

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT.**

This Document contains a proposal which, if implemented, will result in the cancellation of the admission to trading of Tungsten Shares on AIM.

If you are in any doubt as to the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

If you sell or have sold or otherwise transferred all of your Tungsten Shares, please send this Document together with the accompanying documents (other than documents or forms personal to you) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted in or into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Tungsten Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise been transferred Tungsten Shares in certificated form, notwithstanding receipt of this Document from the transferor, you should contact Equiniti on the relevant telephone number set out below to obtain personalised Forms of Proxy.

The release, publication or distribution of this Document and any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this Document nor any of the accompanying documents is intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This Document is not a prospectus, a prospectus-equivalent document or an exempted document.

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Recommended Cash Acquisition of

## **TUNGSTEN CORPORATION PLC**

by

## **PROJECT CALIFORNIA BIDCO LIMITED**

*(an wholly-owned indirect subsidiary of Kofax Parent Limited)*

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

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**This Document (including all information incorporated into this Document by reference to another source) should be read as a whole and in conjunction with the Forms of Proxy. Your attention is drawn to Part I (Letter from the Chairman of Tungsten) of this Document, which contains the unanimous recommendation of the Tungsten Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution proposed at the General Meeting. A letter from Canaccord Genuity explaining the Scheme appears in Part II (Explanatory Statement) of this Document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.**

Notices of the Court Meeting and the General Meeting, both of which will be held at the offices of Memery Crystal, 165 Fleet Street, London EC4A 2DY on 18 May 2022, are set out in Part X (Notice of Court Meeting) and Part XI (Notice of General Meeting) of this Document. The Court Meeting will start at 10.00 a.m. on that date and the General Meeting at 10.15 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned.

The action to be taken by Tungsten Shareholders and Scheme Shareholders is set out on pages 8 to 10 (Action to be Taken) and at paragraph 18 of Part II (Explanatory Statement) of this Document.

Tungsten Shareholders are asked to complete and return the enclosed (or appoint a proxy electronically or online as referred to in this Document) in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Tungsten's Registrars, Equiniti, not later than 48 hours before the relevant Meeting (excluding any part of such 48 hour period falling on a day that is not a working day or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting).

If the BLUE Form of Proxy for the Court Meeting is not lodged by 10.00 a.m. on 16 May 2022, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting.

In the case of the General Meeting, if the YELLOW Form of Proxy for the General Meeting is not lodged by 10.15 a.m. on 16 May 2022 (by post or transmission of a proxy appointment or voting instruction online, through CREST), it will be invalid. Tungsten Shareholders who hold Tungsten Shares in CREST may also appoint a proxy using CREST or online by following the instructions set out in the Forms of Proxy and on pages 8 to 10 (Action to be Taken) of this Document.

### **Questions at the Meetings**

In addition to being able to attend, ask questions and vote (and/or raise any objections) at the Court and/or General Meeting in person, Tungsten Shareholders and Scheme Shareholders will also be able to submit questions to be considered at the relevant Meeting at any time up to 48 hours before the relevant Meeting by emailing Patrick.Clark@Tungsten-Network.com.

The Chairman of the relevant Meeting will ensure that all such questions (and/or, in the case of the Court Meeting, any objections) relating to the formal business of the Meeting are addressed during the relevant Meeting, unless no response is required to be provided under the Companies Act or the Company's Articles of Association, including if the provision of a response would, at the Chairman's discretion, otherwise be undesirable in the interests of the Company or the good order of the relevant Meeting.

### **Possibility of COVID-19 Restrictions**

The COVID-19 situation is constantly evolving and the UK Government may implement new measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders and Tungsten Shareholders will be permitted to attend the Court and/or General Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Tungsten Shareholders and Scheme Shareholders are nevertheless encouraged to appoint "the Chairman of the meeting" as their proxy for the General Meeting and the Court Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting in person. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and Tungsten Shareholders before the Meetings, including through Tungsten's website [www.Tungsten-Network.com](http://www.Tungsten-Network.com) and by announcement through a Regulatory Information Service.

Further details regarding attending the Court Meeting and General Meeting and the appointment of a proxy for each relevant Meeting are set out on pages 8 to 10 (*Action to be Taken*) of this Document.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings, you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction through the CREST electronic proxy appointment service as soon as possible.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy or to submit your proxies electronically or online, please contact the Company's Registrar, Equiniti, by calling the shareholder helpline on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Certain terms used in this Document are defined in Part IX (*Definitions*). References to times in this Document are to London, United Kingdom time unless otherwise stated.

Canaccord Genuity, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for Tungsten and no one else in connection with the matters set out in this Document and will not regard any other person as its client in relation to the matters set out in this Document and will not be responsible to anyone other than Tungsten for providing the protections afforded to clients of Canaccord Genuity or its affiliates, nor for providing advice in relation to the matters set out in this Document or any other matter or arrangement referred to herein.

Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited (either individually or collectively "Shore Capital"), which are authorised and regulated by the FCA in the United Kingdom, are acting exclusively as financial adviser for Bidco and Kofax and no-one else in connection with the matters set out in this Document and will not be responsible to anyone other than Bidco and Kofax for providing the protections afforded to clients of Shore Capital nor for providing advice in connection with any matter referred to herein. Neither Shore Capital nor any of its affiliates (nor their respective directors, officers, employees or agents) 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 Shore Capital in connection with this Document, any statement contained herein, the Acquisition or otherwise.

No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been authorised by Tungsten, the Tungsten Directors, Bidco, the Bidco Directors or by Canaccord Genuity or Shore Capital or any other person involved in the Acquisition. Neither the delivery of this Document nor holding the Meetings, the Scheme Court Hearing, or filing the Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of the Tungsten Group or the Bidco Group since the date of this Document or that the information in, or incorporated into, this Document is correct as at any time subsequent to its date.

## IMPORTANT NOTICE

The release, publication or distribution of this Document in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Document does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this Document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The statements contained in this Document are made as at the date of this Document, unless some other time is specified in relation to them, and service of this Document shall not give rise to any implication that there has been no change in the facts set forth in this Document since such date. Nothing in this Document shall be deemed to be a forecast, projection or estimate of the future financial performance of Tungsten or Bidco except where otherwise stated.

This Document is not a prospectus or prospectus-equivalent document.

### Overseas Shareholders

This Document has been prepared for the purposes of complying with English law, the Takeover Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside England and Wales.

The availability of the Acquisition to Tungsten Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Tungsten Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition 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 Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this Document and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

## **Notice to U.S. investors**

The Acquisition relates to shares in an English company and is proposed to be made by means of a scheme of arrangement under English company law. U.S. Tungsten Shareholders should note that the Scheme relates to the shares of an English company and will be governed by English law. Neither the U.S. proxy solicitation rules nor the tender offer rules under the U.S. Securities Exchange Act of 1934, as amended, will apply to the Acquisition and the Scheme. Moreover, the Acquisition and the Scheme are subject to the disclosure requirements and practices applicable in England to schemes of arrangement, which differ from the disclosure requirements of the U.S. proxy solicitation rules and tender offer rules. Financial information included in this Document has been prepared in accordance with accounting standards applicable in the UK and may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

If Bidco were to elect (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) to implement the Acquisition by means of a Takeover Offer, such Takeover Offer would be made in compliance with all applicable United States laws and regulations, including Section 14(e) of the U.S. Exchange Act and Regulation 14E thereunder and any applicable exemptions.

Neither the SEC nor any securities commission of any state of the U.S. has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this Document. Any representation to the contrary is a criminal offence in the United States.

It may be difficult for U.S. Tungsten Shareholders to enforce their rights and any claim arising out of the U.S. federal securities laws, since Bidco and Tungsten are located in a non-U.S. jurisdiction, and some or all of their officers and directors are residents of non-U.S. jurisdictions. U.S. Tungsten Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

In accordance with the Takeover Code and normal UK practice, (a) Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Tungsten outside of the United States, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn and (b) Canaccord Genuity and its affiliates will continue to act as an exempt principal trader in Tungsten securities on the London Stock Exchange. If purchases or arrangements to purchase were to be made as contemplated by clause (a) of this paragraph, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices, and any information about such purchases or arrangements to purchase would be disclosed as required in the UK, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). Purchases contemplated by clause (b) of this paragraph that are required to be made public in the United Kingdom pursuant to the Takeover Code would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). Information would also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

The receipt of cash consideration by a U.S. Tungsten Shareholder for the transfer of its Tungsten Shares pursuant to the Acquisition will likely be a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state and local tax laws, as well as foreign and other tax laws. Each U.S. Tungsten Shareholder is urged to consult their independent professional tax adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable U.S. state and local, as well as overseas and other, tax laws.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Document (including information incorporated by reference in this Document), oral statements made regarding the Acquisition, and other information published by Tungsten, any member of the Tungsten Group, Bidco, or any member of the Bidco Group contain statements which are, or may be deemed to be, "forward-looking statements". Such forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business

strategies and the environment in which Tungsten, any member of the Tungsten Group, Bidco, or any member of the Bidco Group or the Combined Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward-looking statements contained in this Document may relate to Tungsten, any member of the Tungsten Group, Bidco, or any member of the Bidco Group or the Combined Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and all other statements in this Document other than statements of historical facts. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'intend', 'aim', 'project', 'anticipate', 'estimate', 'target', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue' or, in each case, their negative and other variations or other similar or comparable words and expressions. Forward-looking statements may 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 Tungsten, any member of the Tungsten Group, Bidco, or any member of the Bidco Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Tungsten, any member of the Tungsten Group, Bidco, or any member of the Bidco Group's business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

None of Tungsten, any member of the Tungsten Group, Bidco, nor any member of the Bidco Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Document shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

The forward-looking statements speak only at the date of this Document. All subsequent oral or written forward-looking statements attributable to Tungsten, any member of the Tungsten Group, Bidco, or any member of the Bidco Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Tungsten, each member of the Tungsten Group, Bidco, and each member of the Bidco Group expressly disclaims any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

### **NO PROFIT FORECASTS, PROFIT ESTIMATES OR QUANTIFIED FINANCIAL BENEFITS STATEMENTS**

No statement in this Document, or incorporated by reference in this Document, is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this Document should be interpreted to mean that earnings or earnings per share for Tungsten, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Tungsten.

### **ROUNDING**

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



## **ELECTRONIC COMMUNICATIONS**

Please be aware that addresses, electronic addresses and certain information provided by Tungsten Shareholders, persons with information rights and other relevant persons for the receipt of communications from Tungsten may be provided to Bidco, members of the Bidco Group and/or their respective advisers during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

## **DEALING DISCLOSURE REQUIREMENTS**

Under Rule 8.3(a) of the Takeover 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 p.m. on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. 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 Takeover 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 p.m. 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 Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

## **PUBLICATION ON WEBSITE AND AVAILABILITY OF THIS DOCUMENT**

A copy of this Document shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Tungsten and Bidco's websites at [www.Tungsten-Network.com](http://www.Tungsten-Network.com) and [www.Kofax.com](http://www.Kofax.com) respectively by no later than 12:00 noon on the Business Day following the date of publication of this Document. For the avoidance of doubt, the content of these websites is not incorporated into and do not form part of this Document.

Tungsten Shareholders may request a hard copy of this Document or information incorporated into this Document by reference to another source, free of charge, by calling the Company's Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, during business hours, on 0371 384 2050 stating your name, and the address to which the hard copy should be sent. A hard copy of any such information will not be sent to you unless you so request it. You may also request that all future documents, announcements and information sent to you in relation to the Acquisition should be in hard copy form.

In accordance with Rule 30.3 of the Takeover Code, Tungsten Shareholders, persons with information rights and participants in Tungsten Share Plans may request a hard copy of this Document by contacting Tungsten's registrars, Equiniti Group plc, either in writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, or by calling +44 (0)371 384 2050. Calls outside the UK will be charged at the applicable international rate. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

For persons who receive a copy of this Document in electronic form or via a website notification, a hard copy of this Document will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

This Document is dated 25 April 2022.

## ACTION TO BE TAKEN

**For the reasons set out in this Document, the Tungsten Directors, who have been so advised by Canaccord Genuity as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Tungsten Directors, Canaccord Genuity have taken into account the commercial assessments of the Tungsten Directors. Canaccord Genuity is providing independent financial advice to the Tungsten Directors for the purposes of Rule 3 of the Takeover Code.**

**Accordingly, in order to implement the Acquisition in the absence of a higher offer, the Tungsten Directors unanimously recommend that you vote in favour of the Scheme at the Court Meeting and the Special Resolution proposed at the General Meeting, as those Tungsten Directors who hold Tungsten Shares have irrevocably undertaken to do in respect of their own beneficial holdings of Tungsten Shares (or those Tungsten Shares over which they have control), and that you take the action described below.**

This page should be read in conjunction with the rest of this Document, and in particular, paragraph 18 of Part II (*Explanatory Statement*) of this Document and the notices of the Court Meeting and the General Meeting at the end of this Document.

### **Possibility of COVID-19 restrictions**

The COVID-19 situation is constantly evolving and the UK Government may implement new measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders and Tungsten Shareholders will be permitted to attend the Court and/or General Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Tungsten Shareholders and Scheme Shareholders are nevertheless encouraged to appoint “the Chairman of the meeting” as their proxy for the General Meeting and the Court Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting in person. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and Tungsten Shareholders before the Meetings, including through Tungsten’s website [www.Tungsten-Network.com](http://www.Tungsten-Network.com) and by announcement through a Regulatory Information Service.

