26 of the Companies Act between Chime and the Chime Shareholders in connection with the Offer, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Chime and Bidco;

“Scheme Shares”
the Chime Shares subject to the Scheme, being the Chime Shares other than the WPP Shares;

“Scheme Shareholder”
the holders of the Scheme Shares;

“Significant Interest”
in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of
such undertaking;

“Subscription and Reinvestment Agreement”  the subscription and reinvestment agreement entered into on 31 July 2015 between, amongst others, WPP, funds managed by Providence, Topco and Bidco relating to the investment in Topco and Topco’s subsequent investment in Bidco;

“Third Party”  each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction;

“Topco”  Bell Topco Limited;

“UK Listing Authority”  the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000;

“United Kingdom” or “UK”  the United Kingdom of Great Britain and Northern Ireland;

“United States” or “US”  the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;

“Wider Chime Group”  Chime and associated undertakings and any other body corporate, partnership, joint venture or person in which Chime and such undertakings (aggregating their interests) have a Significant Interest;

“Wider Bidco Group”  Bidco, funds managed by Providence, WPP and their respective associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and all such undertakings (aggregating their interests) have a Significant Interest;

“WPP”  WPP Beans Ltd;

“WPP Group”  WPP plc and its subsidiary undertakings and, where the context permits, each of them;

“WPP Shares”  The 20,158,421 Chime Shares held by WPP at the date of this Announcement.

For the purposes of this Announcement, “subsidiary”, “subsidiary undertaking”, “undertaking” and “associated undertaking” have the respective meanings given thereto by the Companies Act.

All references to “pounds”, “pounds Sterling”, “Sterling”, “GBP”, “£”, “pence”, “penny” and “p” are to the lawful currency of the United Kingdom.
All references to “Euros”, “EUR” and “€” are to the lawful currency of the member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on the European Union.

All references to “US$”, “$” and “US Dollars” are to the lawful currency of the United States.

All the times referred to in this Announcement are London times unless otherwise stated. References to the singular include the plural and vice versa.