### **1. Documents**

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting to be held on 18 May 2022;
- a YELLOW Form of Proxy for use in respect of the General Meeting to be held on 18 May 2022;
- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the YELLOW Form of Proxy.

If you have not received all of these documents, please contact the Shareholder Helpline operated by Equiniti, the Company’s Registrar, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

### **2. Voting at the Court Meeting and the General Meeting**

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY BY POST (OR TRANSMIT A PROXY APPOINTMENT AND VOTING INSTRUCTION ONLINE THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE) AS SOON AS POSSIBLE.**



The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at the offices of Memery Crystal, 165 Fleet Street, London EC4A 2DY at 10.00 a.m. on 18 May 2022. Implementation of the Scheme will also require approval of the Special Resolution relating to the Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting at 10.15 a.m. on 18 May 2022 (or as soon thereafter as the Court Meeting concludes or is adjourned).

Scheme Shareholders and Tungsten Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (by post, online or electronically through CREST) set out below.

Tungsten Shareholders and Scheme Shareholders may submit questions to be considered at the relevant Meeting at any time up to 48 hours before the relevant Meeting by emailing Patrick.Clark@Tungsten-Network.com.

The Chairman of the relevant Meeting will ensure that all such questions and/or any objections (in the case of the Court Meeting) relating to the formal business of the Meeting are addressed during the relevant Meeting, unless no response is required to be provided under the Companies Act or the Company's Articles of Association, including if the provision of a response would, at the Chairman's discretion, otherwise be undesirable in the interests of the Company or the good order of the relevant Meeting.

Tungsten Shareholders are entitled to appoint a proxy in respect of some or all of their Tungsten Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Tungsten Shareholders who wish to appoint more than one proxy in respect of their holding of Tungsten Shares should contact Equiniti for further Forms of Proxy or photocopy the Forms of Proxy as required.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction through CREST) will not prevent you from attending and voting at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

Scheme Shareholders and Tungsten Shareholders are required to submit or amend proxy voting instructions in respect of the relevant Meeting not later than 48 hours before the relevant Meeting (excluding any part of such 48 hour period falling on a day that is not a working day) (or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting). In the case of the Court Meeting only, Scheme Shareholders who have not cast or amended their proxy voting instructions by this time may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

**(a) Sending Forms of Proxy by post**

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Equiniti, the Company's Registrar, by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, so as to be received as soon as possible and in any event not later than the relevant times set out below:

BLUE Forms of Proxy for the Court Meeting	10.00 a.m. on 16 May 2022
YELLOW Forms of Proxy for the General Meeting	10.15 a.m. on 16 May 2022

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding any part of such 48 hours period falling on a day that is not a working day) before the time fixed for the adjourned Meeting.

*What if I miss the deadline mentioned above?*

- If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- If the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

(b) **Electronic appointment of proxies through CREST**

If you hold Tungsten Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) of this Document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting (as set out in paragraph 2(a) above) or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

*What if I miss the deadline mentioned above?*

- In the case of the Court Meeting only, if the CREST proxy or instruction is not received by this time, the BLUE Form of Proxy may be (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- In the case of the General Meeting only, if the CREST proxy or instruction is not received by this time, it will be invalid.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Tungsten may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### **3. Tungsten Share Plans**

Participants in the Tungsten Share Plans will be contacted separately regarding the effect of the Scheme on their rights under the Tungsten Share Plans. A summary of the effect of the Scheme on outstanding options and awards under the Tungsten Share Plans is set out in paragraph 8 of Part II (*Explanatory Statement*) of this Document.

### **4. Shareholder Helpline**

If you have not received all of these documents, please contact the Shareholder Helpline operated by Equiniti, the Company’s Registrar, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable is based on Tungsten's and Bidco's current expected dates for the implementation of the Scheme and is subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Tungsten Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

<i>Event</i>	<i>Time and/or date<sup>(1)</sup></i>
Publication of this Document	25 April 2022
Latest date for Potential Competing Offerors to announce a formal offer in accordance with Rule 2.7 of the Code	11 May 2022
Latest time for lodging Forms of Proxy for the:	
Court Meeting (BLUE form)	10.00 a.m. on 16 May 2022 <sup>(2)</sup>
General Meeting (YELLOW form)	10.15 a.m. on 16 May 2022 <sup>(3)</sup>
Voting Record Time	6.30 p.m. on 16 May 2022 <sup>(4)</sup>
<b>Court Meeting</b>	10.00 a.m. on 18 May 2022
<b>General Meeting</b>	10.15 a.m. on 18 May 2022 <sup>(5)</sup>
<p><b>The following dates and times associated with the Scheme are subject to change and will depend on, among other things, the date on which the Conditions to the Scheme are satisfied or, if capable of waiver, waived, and the date on which the Court sanctions the Scheme. Tungsten will give adequate notice of all of these dates and times, when known, by issuing an announcement through a Regulatory Information Service, with such announcement being made available on Tungsten's website at <a href="http://www.Tungsten-Network.com">www.Tungsten-Network.com</a>. Further updates and changes to these times will be notified in the same way. See also note <sup>(1)</sup>.</b></p>	
Scheme Court Hearing	25 May 2022
Last day for dealings in, and for the registration of transfer of, Tungsten Shares	26 May 2022
Scheme Record Time	6.00 p.m. on 26 May 2022
Disablement of CREST in respect of Tungsten Shares	6.00 p.m. on 26 May 2022
Suspension of dealings in Tungsten Shares	by 7.30 a.m. on 27 May 2022
<b>Effective Date of the Scheme</b>	27 May 2022 <sup>(6)</sup>
Cancellation of admission to trading of Tungsten Shares	by 7.30 a.m. on 30 May 2022
Latest date for despatch of cheques and crediting of CREST accounts and processing electronic transfers for cash consideration due under the Scheme by 14 days after the Effective Date	10 June 2022
Long Stop Date <sup>(7)</sup>	31 December 2022

- (1) The dates and times given are indicative only and are based on current expectations and are subject to change (including as a result of changes to the regulatory timetable).

References to times are to London, United Kingdom time unless otherwise stated. If any of the times and/or dates above change, the revised times and/or dates will be notified to Tungsten Shareholders by announcement through a Regulatory Information Service.

Participants in the Tungsten Share Plans will be contacted separately to inform them of the effect of the Scheme on their rights under the Tungsten Share Plans, including details of any appropriate proposals being made and dates and times relevant to them.

- (2) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting or, if the Court Meeting is adjourned, 48 hours prior to the time fixed for any adjourned Court Meeting (excluding any part of such 48 hour period falling on a day that is not a working day). If the BLUE Form of Proxy for the Court Meeting is not lodged by 10.00 a.m. on 16 May 2022, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- (3) In order to be valid, the YELLOW Forms of Proxy for the General Meeting must be lodged not later than 10.15 a.m. on 16 May 2022 or, if the General Meeting is adjourned, 48 hours prior to the time fixed for the adjourned General Meeting (excluding any part of such 48 hour period falling on a day that is not a working day).
- (4) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the day which is two Business Days prior to the date of the adjourned Meeting.
- (5) To commence at 10.15 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned.
- (6) Bidco expects that, subject to the satisfaction (or, where applicable, waiver) of the Conditions in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, the Acquisition will become Effective during Q2 2022.
- (7) This is the latest date by which the Scheme may become Effective. However, the Long Stop Date may be extended to such later date as may be agreed by Tungsten and Bidco (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)).

## PART I

### LETTER FROM THE CHAIRMAN OF TUNGSTEN

*Directors:*

Tony Bromovsky  
Paul Francis Cooper  
Andrew Coulsen  
Andrew Doman  
Nicholas Wells

*Tungsten Corporation plc*  
(Incorporated in England and  
Wales with registered number 07934335)  
Pountney Hill House,  
6 Laurence Pountney Hill,  
London, EC4R 0BL

25 April 2022

*To the holders of Tungsten Shares and, for information only, to holders of awards and options under the Tungsten Share Plans and persons with information rights.*

Dear Shareholder,

#### **RECOMMENDED CASH ACQUISITION OF TUNGSTEN CORPORATION PLC BY PROJECT CALIFORNIA BIDCO LIMITED**

##### **1. Introduction**

On 24 March 2022, the boards of Tungsten and Bidco announced that they had reached agreement on the terms of a recommended cash acquisition pursuant to which Bidco proposes to acquire the entire issued and to be issued share capital of Tungsten. Bidco is a wholly-owned indirect subsidiary of Kofax Parent Limited. The Acquisition is to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

I am writing to you today, on behalf of the Tungsten Directors, to set out the background to the Acquisition and the reasons why the Tungsten Directors consider the terms of the Acquisition to be fair and reasonable. In the absence of a higher offer, the Tungsten Directors are unanimously recommending that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution proposed at the General Meeting, as those Tungsten Directors who hold Tungsten Shares have irrevocably undertaken to do in respect of those Tungsten Shares they hold (and in respect of which they control the voting rights), which amount in total to 1,305,253 Tungsten Shares representing, in aggregate, approximately 1.0 per cent. of the issued ordinary share capital of Tungsten as at the Latest Practicable Date. I draw your attention to the letter from Canaccord Genuity set out in Part II (*Explanatory Statement*) of this Document which gives details about the Acquisition and to the additional information set out in Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document. Further information relating to the irrevocable undertakings given by those Tungsten Directors who hold Tungsten Shares, including the circumstances in which they cease to be binding, is set out at paragraph 6 of this letter, and in paragraph 5.1 of Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document.

In order to approve the terms of the Acquisition, the required majority of Scheme Shareholders will need to vote in favour of the Scheme at the Court Meeting and the required majority of Tungsten Shareholders will need to vote in favour of the Special Resolution proposed at the General Meeting (as set out in paragraph 10 of Part II (*Explanatory Statement*) of this Document). The Court Meeting and the General Meeting are to be held at the offices of Memery Crystal, 165 Fleet Street, London EC4A 2DY on 18 May 2022 at 10.00 a.m. and 10.15 a.m. (or immediately after the conclusion of the Court Meeting), respectively.

The COVID-19 situation is constantly evolving and the UK Government may implement new measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders and Tungsten Shareholders will be permitted to attend, the Court and/or General Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Tungsten Shareholders and Scheme Shareholders are nevertheless encouraged to appoint "the Chairman of the meeting" as their proxy for the General Meeting and the Court Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting in person. Any changes to the arrangements for the Court Meeting

and the General Meeting will be communicated to Scheme Shareholders and Tungsten Shareholders before the Meetings, including through Tungsten's website [www.Tungsten-Network.com](http://www.Tungsten-Network.com) and by announcement through a Regulatory Information Service.

Details of the actions you should take are set out in paragraph 18 of Part II (*Explanatory Statement*) of this Document. The recommendation of the Tungsten Directors is set out in paragraph 3 of this letter.

## **2. Summary of the terms of the Acquisition**

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

### **for each Scheme Share: 42 pence in cash**

The price of 42 pence per Tungsten Share values the entire issued and to be issued ordinary share capital of Tungsten at approximately GBP 53.7 million on a fully diluted basis. The price per Tungsten Share represents a premium of approximately:

- 44.8 per cent. to the Closing Price of 29.0 pence per Tungsten Share on 13 December 2021 (being the last Business Day before the commencement of the Offer Period);
- 61.3 per cent. to the volume-weighted average price of 26.0 pence per Tungsten Share for the one-month period ended 13 December 2021 (being the last Business Day before the commencement of the Offer Period);
- 56.4 per cent. to the volume-weighted average price of 26.8 pence per Tungsten Share for the three-month period ended 13 December 2021 (being the last Business Day before the commencement of the Offer Period); and
- 39.3 per cent. to the volume-weighted average price of 30.2 pence per Tungsten Share for the six-month period ended 13 December 2021 (being the last Business Day before the commencement of the Offer Period).

Further information about the Acquisition is provided in Part II (*Explanatory Statement*) of this Document.

## **3. Recommendation**

The Tungsten Directors, who have been so advised by Canaccord Genuity as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, Canaccord Genuity has taken into account the commercial assessments of Tungsten Directors. Canaccord Genuity is providing independent financial advice to the Tungsten Directors for the purposes of Rule 3 of the Takeover Code.

In the absence of a higher offer, the Tungsten Directors intend to recommend unanimously that, in the case of the Court Meeting, the Scheme Shareholders and, in the case of the General Meeting, Tungsten Shareholders vote in favour of the resolutions relating to the Acquisition at the Meetings to be convened in due course.

## **4. Background to and reasons for the recommendation**

Following the outbreak of COVID-19, 2021 was a challenging year for the Tungsten Group. Total revenue for the year ended 30 April 2021 ("FY21") decreased from GBP 36.8 million to GBP 36.1 million and total transaction volumes reduced from 19 million to 18.3 million. Despite this, new products were launched in FY21, with the Tungsten Group continuing to develop strategic partnerships to extend the Tungsten ecosystem and Tungsten implemented a process, successfully reducing costs and improving profitability within the business.

On 9 June 2021, Paul Francis Cooper was appointed as Chief Executive Officer to replace Andrew Lemonofides, and a number of new appointments were made to the Tungsten Group's senior leadership team during FY21, together with an overall reduction in headcount and costs within the business.



In the year ending 30 April 2021 (“FY22”), the Tungsten growth strategy has remained focused on driving core AP e-invoicing growth; riding the wave of compliance and opening the network through expansion of its interoperation and government gateway footprints; promoting its full suite of capabilities through partnerships and developing total AR.

Against a backdrop of gradual global economic recovery, interim results for the six months ended 31 October 2021 (“H1 FY22”), released on 13 December 2021, showed encouraging, positive progress for Tungsten, with revenues increasing by 2 per cent. to GBP 18.3 million and by 5 per cent. on a constant currency basis. Adjusted EBITDA increased to GBP 3.0 million (up GBP 2.2 million for the six months ended 31 October 2020 (“H1 FY21”)) and net cash increased to GBP 1.9 million (a GBP 0.9 million increase from H1 FY21). Whilst new deal bookings were lower than the prior year, important strategic wins in H1 FY22 included the first Total AR customer win in the insurance sector, a significant existing AP Buyer signing a new contract under the Supply Chain Finance partnership with Orbian and two buyers joining the network via a partnership with a leading U.S. bank.

In Tungsten’s H1 FY22 half-year results announcement, Tungsten stated:

*“We are encouraged by progress made in the period with some significant strategic wins across our portfolio and partnership offerings. Our focus on product and technology innovation has continued to enhance the experience of customers and partners across our digital ecosystem. The Tungsten team remain committed to supporting global enterprises realise tangible operational efficiency in uncertain economic times and ensuring robust risk management as invoicing regulation continues to proliferate across the globe.”*

A key aspect of Tungsten’s strategy going forward, to drive faster growth, is to invest more in product development to ensure that Tungsten keeps pace with wider market developments and remain competitive with competitors, many of whom are materially larger and better capitalised, and to minimise customer churn and to grow revenues more quickly than over the past few years. Successful execution of the strategy and investment in product development may require further capital that the Tungsten Board anticipates will have to put in place through a combination of new equity capital and/or increasing and extending its debt facility. In the Tungsten Board’s opinion, the current environment for raising new equity and extending debt facilities may not be straightforward.

On 14 December 2021, Tungsten announced that it had noted the speculation about interest in the Company and confirmed that it had received an unsolicited indicative proposal from Kofax relating to a possible cash offer for the entire issued and to be issued ordinary share capital of the Company for a price of 40 pence per Scheme Share (the “Proposal”). Whilst the Tungsten Board believed that 40 pence per Scheme Share significantly undervalued the Company, considering its duties to shareholders and on the basis that the Kofax indicative offer had obtained the support of a major shareholder in the Company, the Tungsten Board facilitated due diligence.

It was also announced that Kofax had an irrevocable undertaking from the Truell Associates in support of its Proposal in respect of (i) 21,542,558 Tungsten Shares to which the Truell Associates currently control the voting rights, and (ii) a further 1,500,000 Tungsten Shares over which the Truell Associates have an option to reacquire the voting rights, representing in aggregate 18.2 per cent. of the total voting rights of Tungsten.

On 22 February 2022, Tungsten announced that on 18 February 2022, the Tungsten Board received a revised indicative proposal from Kofax relating to a possible cash offer for the entire issued and to be issued ordinary share capital of Tungsten for a price of 42 pence per Scheme Share (the “Offer”). The Offer was subject to several pre-conditions including completion of final confirmatory due diligence and on receiving a recommendation from the Tungsten Board for, and irrevocable undertakings from all Tungsten Directors, to accept the Offer.

On 22 March 2022, the Tungsten Board announced that the Tungsten Board and the Kofax Board were pleased to announce that they were in the advanced stages of reaching agreement on the key terms of the Offer. The Tungsten Board confirmed to Kofax, that should a firm offer be made on the financial terms of the Offer, it was minded to recommend such offer unanimously to Tungsten Shareholders, and (in respect of those directors who are Tungsten Shareholders) provide irrevocable undertakings to accept the Offer, subject to the agreement of other customary terms and conditions. Any announcement by Kofax of a firm intention to make an offer for Tungsten remained subject to, *inter alia*, agreeing the detailed terms of an offer and completion of the cash confirmation process.

The Tungsten Board confirmed that as of the date of the 2.7 Announcement, in addition to Kofax, it was in discussions with a small number of other parties in relation to possible alternative offer(s) for the entire issued and to be issued ordinary share capital of Tungsten. It is important to note that whilst no firm offer has been made by any of the parties that are in discussions with Tungsten, on 24 March 2022 Pagero Group AB (“Pagero”) announced that it was in the advanced stages of preparing for and discussing with the board of Tungsten, a possible cash offer for the entire issued and to be issued share capital of Tungsten and the price under consideration by Pagero is 45 pence per ordinary share in the capital of Tungsten.

For the avoidance of doubt, under Rule 2.6 of the Takeover Code each of the parties in discussions with Tungsten (together the “Potential Competing Offerors”) must: (i) announce a firm intention to make an offer (in accordance with Rule 2.7 of the Takeover Code); (ii) announce that it does not intend to make an offer (in which case the announcement will be treated as a statement to which Rule 2.8 applies); or (iii) if the Potential Competing Offeror has not been identified, confirm to Tungsten that it does not intend to make an offer (in which case Tungsten will promptly announce that fact and the Potential Competing Offeror will be treated as if it had then made a statement to which Rule 2.8 applies) on 11 May 2022.

The Tungsten Directors have evaluated the Offer on behalf of Tungsten Shareholders, as a whole. In evaluating the Offer, the Tungsten Directors have considered the interests of Tungsten’s employees and customers, as well as the economic benefits to the Tungsten Shareholders. In considering the terms of the Offer, the Tungsten Board has considered a number of factors, including:

- The Tungsten Group is operating in a marketplace where several of its key competitors are materially larger and better capitalised.
- The potential challenges facing the Tungsten Group to secure a sufficient combination of debt and/or equity funding on appropriate terms to execute its strategy.
- The ability to increase the growth of Tungsten without additional investment.
- The potential of a well-capitalised business under new ownership is to the benefit of all stakeholders, partners, customers and employees.
- In addition, the Offer represents an opportunity for Tungsten Shareholders to crystallise value, in cash, at a price of 42 pence per Scheme Share which represents a premium of approximately:
  - 44.8 per cent. to the Closing Price of 29.0 pence per Tungsten Share on 13 December 2021 (being the last Business Day before the commencement of the Offer Period);
  - 61.3 per cent. to the volume-weighted average price of 26.0 pence per Tungsten Share for the one-month period ended 13 December 2021 (being the last Business Day before the commencement of the Offer Period); and
  - 56.4 per cent. to the volume-weighted average price of 26.8 pence per Tungsten Share for the three-month period ended 13 December 2021 (being the last Business Day before the commencement of the Offer Period).

Against this background, after careful consideration, the Tungsten Board has determined that in the absence of a higher offer the Offer is in the best interests of Tungsten Shareholders. Accordingly, the Tungsten Board, which has been so advised by Canaccord Genuity, has unanimously agreed to recommend the Offer to enable it to be put forward to Tungsten Shareholders.

## **5. Background to and reasons for the Acquisition**

Kofax has a long and successful track record of making and integrating acquisitions of businesses with complementary products and solutions. Past acquisitions made by Kofax include 170 Systems, Singularity, Altosoft, Kapow, SoftPro, AIA, Nuance Document Imaging, Top Imaging Systems, PSIGEN and Printix.

Tungsten is a global provider of electronic invoicing and accounts payable automation solutions, digitising the invoicing process and improving workflow automation for its customers. As a leading provider of digital automation software and solutions which transform content-intensive workflows, Kofax believes that Tungsten’s product and customer base is complementary to Kofax’s existing offerings, operations and business.

Kofax believes that Tungsten's platform would augment Kofax's invoice processing and accounts payable automation solutions by adding eInvoicing, compliance and other capabilities. Further, Kofax sees opportunities to expand the scale of Tungsten's business by offering Tungsten's products to Kofax's larger customer base and reseller channels, and by leveraging Kofax's greater geographical reach and operational infrastructure.

Kofax also believes Tungsten's invoicing network presents an opportunity for Kofax to access a complementary customer base for its current portfolio of digital workflow automation solutions. Further, Tungsten's customers could represent prospective users of Kofax's broader set of workflow automation solutions.

## **6. Irrevocable undertakings**

As noted above, each of the Tungsten Directors who holds Tungsten Shares has irrevocably undertaken to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution proposed to implement the Scheme at the General Meeting in respect of their own beneficial holdings which are under their control, totalling, in aggregate, 1,305,253 Tungsten Shares representing approximately 1.0 per cent. of the issued ordinary share capital of Tungsten as at the Latest Practicable Date.

Bidco has also received an irrevocable commitment to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) from the Truell Associates, in respect of (i) 21,542,558 Tungsten Shares to which the Truell Associates currently control the voting rights, and (ii) a further 1,500,000 Tungsten Shares over which the Truell Associates have an option to reacquire the voting rights (representing in aggregate approximately 18.2 per cent. of existing issued ordinary share capital of Tungsten, and 18.2 per cent. of Tungsten Shares being eligible to vote at the Court Meeting) as at the Latest Practicable Date.

In total therefore, Bidco has procured irrevocable commitments to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer), including those from the Tungsten Directors in respect of, in aggregate, 24,347,811 Tungsten Shares (representing approximately 19.2 per cent. of existing issued ordinary share capital of Tungsten, and 19.2 per cent. of Tungsten Shares being eligible to vote at the Latest Practicable Date).

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 5 of Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document. Copies of the irrevocable undertakings are available on Tungsten's website at [www.Tungsten-Network.com/Takeover-Documentation/](http://www.Tungsten-Network.com/Takeover-Documentation/) and will remain on display until the end of the Offer Period.

## **7. Intentions regarding business, management, employees, pension schemes, research and development and locations**

As set out in paragraph 5 above, Kofax believes that Tungsten's platform would augment its accounts payable solutions by adding eInvoicing and compliance capabilities, and provide opportunities to expand the scale of Tungsten's business by offering its products to a wider customer base, leveraging Kofax's greater geographical reach and operational infrastructure. In particular, Kofax believes that its customers would benefit from the opportunity to gain access to Tungsten's products.

Kofax believes that Tungsten's invoicing network presents an opportunity for Kofax to access a complementary customer base for its current portfolio of digital workflow automation solutions. Kofax believes that Tungsten's customers could represent prospective users of its broader set of workflow automation solutions, particularly if Tungsten's technologies are integrated into Kofax's operating and technology infrastructure.

Consistent with acquisitions Kofax has made in the past, Kofax plans to combine and integrate Tungsten's business into Kofax following the completion of the Acquisition so that it can offer Tungsten's invoicing product alongside its accounts payable solutions, and because it believes there is the potential for Tungsten's business to improve its operating margins and generate economies of scale as part of Kofax.

Kofax anticipates using the 90 day period following completion of the Acquisition to develop a detailed integration plan. This integration planning exercise will aim to optimise the integration of Tungsten's products and complementary functions, as well as confirm the existence and extent of any potential overlaps between Kofax's operations and Tungsten's operations. Kofax's preliminary assessment has indicated that there may be opportunities to reduce duplication of processes. Further, subject to the findings of this integration planning exercise, Kofax will explore rationalising Tungsten's use of outsourced resources by redirecting the relevant functions to internal resources. Kofax believes that the integration of targeted complementary functions and reducing the number of outsourced arrangements once Tungsten is part of the Kofax Group could also lead to operating efficiencies and margin improvements.

### ***Employees and management***

Kofax attaches importance to Tungsten's management's and employees' market understanding and their embedded knowledge of Tungsten's business, technology, product offering and stakeholders. Kofax recognises the significant contribution made by Tungsten's employees to Tungsten's development to date.

As set out above, following the completion of the Acquisition, Kofax intends to complete a detailed review to inform the process for integrating the Tungsten business into the Kofax Group. As part of this review, Kofax intends to discuss with, and further draw upon, Tungsten management's experience to gain a full understanding of the organisation, and the roles and responsibilities of employees within the business.

Kofax's preliminary analysis to identify potential synergies across the Kofax Group and the Tungsten Group indicates that there will be a degree of duplication within functions including research and development, sales and marketing, customer services, and other functions which may no longer be relevant for Tungsten as a member of Kofax, for example in central and headquarters functions (such as finance, legal, IT and human resources) and those relating to Tungsten being a publicly listed company. During the 90 day detailed integration review period following completion of the Acquisition, Kofax intends to complete a comprehensive organisational review, engagement and planning exercise following the Acquisition which will involve a range of stakeholders, including any affected employees and any appropriate employee representative bodies. Any internal reorganisation plans undertaken by Kofax will take place as part of the integration of Tungsten into Kofax.

Kofax's intention is to approach management and employee integration with the aim of retaining and motivating the best talent to augment its focus on creating a best-in-class organization. In considering headcount reductions, Kofax will seek to ensure that Tungsten's customers and partners continue to enjoy the same high quality of services as they do presently. Based upon the due diligence carried out to date by Kofax, the removal of duplicative functions as referred to above between the two businesses could involve headcount reductions in the 12 months following the completion of the Acquisition representing no more than 25 per cent. of Tungsten's current employees. The reduction in duplication of the functions described above may therefore result in a change to the balance of skills and functions of the employees and management of Tungsten in those areas. No such headcount reductions would proceed without comprehensive planning or the appropriate conclusion of all applicable information and consultation procedures with employees and their representatives. With significant operations and approximately 1,900 employees across the Kofax Group internationally, Kofax perpetually recruits for the best talent across its operational footprint. Kofax intends to encourage affected Tungsten employees to apply for available applicable alternative job roles within the Kofax Group. In respect of affected Tungsten employees, such alternative job roles are most likely to be located in the UK and U.S. Any affected employees will be treated in a manner consistent with Kofax's high standards, culture and practices, including consultation with employee representatives.

Upon and following completion of the Acquisition, Kofax intends to align the conditions of employment of Tungsten's management and employees with Kofax's employment policies, and confirms that it intends to fully safeguard the existing contractual and statutory employment rights of all of Tungsten's management and employees.

It is intended that, with effect from the Effective Date, each of Tungsten's non-executive directors will resign from their office as a director of Tungsten.

### **Management incentivisation arrangements**

Following the Acquisition becoming Effective, Kofax intends to review Tungsten's management, governance and incentive structures. Kofax has not entered into and has not had discussions concerning any form of incentivisation arrangements with members of Tungsten's management, but may have discussions and enter into such discussions for certain members of the Tungsten management team following the Effective Date.

### **Pension schemes**

Tungsten does not operate or contribute to any defined benefit pension schemes in respect of its employees. It does, however, operate certain defined contribution pension plans. Kofax intends to fully safeguard the existing contractual and statutory employment rights, including in relation to pensions, of all Tungsten management and employees and to comply with all applicable law in connection with the provision of retirement benefits. In respect of Tungsten's U.S. employees, Kofax expects that Tungsten employees would be eligible to participate in its own 401(k) plan (which is not mandatory) which provides for pension contribution matching by Kofax of 50 cents for every U.S. dollar contributed by the employee, up to an employee contribution of 6 per cent. of their gross salary.

### **Headquarters, locations, fixed assets and research and development**

Consistent with Kofax's plan to integrate Tungsten's business into Kofax following the completion of the Acquisition, Kofax intends to consolidate Tungsten's operating locations, including Tungsten's headquarters, into the existing Kofax global footprint by way of non-renewal of leases upon expiry, lease exits and/or exploring the possibility of sub-letting, with the objective of reducing rental and lease expenses over time. Alongside Kofax's virtual working practices, it expects that Tungsten's UK and U.S. employees and functions will be migrated to Kofax's existing UK and U.S. office space. To the extent possible, Kofax intends to seek to consolidate the UK and U.S. locations within 12 months. Kofax will review and consider the most appropriate timing and strategy for the consolidation of Tungsten's operating locations as part of its integration planning exercise which is expected to take place following the completion of the Acquisition.

Tungsten does not have significant fixed assets (other than premises) and Kofax envisages no material redeployment of the fixed assets of Tungsten.

Kofax values the investment that Tungsten has made in its technology, and the infrastructure and expertise within Tungsten to maintain and develop its product offering. Kofax also maintains a research and development function which has a different structure to Tungsten's. As part of its integration planning exercise, Kofax will seek to better understand the structure of Tungsten's research and development function and evaluate avenues for integrating certain areas of it. It is Kofax's preliminary estimate that certain areas may present an overlap with existing roles within the Tungsten Group which could result in headcount reductions, consistent with the level of potential reductions across the Tungsten business. It anticipates over time that Kofax's plan to integrate the combined Kofax and Tungsten R&D function will have regard to reducing duplication.

### **Trading facilities**

The Tungsten Shares are currently traded on AIM. As set out in paragraph 13 of Part II (*Explanatory Statement*) of this Document below, a request will be made to the London Stock Exchange to cancel the admission to trading on AIM of the Tungsten Shares, to take effect from or shortly after the Effective Date.

Following the Scheme becoming Effective, Bidco intends to re-register Tungsten as a private limited company and for this to take effect as soon as practicable on or following the Effective Date. As set out in paragraph 13 of Part II (*Explanatory Statement*) of this Document below, dealings in Tungsten Shares will be suspended prior to the Effective Date and thereafter there will be no trading facilities in relation to Tungsten Shares

### **Post-offer undertakings**

No statement in this paragraph 7 constitutes or is intended to become a post-offer undertaking under Rule 19.5 of the Takeover Code.



## **8. Tungsten Share Plans**

Details of the impact of the Scheme on each of the Tungsten Share Plans is set out in Part II (*Explanatory Statement*) of this Document.

## **9. Tungsten current trading**

Revenues for the 11 months to end March 2022 were GBP 34.4 million, representing 6 per cent. year-on-year revenue growth on a constant currency basis, with a number of potential new customer wins targeted for FY22 now expected to move into FY23.

Foreign exchange is estimated to have negatively impacted revenues to end March 2022 by GBP 0.6 million on a period-on-period, constant currency basis.

Whilst not quite yet at pre-Covid 19 levels of transactions volumes, Tungsten has seen an increase in transaction volumes for the 11 months to end March 2022 of 3 per cent. compared to the prior period.

There have been 27 upsells for the period with FY22 revenue of GBP 0.7 million and Total Contract Value ("TCV") of GBP 1.5 million, and one new customer Accounts Receivable win which now has a TCV of GBP 0.1 million.

There has been significantly improved buyer retention, with a YTD March 2022 loss of 3 Accounts Payable ("AP") Buyers with annual recurring revenue ("ARR") of GBP 0.1 million against a loss of 13 AP buyers with ARR of GBP 0.4 million for the prior period.

Costs have continued to be well controlled, and net cash as at 31 March 2022 was GBP 2.8 million.

Adjusted EBITDA for the 11 months to end March 2022 was approximately GBP 4.9 million. Financial information relating to Tungsten is set out in Part V (*Financial and Ratings Information*) of this Document.

## **10. Action to be taken by Tungsten Shareholders**

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Scheme Shareholders and Tungsten Shareholders in respect of the Acquisition and the Scheme are set out in paragraph 18 of Part II (*Explanatory Statement*) of this Document.

Details relating to the cancellation of admission to trading of the Tungsten Shares and settlement of the cash consideration offered by Bidco are included in paragraphs 13 and 14 of Part II (*Explanatory Statement*) of this Document.

## **11. Overseas Shareholders**

Overseas Shareholders should refer to Part VII (*Additional Information for Overseas Shareholders*) of this Document, which contains important information relevant to such holders. U.S. Shareholders should read the Notice to U.S. investors on page 4.

## **12. United Kingdom taxation**

Your attention is drawn to Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. These summaries relate only to the position of certain categories of Tungsten Shareholders (as explained further in Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document), do not constitute tax advice and do not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme on your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom.



### **13. Further information**

Your attention is drawn to further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to the implementation of the Scheme and to the Acquisition*), Part IV (*The Scheme of Arrangement*) and Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document which provides further details concerning the Scheme.

**You are advised to read the whole of this Document and the accompanying Forms of Proxy and not just rely on the summary information contained in this letter or the Explanatory Statement.**

Yours faithfully,

**Tony Bromovsky**

Chairman

Tungsten Corporation plc

**PART II**  
**EXPLANATORY STATEMENT**  
**(IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT)**

Canaccord Genuity  
88 Wood Street  
London, EC2V 7QR  
United Kingdom

25 April 2022

*To the holders of Tungsten Shares and, for information only, to holders of awards and options under the Tungsten Share Plans and persons with information rights*

Dear Shareholder,

**RECOMMENDED CASH ACQUISITION OF TUNGSTEN CORPORATION PLC BY  
PROJECT CALIFORNIA BIDCO LIMITED**

**1. Introduction**

On 24 March 2022, the boards of Tungsten and Bidco announced that they had agreed the terms of a recommended cash acquisition pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of Tungsten. Bidco is a wholly-owned indirect subsidiary of Kofax Parent Limited. The Acquisition is to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

The Scheme requires, among other things, the approval of Scheme Shareholders at the Court Meeting and Tungsten Shareholders at the General Meeting as well as the sanction of the Court.

Your attention is drawn to the letter set out in Part I (*Letter from the Chairman of Tungsten*) of this Document, which forms part of this Explanatory Statement. The letter contains, among other things, (i) the Tungsten Directors' unanimous recommendation that, in the absence of a higher offer, Tungsten Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution proposed at the General Meeting, and (ii) information on the background to, and reasons for giving the above recommendation.

The Tungsten Directors have been advised by Canaccord Genuity in connection with the financial terms of the Acquisition. We have been authorised by the Tungsten Directors to write to you to explain the terms of the Acquisition and to provide you with other relevant information.

This Part II (*Explanatory Statement*) contains a summary of the terms of the Scheme, while the terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this Document. For overseas holders of Tungsten Shares, your attention is drawn to Part VII (*Additional Information for Overseas Shareholders*), which forms part of this Explanatory Statement.

Statements made or referred to in this letter regarding Bidco's reasons for the Acquisition, information concerning the businesses of Bidco, the financial effects of the Acquisition on Bidco and/or intentions or expectations of or concerning Bidco reflect the views of the Bidco Board and the Kofax Responsible Persons (as applicable).

Statements made or referred to in this letter regarding the background to and reasons for the recommendation of the Tungsten Directors, information concerning the business of the Tungsten Group and/or intentions or expectations of or concerning the Tungsten Group prior to completion of the Acquisition, reflect the views of the Tungsten Board.

## **2. Summary of the terms of the Acquisition and the Scheme**

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

### **for each Scheme Share: 42 pence in cash**

The price of 42 pence per Tungsten Share values the entire issued and to be issued ordinary share capital of Tungsten at approximately GBP 53.7 million on a fully diluted basis and represents a premium of approximately:

- 44.8 per cent. to the Closing Price of 29.0 pence per Tungsten Share on 13 December 2021 (being the last Business Day before the commencement of the Offer Period);
- 61.3 per cent. to the volume-weighted average price of 26.0 pence per Tungsten Share for the one-month period ended 13 December 2021 (being the last Business Day before the commencement of the Offer Period);
- 56.4 per cent. to the volume-weighted average price of 26.8 pence per Tungsten Share for the three-month period ended 13 December 2021 (being the last Business Day before the commencement of the Offer Period); and
- 39.3 per cent. To the volume-weighted average price of 30.2 pence per Tungsten Share for the six-month period ended 13 December 2021 (being the last Business Day before the commencement of the Offer Period).

## **3. Background to and reasons for the recommendation**

Information relating to the background to and reasons for the Tungsten Directors' recommendation of the Acquisition is set out in paragraph 3 of Part I (*Letter from the Chairman of Tungsten*) of this Document.

Bidco has received irrevocable undertakings in support for the Acquisition from the Tungsten Directors who hold Tungsten Shares in respect of their own beneficial holdings which are under their control, totalling, in aggregate, 1,305,253 Tungsten Shares representing approximately 1.0 per cent. of the issued ordinary share capital of Tungsten on the Latest Practicable Date.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 5 of Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document. Copies of the irrevocable undertakings are available on Tungsten's website at [www.Tungsten-Network.com/Takeover-Documentation/](http://www.Tungsten-Network.com/Takeover-Documentation/) and will remain on display until the end of the Offer Period.

## **4. Information relating to Tungsten**

Tungsten is the world's largest, compliant business transaction network. A leading global electronic invoicing and purchase order transactions network; Tungsten's mission is centred on enabling a touchless invoice process allowing businesses around the globe to gain maximum value from their invoice process.

Tungsten processes invoices for 60 per cent. of the FTSE 100 and 68 per cent. of the Fortune 500. It enables suppliers to submit tax compliant e-invoices in 54 countries, and last year processed transactions worth over GBP 220 billion for organisations such as Caesars Entertainment, Computacenter, GlaxoSmithKline, Kraft Foods, Mohawk Industries, Mondelēz International, Procter & Gamble, Shaw Industries, Unilever and the U.S. Federal Government.

Founded in 2000 and headquartered in London, Tungsten has offices in the U.S., Bulgaria and Malaysia, employing over 227 people.

## **5. Information relating to Bidco, Kofax and Thoma Bravo**

### ***Bidco***

Bidco is a limited company registered in England & Wales and incorporated on 25 January 2022. Bidco was formed for the purposes of the Acquisition and is a newly-formed vehicle, indirectly wholly-owned by Kofax and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

The current directors of Bidco are Christian Jorg Franz Hefner, Martin Gustav Oberholzer and Cort Steven Townsend. Further details in relation to Bidco is set out in Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document.

### ***Kofax***

Kofax is a portfolio company of funds advised or managed by affiliates of Thoma Bravo. Kofax provides an intelligent automation software platform and solutions to enable organizations to digitally transform content-intensive workflows. Kofax supports customers in realizing faster time-to-value and increased competitiveness, growth and profitability by combining Kofax's cognitive capture, robotic process automation, process orchestration, analytics and mobile capabilities while helping increase business resiliency and mitigating compliance risk.

Kofax has provided a rapid return on investment for over 25,000 customers in financial services, insurance, government, healthcare, supply chain, business process outsourcing and other markets. Kofax delivers its software and solutions through direct sales to large end users and over 650 indirect channel partners and integrators in more than 60 countries throughout the Americas, EMEA and Asia Pacific. Kofax is headquartered in Irvine, CA and has more than 1,900 employees on a global basis.

Funds advised and/or managed by Thoma Bravo and its affiliates have indirectly controlled the Kofax Group since July 2017.

### ***Thoma Bravo***

Thoma Bravo is one of the largest private equity firms in the world, with more than USD 100 billion in assets under management as of 31 December 2021. Thoma Bravo invests in growth-oriented, innovative companies operating in the software and technology sectors. Leveraging the firm's deep sector expertise and proven strategic and operational capabilities, Thoma Bravo collaborates with its portfolio companies to implement operating best practices, drive growth initiatives and make accretive acquisitions intended to accelerate revenue and earnings. Over the past 20 years, the firm has acquired or invested in more than 350 companies representing over USD 155 billion in enterprise value. The firm has offices in Chicago, Miami and San Francisco.

## **6. Financial effects of the Acquisition on Bidco**

Following the Scheme becoming Effective, the earnings, assets and liabilities of the Tungsten Group would be consolidated into the earnings, assets and liabilities of the Bidco Group. The earnings, assets and liabilities of the Bidco Group would thereby be increased. In addition, the liabilities of the Bidco Group would also be increased to reflect the intra-group debt incurred in order to fund the Acquisition.

## **7. Financing of the Acquisition**

The cash consideration payable by Bidco under the terms of the Acquisition will be funded from existing cash resources of the Kofax Group, to be provided to Bidco under the Intra-Group Loan Agreement.

Shore Capital in its capacity as financial adviser to Bidco, is satisfied that the resources available to Bidco are sufficient to satisfy in full the Consideration payable to Tungsten Shareholders under the terms of the Acquisition.

Reference to the Intra-Group Loan Agreement in the context of Acquisition-related arrangements is also included at paragraph 9 of Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document.

## **8. Tungsten Share Plans and other incentive arrangements**

The Tungsten Group operates the Tungsten Share Plans to reward and retain its employees.

Participants in the Tungsten Share Plans will be contacted separately regarding the effect of the Scheme on their rights under the Tungsten Share Plans and with the details of the arrangements applicable to them. A summary of the effect of the Scheme on outstanding options and awards is set out below. In the event of any conflict between the summary set out below and the rules of the relevant Tungsten Share Plan, the Tungsten Directors' remuneration policy (where applicable) and/or the communications to participants in the Tungsten Share Plans regarding the effect of the Scheme on their rights under the Tungsten Share Plans and the details of the arrangements applicable to them (the "Share Plan Notices"), the rules of the relevant Tungsten Share Plan, the Tungsten Directors' remuneration policy (where applicable) or the terms of the Share Plan Notices (as the case may be) will prevail.

The Scheme will apply to any Tungsten Shares which are unconditionally allotted, issued or transferred to satisfy the vesting of awards or exercise of options under the Tungsten Share Plans before the Scheme Record Time. Any Tungsten Shares allotted, issued to satisfy the vesting of awards or exercise of options under the Tungsten Share Plans after the Scheme Record Time will, subject to the Scheme becoming Effective and the proposed amendments to the Articles of Association being approved at the General Meeting, be transferred to Bidco in exchange for the same consideration as Scheme Shareholders will be entitled to receive under the Scheme.

Further information in respect of the proposed amendments to the Articles of Association is contained in the Notice of General Meeting at Part XI (*Notice of General Meeting*) of this Document.

### ***LTIP***

Awards and options granted under the LTIP which would not otherwise vest prior to the Court Order will (in consequence of the Acquisition and in accordance with participants' contractual rights under the LTIP) vest early. The Tungsten remuneration committee will, at its sole discretion, determine the extent to which any LTIP awards and options vest, taking into account the extent to which applicable performance targets (if any) have been satisfied and after applying a *pro-rata* reduction. The formal discretion by the Tungsten remuneration committee will be exercised on or shortly before the Court Order, along with the assessment of the extent to which applicable performance targets (if any) have been achieved. Options must be exercised within one month of Court Order and, to the extent that any option under the LTIP is not exercised within that period, it shall lapse.

### ***DSBP***

Options and awards granted under the DSBP which would not otherwise vest prior to Court Order will (in consequence of the Acquisition and in accordance with participants' contractual rights under the DSBP) vest in full. Options must be exercised within one month of Court Order and, to the extent that any option under the DSBP is not exercised within that period, it shall lapse.

### ***UK Share Option Plan***

Options granted under the UK Share Option Plan which would not otherwise vest prior to Court Order will (in consequence of the Acquisition and in accordance with participants' contractual rights under the UK Share Option Plan) vest in full. Options may be exercised in full within three months of Court Order.

### ***U.S. Stock Option Plan***

Options granted under the U.S. Stock Option Plan which would not otherwise vest prior to Court Order will (in consequence of the Acquisition and in accordance with participants' contractual rights under the U.S. Stock Option Plan) vest in full. Options under the U.S. Stock Option Plan shall remain exercisable for three months following Court Order or, if earlier, the "Option Expiration Date" (as applicable to each option). After expiration of such time period, any option that is not exercised shall terminate automatically and cease to be exercisable.

### **Share Appreciation Rights**

The Share Appreciation Rights will be settled by Tungsten in cash in accordance with the relevant plan rules and any other terms on which they were granted.

### **9. The Tungsten Directors and the effect of the Scheme on their interests**

Details of the interests of the Tungsten Directors in the issued ordinary share capital of Tungsten and awards in respect of such share capital, are set out in Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document. Scheme Shares held by the Tungsten Directors at the Scheme Record Time will be subject to the Scheme.

The Tungsten Directors have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution proposed at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by Bidco in accordance with the terms of the irrevocable undertakings) in respect of those Tungsten Shares that they hold and in respect of which they control the voting rights. These irrevocable undertakings also extend to any shares acquired by the Tungsten Directors as a result of the vesting of awards or the exercise of options under the Tungsten Share Plans. Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 5 of in Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document.

Particulars of the service agreements (including termination provisions) and letters of appointment of the Tungsten Directors are set out in paragraph 6 of Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document.

Following completion of the Acquisition, the proposed delisting of Tungsten Shares and re-registration of Tungsten as a private limited company, as detailed in paragraph 7 of Part I (*Letter from the Chairman of Tungsten*) of this Document, a number of corporate headquarters and support functions, including certain functions relating to Tungsten's status as a public quoted company, might no longer be needed. Further, it is intended that, upon completion of the Acquisition, each of the Tungsten non-executive directors will resign from their office as a director of Tungsten.

In common with the other participants in the Tungsten Share Plans, the Tungsten Directors who hold awards and/or options will be able to receive Tungsten Shares under such awards and/or options, to the extent that such Awards vest and (if necessary) are exercised.

Save as set out above, the effect of the Scheme on the interests of Tungsten Directors does not differ from its effect on the like interests of any other Tungsten Shareholder.

### **10. Description of the Scheme and the Meetings**

#### ***The Scheme***

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between Tungsten and the Scheme Shareholders who are on the register of members of Tungsten at the Scheme Record Time, under Part 26 of the Companies Act. This procedure requires approval by Scheme Shareholders at the Court Meeting and Tungsten Shareholders at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this Document.

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued share capital of Tungsten. This is to be achieved by transferring the Scheme Shares held by Scheme Shareholders as at the Scheme Record Time to Bidco, in consideration for which Bidco will pay cash to Scheme Shareholders (at the Scheme Record Time) on the basis set out in paragraph 2 of this Part II (*Explanatory Statement*). Any Tungsten Shares held by or on behalf of the Bidco Group are excluded from the Scheme.

#### ***Tungsten Meetings***

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and Tungsten Shareholders at the separate General Meeting, both of which will be held on 18 May 2022 at the offices of Memery Crystal, 165 Fleet Street, London EC4A 2DY. The Court Meeting is being held with the permission



of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Tungsten Shareholders to enable the Tungsten Directors to implement the Scheme and to amend the Articles of Association as described below.

Notices of both the Court Meeting and the General Meeting are set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) respectively of this Document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Tungsten at the Voting Record Time.

The COVID-19 situation is constantly evolving, and the UK Government may implement new measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders and Tungsten Shareholders will be permitted to attend the Court and/or General Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Tungsten Shareholders and Scheme Shareholders are nevertheless encouraged to appoint “the Chairman of the meeting” as their proxy for the General Meeting and the Court Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting in person. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and Tungsten Shareholders before the Meetings, including through Tungsten’s website [www.Tungsten-Network.com](http://www.Tungsten-Network.com) and by announcement through a Regulatory Information Service.

Tungsten Shareholders and Scheme Shareholders may submit questions to be considered at the relevant Meeting at any time up to 48 hours before the relevant Meeting by emailing [Patrick.Clark@Tungsten-Network.com](mailto:Patrick.Clark@Tungsten-Network.com).

The Chairman of the relevant Meeting will ensure that all such questions and/or any objections (in the case of the Court Meeting) relating to the formal business of the Meeting are addressed during the relevant Meeting, unless no response is required to be provided under the Companies Act or the Company’s Articles of Association, including if the provision of a response would, at the Chair’s discretion, otherwise be undesirable in the interests of the Company or the good order of the relevant Meeting.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.

Any Tungsten Shares which Bidco may acquire prior to the Court Meeting or the General Meeting (and any Tungsten Shares which any member of the Bidco Group (or its nominees) holds at the date of the Court Meeting or General Meeting) are not Scheme Shares and therefore no member of the Bidco Group (or its nominees) is entitled to vote at the Court Meeting in respect of the Tungsten Shares held or acquired by it. Each such member of the Wider Bidco Group will undertake to be bound by the Scheme.

### **Court Meeting**

The Court Meeting has been convened with the permission of the Court for 10.00 a.m. on 18 May 2022 for Scheme Shareholders on the register of members of Tungsten as at the Voting Record Time to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person, or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a simple majority in number of those Scheme Shareholders present and voting (and entitled to vote) in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted by such Scheme Shareholders.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings, you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction through the CREST electronic proxy appointment service as soon as possible.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction through CREST) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

If the BLUE Form of Proxy for the Court Meeting is not lodged by 10.00 a.m. on 16 May 2022, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof). In the case of the General Meeting, if the YELLOW Form of Proxy for the General Meeting is not lodged by 10.15 a.m. on 16 May 2022 (by post or transmission of a proxy appointment or voting instruction through CREST), it will be invalid.

### **General Meeting**

In addition, the General Meeting has been convened for the same date (to be held immediately after the Court Meeting) to consider and, if thought fit, pass the Special Resolution to:

- (i) authorise the Tungsten Directors to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (ii) amend the Articles of Association in the manner described below.

Voting at the General Meeting will be by poll and each Tungsten Shareholder present in person or by proxy will be entitled to one vote for each Tungsten Share held as at the Voting Record Time. The approval required for the Special Resolution to be passed is at least 75 per cent. of the votes cast on such resolution (in person or by proxy).

Tungsten will announce the details of the votes at each Meeting as required under the Takeover Code through a Regulatory Information Service as soon as practicable after the conclusion of the Meetings and, in any event, by no later than 8.00 a.m. on the Business Day following the Meetings.

### **Scheme Court Hearing**

Under the Companies Act, the Scheme requires the sanction of the Court. The hearing by the Court to sanction the Scheme is currently expected to be held, following the Meetings, in Q2 2022 on a date which is no more than 21 days after the satisfaction (or, if applicable, waiver) of the Conditions (other than Condition 2.3) set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document and, in any event, prior to the Long Stop Date.

The Scheme shall lapse if:

- (A) the Court Meeting and the General Meeting are not held on or before 9 June 2022 (or such later date (if any) as Bidco and Tungsten may agree, with the consent of the Panel (and that the Court may allow, if required));
- (B) the Scheme Court Hearing is not held on or before the 22nd day after the expected date of such hearing (or such later date (if any) as Bidco and Tungsten may agree, with the consent of the Panel (and that the Court may allow, if required)); or
- (C) the Scheme does not become Effective by the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Scheme Court Hearing as set out above may be waived by Bidco, and the deadline for the Scheme to become Effective may be extended by agreement between Bidco and Tungsten (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)).

Once details of the Scheme Court Hearing are confirmed, these will be communicated to Scheme Shareholders, including through Tungsten's website, [www.Tungsten-Network.com](http://www.Tungsten-Network.com) and by announcement through a Regulatory Information Service.

Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies. This is presently expected to occur two Business Days after the date of the Scheme Court Hearing, subject to satisfaction (or, where applicable, waiver) of the Conditions.

Tungsten and/or Bidco will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming Effective.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.

If the Scheme does not become Effective by the Long Stop Date or such later date, if any, as may be agreed in writing by Bidco and Tungsten (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)), the Scheme will never become Effective.

### ***Amendments to the Articles of Association***

It is proposed, in the Special Resolution, to amend Tungsten's Articles of Association to ensure that any Tungsten Shares issued or transferred out of treasury under the Tungsten Share Plans or otherwise between the time at which the Special Resolution is passed and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend Tungsten's Articles of Association so that any Tungsten Shares issued or transferred out of treasury to any person other than Bidco or its nominee(s) at or after the Scheme Record Time will be automatically transferred to Bidco (and, where applicable, for consideration to be paid to the transferee or the original recipient of the Tungsten Shares so transferred or issued) on the same terms as under the Scheme (other than terms as to timing and formalities). This will avoid any person (other than Bidco or its nominee(s)) holding Tungsten Shares after the Scheme becomes Effective.

The Special Resolution is set out in the notice of General Meeting in Part XI (*Notice of General Meeting*) of this Document and seeks the approval of Tungsten Shareholders for such amendments.

### ***Entitlement to vote at the Meetings***

Each Tungsten Shareholder who is entered in Tungsten's register of members at the Voting Record Time (expected to be 6.30 p.m. on 16 May 2022) will be entitled to attend and vote (in person or by proxy) on all resolutions to be put to the General Meeting and Court Meeting respectively. If either Meeting is adjourned, only those Tungsten Shareholders on the register of members at 6.30 p.m. on the day which is two Business Days before the adjourned Meeting will be entitled to attend (in person or by proxy). Each eligible Tungsten Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of them. A proxy need not be an Tungsten Shareholder.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST) will not prevent you from attending and voting in person at the Court Meeting or the General Meeting if you are entitled to and wish to do so.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings (in person or by proxy), please call Equiniti between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on 0371 384 2050. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Further information on the actions to be taken is set out in paragraph 18 of this Part II (*Explanatory Statement*).

### ***Modifications to the Scheme***

The Scheme contains a provision for Tungsten and Bidco jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances for the purpose of approving any such modification, addition or condition.

## **11. Conditions to the Acquisition**

The Acquisition and, accordingly, the Scheme is subject to a number of conditions set out in full in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, including (among others):

- (A) approval of the Scheme at the Court Meeting by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders (or the relevant class thereof);
- (B) approval of the Special Resolution necessary to implement the Scheme proposed at the General Meeting by Tungsten Shareholders representing at least 75 per cent. of the votes cast at the General Meeting (in person or by proxy);
- (C) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms agreed by Tungsten and Bidco); and
- (D) the delivery of a copy of the Court Order to the Registrar of Companies.

### ***Other matters relevant to the Conditions***

The Scheme will require approval by Scheme Shareholders at the Court Meeting and Tungsten Shareholders at the General Meeting and the sanction of the Court at the Scheme Court Hearing. The Meetings and the nature of the approvals required to be given at them are described in more detail in paragraph 10 of this Part II (*Explanatory Statement*). All Tungsten Shareholders are entitled to attend the Scheme Court Hearing in person or through representation to support or oppose the sanctioning of the Scheme.

The Scheme can become Effective only if all Conditions to the Scheme, including shareholder approvals and the sanction of the Court, have been satisfied (unless, where applicable, the relevant Condition is waived). The Scheme will become Effective upon a copy of the Court Order being delivered to the Registrar of Companies. This is expected to occur in Q2 2022. Unless the Scheme becomes Effective by the Long Stop Date or such later date, if any, as may be agreed in writing by Bidco and Tungsten (with the Panel's consent and as the Court may approve (if such approval(s) are required)) the Scheme will not become Effective and the Acquisition will not proceed.

If any of Conditions 2.1 to 2.3 (inclusive) set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document is not capable of being satisfied by the date specified therein, Bidco shall make an announcement through a Regulatory Information Service as soon as practicable and in any event by no later than 8.00 a.m. (London time) on the Business Day following the date so specified, stating whether Bidco has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Tungsten (with the Panel's consent and as the Court may approve (if such consent(s) or approval(s) is/are required)), specified a new date by which that Condition must be satisfied.

### ***Implementation by Takeover Offer***

Bidco has reserved the right to elect (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Tungsten not already held by Bidco as an alternative to the Scheme, in which case additional documents will be required to be sent to Tungsten Shareholders. In such event, the Takeover Offer will be implemented on substantially the same terms (subject to appropriate amendments), so far as applicable and subject to and in accordance with the terms of the Cooperation Agreement, as those which would apply to the Scheme, subject to appropriate amendments, including the inclusion of an acceptance condition set at 75 per cent. of the Tungsten Shares (or such other lower percentage as Bidco may, subject to the rules of the Takeover Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide). In the event that the Acquisition is implemented by way of a Takeover Offer, the acceptance condition shall not be capable of being satisfied until all of the other conditions to the Takeover Offer have either been satisfied or (if capable of waiver) waived.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to: (i) make a request to the London Stock Exchange to cancel trading in Tungsten Shares on AIM; and (ii) exercise its rights, if available, to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Tungsten Shares in respect of which the Takeover Offer has not been accepted.

## **12. Offer-related arrangements**

### **Confidentiality Agreement**

On 1 December 2021, Kofax and Tungsten entered into the Confidentiality Agreement in relation to the Acquisition, pursuant to which, amongst other things, Kofax has undertaken to: (a) subject to certain exceptions, keep information relating to Tungsten and the Acquisition confidential and not to disclose it to third parties; and (b) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of: (i) 1 December 2022; or (ii) the completion of the Acquisition.

### **Cooperation Agreement**

On 24 March 2022, Kofax, Inc, an entity in the Bidco Group, and Tungsten entered into the cooperation agreement (the "Cooperation Agreement"), pursuant to which: (i) Bidco and Tungsten have, amongst other things, each agreed to cooperate in preparing and implementing appropriate proposals in relation to the Tungsten Share Plans; and (ii) Tungsten and Bidco have agreed to certain provisions if the Scheme should switch to a Takeover Offer.

The Cooperation Agreement will terminate, *inter alia*: (ii) if the Acquisition is withdrawn, terminated or lapses; (ii) a third party announces a possible or firm intention to make an offer or revised offer for Tungsten which completes, becomes effective or becomes unconditional in all respects; (iii) if prior to the Long Stop Date any Condition has been invoked by Bidco (where permitted by the Panel); (iv) if the Tungsten Directors withdraw their recommendation of the Acquisition; (v) if the Scheme does not become effective in accordance with its terms by the Long Stop Date; or (vi) otherwise as agreed between Bidco and Tungsten.

Pursuant to the terms of the Cooperation Agreement, Bidco undertakes that it will deliver a notice in writing to Tungsten on the Business Day prior to the Scheme Court Hearing confirming either: (i) the satisfaction or waiver of the Conditions (other than Conditions 1 and 2); or (ii) to the extent permitted by the Panel, that it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

## **13. Cancellation of admission of Tungsten Shares**

The last day of dealings in, and registration of transfers of, Tungsten Shares on the London Stock Exchange is expected to be the Business Day immediately after the Scheme Court Hearing and no transfers shall be registered after 6.00 p.m. on that date, following which Tungsten Shares will be suspended from AIM from 7.30 a.m. on the next Business Day thereafter.

It is intended that, prior to the Effective Date, applications will be made to the London Stock Exchange for Tungsten Shares to cease to be admitted to trading on AIM, with effect on or shortly following the Effective Date.

On the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled, and share certificates in respect of Scheme Shares held in certificated form will cease to be valid documents of title and should be destroyed or, at the request of Tungsten, delivered up to Tungsten, or to any person appointed by Tungsten to receive the same.

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



## 14. Settlement

Subject to the Acquisition becoming Effective (and except as provided in Part VII (*Additional Information for Overseas Shareholders*) of this Document in relation to certain overseas Tungsten Shareholders), settlement of the consideration to which any Tungsten Shareholder on the register of members as at the Scheme Record Time is entitled under the Scheme will be effected in the following manner:

### (A) ***Tungsten Shares held in uncertificated form (that is, in CREST)***

Where, at the Scheme Record Time, a Scheme Shareholder holds Tungsten Shares in uncertificated form, the cash consideration to which such Scheme Shareholder is entitled under the terms of the Scheme will be transferred to such person through CREST by Bidco instructing or procuring the instruction of Euroclear to create an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Tungsten Shares in respect of the cash consideration due to them not later than the 14th day following the Effective Date.

As from the Effective Date, each holding of Tungsten Shares credited to any stock account in CREST will be disabled and all Tungsten Shares will be removed from CREST in due course.

Subject to the terms of the Scheme, Bidco reserves the right to pay all, or any part of, the cash consideration referred to above to all or any Scheme Shareholder(s) who hold Tungsten Shares in uncertificated form in the manner referred to in paragraph (B) below if, for any reason it wishes to do so.

### (B) ***Tungsten Shares held in certificated form***

Where, at the Scheme Record Time, a Scheme Shareholder holds Tungsten Shares in certificated form, settlement of the cash consideration due under the Scheme in respect of the Scheme Shares will be despatched:

- (i) subject to agreement with such person to facilitate such payment, by first class post, by cheque drawn on a branch of a UK clearing bank; provided that, where a person is entitled to consideration of at least GBP 250,000, to agree with such person to facilitate electronic payment of such consideration in lieu of a cheque; or
- (ii) by such other method as may be approved by the Panel.

All such cash payments will be made in sterling and drawn on a United Kingdom clearing bank. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned and the encashment of any such cheque shall be a complete discharge of Bidco's obligation under the Scheme to pay the monies represented thereby. Bidco shall despatch or procure the despatch of cheques within 14 days of the Effective Date to the person entitled thereto at the address as appearing in the register of members of Tungsten at the Scheme Record Time or in accordance with any special standing instructions regarding communications (except that, in the case of joint holders, Bidco reserves the right to make such cheques payable to the joint holder whose name stands first in the register of members of the Company in respect of such holding at the Scheme Record Time or to make such cheques payable to all joint holders). None of Tungsten, Bidco, any nominee(s) of Tungsten or Bidco, or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person or persons entitled thereto.

If any Scheme Shareholders have not encashed their cheques within six months of the Effective Date, Bidco and Tungsten shall procure that the cash consideration due to such Scheme Shareholders under the Scheme shall be held by the Receiving Agent in a designated UK bank account for a period of at least 12 years from the Effective Date solely for the purpose of satisfying payment obligations under the Scheme, and such Scheme Shareholders may claim the consideration due to them by written notice to the Company or the Receiving Agent in a form and with such evidence which the Company determines evidences their entitlement to such consideration at any time during the period of 12 years from the Effective Date.



(C) **General**

All documents and remittances sent to Tungsten Shareholders will be sent at the risk of the person(s) entitled thereto.

On the Effective Date each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of Tungsten, delivered up to Tungsten, or to any person appointed by Tungsten to receive the same.

In accordance with the Scheme, as from the Effective Date, Tungsten shall procure that each holding of Scheme Shares credited to any stock account in CREST shall be disabled. With effect from, or as soon as practicable after, the Effective Date, Tungsten shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form. Following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Tungsten shall procure (if necessary) that such entitlements to Scheme Shares are dematerialised.

Subject to the completion of the relevant forms of transfer or other instruments or instructions of transfer as may be required in accordance with the Scheme and the payment of any UK stamp duty thereon, Tungsten shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Bidco and/or its nominee(s).

Except with the consent of the Panel, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Bidco might otherwise be, or claim to be, entitled against such Tungsten Shareholder.

All mandates and other instructions given to Tungsten by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

(D) **Tungsten Share Plans**

In the case of Scheme Shares issued or transferred pursuant to the Tungsten Share Plans after the Scheme Court Hearing and prior to the Scheme Record Time, the cash consideration due under the Scheme in respect of those Scheme Shares will be settled by such method as shall be determined by Tungsten (including, but not limited to, procuring that payments are made through payroll as soon as practicable subject to the deduction of applicable income taxes and social security contributions).

## 15. United Kingdom taxation

Your attention is drawn to Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. These summaries relate only to the position of certain categories of Tungsten Shareholders (as explained further in Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document), do not constitute tax advice and do not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme on your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom.

## 16. Overseas holders

Overseas Shareholders should refer to Part VII (*Additional Information for Overseas Shareholders*) of this Document which contains important information relevant to such Overseas Shareholders. U.S. Shareholders should read the Notice to U.S. investors on page 4.

## 17. Further information

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this Document. Further information regarding Tungsten and Bidco is set out in Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document. Documents published and available for inspection are listed in paragraph 16 of Part VIII (*Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo*) of this Document.

## 18. Action to be taken

### ***Sending Forms of Proxy by post***

Tungsten Shareholders will receive a BLUE Form of Proxy for the Court Meeting and a YELLOW Form of Proxy for the General Meeting. Whether or not you intend to attend these Meetings, please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Equiniti, the Company's Registrar, by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, during business hours, so as to be received as soon as possible and in any event not later than the relevant times set out below:

BLUE Forms of Proxy for the Court Meeting                      10.00 a.m. on 16 May 2022

YELLOW Forms of Proxy for the General Meeting                      10.15 a.m. on 16 May 2022

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding any part of such 48 hours period falling on a day that is not a working day) before the time fixed for the adjourned Meeting.

Why if I miss the deadline mentioned above?

- If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be:  
(i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or  
(ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- However, if the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

### ***Electronic appointment of proxies through CREST***

If you hold Tungsten Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) of this Document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

What if I miss the deadline mentioned above?

- In the case of the Court Meeting only, if the CREST proxy or instruction is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- In the case of the General Meeting only, if the CREST proxy or instruction is not received by this time, it will be invalid.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Tungsten may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### ***Attendance at the Meetings***

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings (in person or by proxy), you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction online through the CREST electronic proxy appointment service as soon as possible.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction through CREST) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

### ***Shareholder Helpline***

If you have any questions about this Document, the Court Meeting, the General Meeting or how to complete the Forms of Proxy or to submit your proxies electronically, please call Equiniti on 0371 384 2050 from the UK or +371 384 2050 from overseas. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Yours truly,

Simon Bridges  
For and on behalf of  
Canaccord Genuity

## PART III

### CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION

#### Part A: Conditions to the Scheme and Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date, or such later date (if any) as Bidco and Tungsten may, with the consent of the Panel, agree and (if required) the Court may allow.

#### Scheme approval

2. The Scheme is subject to the following Conditions:
  - 2.1 (i) approval of the Scheme by a majority in number representing not less than 75 per cent. in value of Scheme Shareholders (or the relevant class or classes thereof), who are, present and voting (and who are entitled to vote), either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meetings; and (ii) the Court Meeting being held on or before 9 June 2022 being the 22nd day after the expected date of the Court Meeting (or such later date (if any) as Bidco and Tungsten may agree, with the consent of the Panel (and that the Court may allow, if required));
  - 2.2 (i) the Special Resolution being duly passed by the requisite majority of Tungsten Shareholders at the General Meeting (or any adjournment thereof); and (ii) such General Meeting being held on or before 9 June 2022, being the 22nd day after the expected date of the General Meeting as set out in this Document (or such later date, if any, as may, with the consent of the Panel, be agreed between Bidco and Tungsten (and the Court may allow, if required)); and
  - 2.3 (i) the sanction of the Scheme by the Court (without modification, or with modification on terms acceptable to Bidco and Tungsten) and the delivery of the Scheme Court Order to the Registrar of Companies for registration; and (ii) the Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing as set out in this Document (or such later date, if any, as may be agreed between Bidco and Tungsten with the consent of the Panel (and that the Court may allow, if required)).

#### General Conditions

3. In addition, Bidco and Tungsten have agreed that, subject as stated in Part B (*Waivers and Invocation of Conditions*) below and to the requirements of the Panel, the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:
  - 3.1 No Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order which would reasonably be expected to:
    - (a) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Tungsten Group by any member of the Wider Bidco Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose material additional conditions or obligations with respect to, the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider Tungsten Group by any member of the Wider Bidco Group or require amendment of the Scheme in any such case in a manner that is material in the context of the Acquisition;

- (b) require, prevent or materially delay the divestiture or alter the terms of any proposed divestiture by any member of the Wider Bidco Group or by any member of the Wider Tungsten Group of all or any part of their 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) to an extent which is material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition;
- (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 or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Tungsten (or any member of the Wider Tungsten Group) or on the ability of any member of the Wider Tungsten Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider Tungsten Group to an extent which is material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition;
- (d) other than pursuant to the implementation of the Scheme or, if applicable, sections 974 to 991 of the Companies Act 2006, require any member of the Wider Bidco Group or the Wider Tungsten Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Tungsten Group or any asset owned by any third party which is material in the context of the Wider Tungsten Group or the Wider Bidco Group, in either case taken as a whole;
- (e) require, prevent or delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Tungsten Group;
- (f) result in any member of the Wider Tungsten 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 Tungsten Group taken as a whole or in the context of the Acquisition;
- (g) impose any limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Tungsten Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Tungsten Group in a manner which is adverse and material to the Wider Bidco Group and/or the Wider Tungsten Group, in either case, taken as a whole or in the context of the Acquisition; or
- (h) otherwise materially and adversely affect the business, assets, value, profits, prospects or operational performance of any member of the Wider Tungsten Group or any member of the Wider Bidco Group in each case in a manner which is adverse to and material in the context of the Wider Tungsten Group taken as a whole or of the financing of the Acquisition;

and all applicable waiting and other time periods (including any extensions thereof) during which any such 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 jurisdiction in respect of the Acquisition or proposed acquisition of any Tungsten Shares or otherwise intervene having expired, lapsed, or been terminated;

- 3.2 all notifications, filings or applications which are deemed by Bidco to be necessary under applicable legislation or regulation or reasonably considered to be appropriate in any relevant jurisdiction having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all applicable statutory and regulatory obligations in any jurisdiction having been complied with and all authorisations which are deemed by Bidco to be necessary under applicable legislation or regulation or reasonably considered to be appropriate in any relevant jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, Tungsten by any member of the Wider Bidco Group having been obtained on 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 person or bodies with whom any member of the Wider Tungsten Group or the Wider Bidco Group has entered into contractual arrangements in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider Tungsten Group, any member of the Bidco Group or the ability of Bidco to implement the Scheme and all such Authorisations

remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional in all respects and there being no notice or threat in writing of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

- 3.3 no temporary restraining order, preliminary or permanent injunction, preliminary or permanent injunction, or other order issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider Tungsten Group by any member of the Wider Bidco Group, or the implementation of either of them, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the completion or the approval of the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Tungsten Group by any member of the Wider Bidco Group;

**Confirmation of absence of adverse circumstances**

- 3.4 except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Tungsten Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in Tungsten or because of a change in the control or management of any member of the Wider Tungsten Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material and adverse in the context of the Wider Tungsten Group taken as a whole or to the financing of the Acquisition:

- (a) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider Tungsten 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) the rights, liabilities, obligations, interests or business of any member of the Wider Tungsten Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Tungsten Group or any member of the Wider Bidco Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
- (c) any member of the Wider Tungsten 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 Tungsten Group taken as a whole or in the context of the Acquisition;
- (d) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Tungsten Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Tungsten Group otherwise than in the ordinary course of business;
- (e) 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 part of the business, property or assets of any member of the Wider Tungsten Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- (f) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Tungsten Group being prejudiced or adversely affected; or
- (g) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider Tungsten Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (h) any liability of any member of the Wider Tungsten Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business;



**No material transactions, claims or changes in the conduct of the business of the Tungsten Group**

3.5 except as Disclosed, no member of the Wider Tungsten Group having since 30 April 2021:

- (a) save as between Tungsten and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue or transfer out of treasury of Tungsten Shares on the exercise of options or vesting of awards granted in the ordinary course under the Tungsten Share Plans, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Tungsten Shares out of treasury;
- (b) recommended, declared, paid or made or agreed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to Tungsten or one of its wholly-owned subsidiaries;
- (c) save as between Tungsten and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so, in each case to an extent which is material in the context of the Wider Tungsten Group taken as a whole;
- (d) save as between Tungsten and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital other than in the ordinary course of business and to an extent which is material in the context of the Wider Tungsten Group taken as a whole;
- (e) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between Tungsten and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition;
- (f) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or is likely to be materially restrictive on the business of any member of the Wider Tungsten Group to an extent which is or is reasonably likely to be material to the Wider Tungsten Group taken as a whole;
- (g) entered into any licence or other disposal of intellectual property rights of any member of the Wider Tungsten Group which are material in the context of the Wider Tungsten Group and outside the normal course of business;
- (h) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider Tungsten Group save for salary increases, bonuses or variations of terms in the ordinary course, such entry, variation or authorisation being material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition;
- (i) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider Tungsten Group which, taken as a whole, are material in the context of the Wider Tungsten Group taken as a whole;
- (j) (excluding the trustee of any pension scheme(s) established by a member of the Wider Tungsten Group other than Tungsten itself) made, agreed or consented to or procured any material change to the terms of any existing trust deeds, rules, policy or other governing documents, or entered into or established any new trust deeds, rules, policy or other governing documents, constituting any pension scheme or other retirement or death benefit arrangement established for the directors or employees of any entity in the Wider Tungsten Group and their dependants and established

- by a member of the Wider Tungsten Group (a “Relevant Pension Plan”); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (e) the basis or rate of employer contribution to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law; or (ii) enter into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (iii) carried out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would, having regard to the published guidance of the Pensions Regulator give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 and 38A of the Pensions Act 2004 in relation to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;
- (k) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
  - (l) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition;
  - (m) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital to an extent which (other than in the case of Tungsten) is material in the context of the Wider Tungsten Group taken as a whole;
  - (n) other than with respect to claims between Tungsten and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition;
  - (o) made any alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme) which is material in the context of the Acquisition;
  - (p) (other than in respect of a member of the Wider Tungsten Group which is dormant and was solvent at the relevant time) taken or proposed 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 any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which is material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition;
  - (q) 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 Tungsten Group taken as a whole or in the context of the Acquisition;
  - (r) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business 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 in the manner referred to in this Condition;
  - (s) terminated or varied the terms of any agreement or arrangement between any member of the Wider Tungsten Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider Tungsten Group taken as a whole; or

- (t) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Tungsten Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

**No material adverse change**

3.6 since 30 April 2021, and except as Disclosed, there having been:

- (a) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Tungsten Group to an extent which is material and adverse to the Wider Tungsten Group taken as a whole or to the financing of the Acquisition;
- (b) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider Tungsten Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Tungsten Group or to which any member of the Wider Tungsten Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Tungsten Group having been threatened in writing, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Tungsten Group which, in any such case, would reasonably be expected to have a material adverse effect on the Wider Tungsten Group taken as a whole;
- (c) no contingent or other liability having arisen, increased or become apparent which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Tungsten Group to an extent which is material to the Wider Tungsten Group taken as a whole;
- (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 Tungsten Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have a material adverse effect on the Wider Tungsten Group taken as a whole; and
- (e) no member of the Wider Tungsten Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider Tungsten Group taken as a whole;

3.7 except as Disclosed, Bidco not having discovered:

- (a) that any financial, business or other information concerning the Wider Tungsten Group publicly announced since 30 April 2021 or disclosed to any member of the Wider Bidco Group at any time prior to the date of the 2.7 Announcement by or on behalf of any member of the Wider Tungsten Group or any director, officer or employee thereof or to any of their advisers was, when made, misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider Tungsten Group taken as a whole or in the context of the Acquisition;
- (b) that any member of the Wider Tungsten Group is subject to any liability, contingent or otherwise and which is material in the context of the Wider Tungsten Group taken as a whole; or
- (c) any information which affects the import of any information disclosed to Bidco at any time prior to the date of the 2.7 Announcement by or on behalf of any member of the Wider Tungsten Group or any director, officer or employee thereof which is material in the context of the Wider Tungsten Group taken as a whole;

**Environmental liabilities**

3.8 except as Disclosed, Bidco not having discovered that, in relation to any release, emission, accumulation, discharge, disposal or other similar circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco-systems, no past or present member of the Wider Tungsten Group, in a

manner or to an extent which is material in the context of the Wider Tungsten Group, (i) having committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party giving rise to a material liability; and/or (ii) having incurred any material liability (whether actual or contingent) to any Third Party; and/or (iii) being likely to incur any material liability (whether actual or contingent), or being required, to make good, remediate, repair, re-instate or clean up the environment (including any property) in each case of (i), (ii) or (iii) which such liability or requirement would be material to the Wider Tungsten Group taken as a whole;

### ***Intellectual Property***

3.9 no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Tungsten Group which would be reasonably likely to have a material adverse effect on the Wider Tungsten Group taken as a whole or is otherwise material in the context of the Acquisition, including:

- (a) any member of the Wider Tungsten Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider Tungsten Group and material to its business being revoked, cancelled or declared invalid; or
- (b) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider Tungsten Group to, or the validity or effectiveness of, any of its intellectual property; or
- (c) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Tungsten Group being terminated or varied;

### ***Anti-corruption and sanctions***

3.10 except as Disclosed, Bidco not having discovered that (to an extent that is material in the context of the Wider Tungsten Group taken as a whole):

- (a) any past or present member of the Wider Tungsten Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
- (b) any member of the Wider Tungsten Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);
- (c) any past or present member of the Wider Tungsten Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
- (d) a member of the Tungsten Group has engaged in a transaction which would cause the Bidco Group to be in breach of any applicable law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury's Office of Financial Sanctions Implementation or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states.

### ***No criminal property***

3.11 except as Disclosed, Bidco not having discovered that any asset of any member of the Wider Tungsten Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

For the purpose of these Conditions, a Third Party shall be regarded as having "intervened" if it has (a) notified a member of the Tungsten Group in writing that it has decided to take, institute or implement any action, proceeding or suit; or (b) made or enacted, any statute, regulation, decision or order and "intervene" shall be construed accordingly.

## Part B: Waivers and Invocation of Conditions

1. Conditions 2.1(i), 2.2(i) and 3 must be fulfilled, be determined by Bidco to be or remain satisfied, or (if capable of waiver) be waived prior to the commencement of the Scheme Court Hearing, failing which the Scheme will lapse.
2. Notwithstanding the paragraph above, subject to paragraph 4 below and subject to the requirements of the Panel, Bidco reserves the right in its sole discretion to waive all or any of the Conditions, in whole or in part and to proceed with the Scheme Court Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions, except that Conditions 1, 2.1(i), 2.2(i) and 2.3(i) cannot be waived. If any of Conditions 2.1(ii), 2.2(ii) or 2.3(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with Tungsten to extend the relevant deadline.
3. Bidco shall be under no obligation under the terms and Conditions of the Acquisition to waive (if capable of waiver), to determine to be or remain satisfied, or to treat as fulfilled any of Conditions 3.1 to 10 (inclusive) that Bidco is entitled (with the consent of the Panel and subject to the requirements of the Takeover Code) to invoke, by a date earlier than the latest date specified in paragraph 1 above, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.
4. Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme, subject to the Panel's consent and (while the Cooperation Agreement is continuing) to the terms of the Cooperation Agreement. In such event, such Takeover Offer will be implemented on the same terms and conditions so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation and for so long as the Cooperation Agreement is continuing) an acceptance condition set at 75 per cent. of the Tungsten Shares (or such other percentage as Bidco and Tungsten may agree in accordance with the terms of the Cooperation Agreement, where applicable with the consent of the Panel, being in any case more than 50 per cent. of the Tungsten Shares)). In the event that the Acquisition is implemented by way of a Takeover Offer, the acceptance condition shall not be capable of being satisfied until all of the other conditions to the Takeover Offer have either been satisfied or (if capable of waiver) waived.
5. Under Rule 13.5(a) of the Takeover Code and subject to paragraph 4, Bidco may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
6. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Bidco.
7. Conditions 1, 2.1(i), 2.2(i) and 2.3(i) (and, if applicable, any Takeover Offer acceptance condition adopted on the basis specified in paragraph 4 above if the Acquisition is implemented as a Takeover Offer), are not subject to this provision of the Takeover Code.
8. If the Panel requires Bidco to make an offer or offers for Tungsten Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
9. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Document and such further terms as may be required to comply with the provisions of the AIM Rules and the provisions of the Takeover Code.
10. Tungsten Shares will be acquired by Bidco fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them as at the Effective Date, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the Acquisition becomes Effective.

11. If, on or after the date of the 2.7 Announcement and before the Effective Date, any dividend, distribution and/or other return of value is declared, made or paid in respect of the Tungsten Shares on or after the date of the 2.7 Announcement and before the Effective Date, Bidco reserves the right to reduce the Consideration payable under the terms of the Acquisition for the Tungsten Shares by the amount of all or part of any such dividend, distribution and/or other return of value, in which case any reference in the 2.7 Announcement to the Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Consideration as so reduced. In such circumstances, Tungsten Shareholders would be entitled to retain any such dividend, distribution and/or return of value. Any exercise by Bidco of its rights referred to in this paragraph 11 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
12. The Scheme will be governed by English law and be subject to the jurisdiction of the Court, to the Conditions set out above and full terms to be set out in the Document. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the AIM Rules.
13. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.



**PART IV**  
**THE SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES COMPANIES COURT (ChD)**

IN THE MATTER OF TUNGSTEN CORPORATION PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

TUNGSTEN CORPORATION PLC

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

**PRELIMINARY**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“Acquisition”	the acquisition by Bidco of the entire issued, and to be issued, share capital of Tungsten (other than Tungsten Shares already held by or on behalf of Bidco, if any) to be effected by way of the Scheme, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“AIM”	the market of that name operated by the London Stock Exchange;
“Bidco”	Project California Bidco Limited, a company incorporated in England and Wales with company number 13869287 and with its registered office address at 7 Elmwood, Chineham Business Park, Basingstoke, United Kingdom, RG24 8WG;
“Bidco Group”	Bidco and its subsidiary undertakings and where the context permits, each of them;
“Business Day”	a day (other than a Saturday, Sunday or a public or bank holiday in the United Kingdom) on which clearing banks in London are generally open for normal business;
“certificated form” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Conditions”	the conditions to the Acquisition and to the implementation of this Scheme set out in Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of the Document;

“Consideration”	the consideration payable to Scheme Shareholders pursuant to Clause 2 of this Scheme, comprising 42 pence in cash per Scheme Share (as the same may be reduced subject to, and in accordance with, Clause 2 of this Scheme);
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) this Scheme;
“Court Order”	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time (including by means of the Uncertificated Securities (amendment and EU Exit) Regulations 2019 (SI 2019/679));
“Document”	the circular to the Tungsten Shareholders published by the Company on 25 April 2022 in connection with this Scheme;
“DSBP”	the deferred share bonus plan operated by Tungsten under which awards and options over ordinary shares have been granted to employees;
“Effective Date”	the date on which this Scheme becomes effective in accordance with its terms;
“Euroclear”	Euroclear UK & Ireland Limited;
“Excluded Shares”	any Tungsten Shares (if any) which are: <ul style="list-style-type: none"> <li>(i) registered in the name of or beneficially owned by (1) Bidco and/or any member of the Bidco Group; (2) Kofax; (3) Thoma Bravo and funds managed by Thoma Bravo and/or any of their respective subsidiaries and subsidiary undertakings; and/or (4) any nominee of the foregoing; or</li> <li>(ii) held in treasury,</li> </ul> in each case, immediately prior to the Scheme Record Time;
“General Meeting”	the general meeting of Tungsten Shareholders, convened by the notice set out in Part XI ( <i>Notice of General Meeting</i> ) of the Document, including any adjournment, postponement or reconvening thereof, for the purposes of considering and, if thought fit, approving the Special Resolution;
“holder”	a registered holder and includes any person(s) entitled by transmission;

“Kofax”	Kofax Parent Limited, a register private company incorporated in Jersey with registered number 124147 and with its registered office address at 4th Floor, St Paul’s Gate, 22-24 New Street, St Helier, Jersey, JE1 4TR, and a portfolio company of funds advised and/or managed by Thoma Bravo;
“Latest Practicable Date”	close of business on 21 April 2022, being the latest practicable date before publication of the Document;
“London Stock Exchange”	the London Stock Exchange plc or its successor;
“LTIP”	the long term incentive plan operated by Tungsten under which awards and options over ordinary shares have been granted to employees;
“Meeting”	the Court Meeting and/or the General Meeting, as the case may be;
“Panel”	The Panel on Takeovers and Mergers of the United Kingdom, or any successor to it;
“Scheme”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Tungsten and Bidco;
“Scheme Record Time”	6.00 p.m. on the Business Day immediately after the date on which the Court makes the Court Order;
“Scheme Shareholders”	holders of Scheme Shares;
“Scheme Shares”	<p>the Tungsten Shares:</p> <ul style="list-style-type: none"> <li>(i) in issue at the date of this Scheme;</li> <li>(ii) (if any) issued after the date of this Scheme and prior to the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme,</li> </ul> <p>in each case (where the context requires), remaining in issue at the Scheme Record Time but excluding any Excluded Shares at any relevant date or time;</p>
“Share Appreciation Rights”	the share appreciation rights granted under the share option scheme for the grant of share appreciation rights operated by Tungsten;
“Special Resolution”	the special resolution to be approved at the General Meeting in connection with, among other things, the approval of the Scheme and the alteration of the articles of association of Tungsten by the adoption and inclusion of a new article under which any Tungsten Shares issued or transferred after the Scheme Record Time (other than to Bidco and/or its nominees) shall be automatically transferred to Bidco (or as it may direct) (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the Tungsten Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities) and such other matters as may be necessary to implement the Scheme and the delisting of Tungsten Shares;

“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act;
“Takeover Code”	the City Code on Takeovers and Mergers, as amended from time to time;
“Thoma Bravo”	Thoma Bravo, L.P.;
“Tungsten” or “Company”	Tungsten Corporation PLC, a company incorporated in England and Wales with registered number 07934335 and with its registered office at Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL;
“Tungsten Share Plans”	the LTIP, DSBP, UK Share Option Plan, the U.S. Stock Option Plan and the Share Appreciation Rights;
“Tungsten Shareholders”	the holders of Tungsten Shares from time to time;
“Tungsten Shares”	ordinary shares of 0.438 pence each in the capital of Tungsten;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Share Option Plan”	the UK Share Option Plan operated by Tungsten under which options over ordinary shares have been granted to employees;
“uncertificated form” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“U.S. Stock Option Plan”	the U.S. Stock Option Plan operated by Tungsten under which options over ordinary shares have been granted to employees; and
“Voting Record Time”	6.30 p.m. on the day which is two Business Days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned Meeting.

- (B) In this Scheme, all references to times of day are to London time and all references to Clauses are to the clauses of this Scheme.
- (C) As at the Latest Practicable Date, the issued share capital of the Company was GBP 55,423,627.36 divided into 126,537,962 ordinary shares of 0.438 pence each, all of which are credited as fully paid up. The Company does not hold any shares in treasury.
- (D) As at the Latest Practicable Date, 4,797,611 Tungsten Shares may be issued on or after the date of the Document to satisfy the exercise of options or vesting of awards pursuant to the Tungsten Share Plans.
- (E) Bidco was incorporated on 25 January 2022 under the laws of England and Wales as a private company limited by shares for the purpose of carrying out the Acquisition.
- (F) As at the Latest Practicable Date, none of: (i) Bidco nor any member of the Bidco Group; nor (ii) Thoma Bravo nor any funds managed by Thoma Bravo (nor any of their respective subsidiaries and subsidiary undertakings); nor (iii) as far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with Bidco, is the registered holder of, or has any beneficial shareholding in, Tungsten Shares.
- (G) Bidco has agreed, subject to the satisfaction or (where applicable) waiver of the Conditions (other than Condition 2.3) set out in the Document, to appear by Counsel at the hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to Bidco and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.

## THE SCHEME

### 1. Transfer of Scheme Shares

- (A) Upon and with effect from the Effective Date, Bidco (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid, free from all liens, equities, charges, encumbrances and any other third party rights of any nature whatsoever, and together with all rights at the Effective Date or thereafter attached thereto, including voting rights and the right to receive and retain all dividends and other distributions (if any) and any return of capital (whether by reduction of share capital or share premium account or otherwise) announced, authorised, declared, made or paid in respect of the Scheme Shares by reference to a record date falling on or after the Effective Date.
- (B) For the purposes of such acquisition, the Scheme Shares shall be transferred to Bidco (and/or its nominee(s)) and such transfer shall be effected by means of a form or forms of transfer or other instrument or instruction of transfer, or by means of CREST, and to give effect to such transfer(s) any person may be appointed by Bidco as attorney and/or agent and shall be authorised as such attorney and/or agent on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument of transfer (whether as a deed or otherwise) of, or give any instruction to transfer or procure the transfer by means of CREST, such Scheme Shares and every form, instrument or instruction of transfer so executed or instruction given shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.
- (C) With effect from the Effective Date and pending the transfer of the Scheme Shares pursuant to sub-clause 1(A) and sub-clause 1(B) of this Scheme and the updating of the register of members of the Company to reflect such transfer, each Scheme Shareholder irrevocably:
- (i) appoints Bidco (and/or its nominee(s)) as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to its Scheme Shares;
  - (ii) appoints Bidco (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and to do such things, as may in the opinion of Bidco and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to its Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meeting of Tungsten as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Bidco and/or any one or more of its directors or agents to attend any general and separate class meetings of Tungsten (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and
  - (iii) authorises Tungsten and/or its agents to send to Bidco (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of Tungsten in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form), such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of Bidco.

### 2. Consideration for the transfer of Scheme Shares

- (A) In consideration for the transfer of the Scheme Shares to Bidco and/or its nominee(s) referred to in sub-clause 1(A) and sub-clause 1(B) of this Scheme, Bidco shall, subject as hereinafter provided, pay or procure that there shall be paid to or for the account of each Scheme Shareholder (as appearing on the register of members of Tungsten at the Scheme Record Time):

**for each Scheme Share: 42 pence in cash**

- (B) If any dividend, distribution and/or other return of capital is announced, declared, made or paid in respect of a Scheme Share after 24 March 2022 and before the Effective Date, Bidco shall be entitled to reduce the amount of Consideration payable in respect of each Scheme Share by the amount of all or part of any such dividend, distribution or return of capital (calculated, for the avoidance of doubt, on a per Scheme Share basis).
- (C) If Bidco exercises the right referred to in sub-clause 2(B) of this Scheme to reduce the consideration payable for each Scheme Share by all or part of the amount of dividend and/or other distribution and/or other return of capital that has not been paid but is payable by reference to a record date prior to the Effective Date:
  - (i) holders of Tungsten Shares appearing on the register of members at the relevant record time as determined by the directors of the Company will be entitled to receive and retain that dividend (and/or other distribution and/or other return of capital) in respect of the Tungsten Shares they held at such record time;
  - (ii) any reference in this Scheme and the Document to the Consideration payable under the Scheme shall be deemed a reference to the Consideration as so reduced; and
  - (iii) the exercise of such rights shall not be regarded as constituting any revision or modification of the terms of this Scheme.
- (D) To the extent that any such dividend, distribution and/or other return of capital is announced, declared, made or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Bidco (and/or its nominee(s)) to receive the dividend and/or distribution and/or other return of capital and to retain it; or (ii) cancelled, the Consideration payable under the terms of this Scheme will not be subject to change in accordance with Clause 2 of this Scheme.

**3. Settlement and despatch of consideration**

- (A) As soon as practicable after the Effective Date, and in any event not more than 14 days after the Effective Date (unless the Panel agrees otherwise), Bidco shall:
  - (i) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure the despatch of, cheques for the sums payable to the Scheme Shareholder to the persons entitled thereto in accordance with Clause 2 of this Scheme, provided that Bidco reserves the right, where a person is entitled to consideration of at least GBP 250,000, to agree with such person to facilitate electronic payment of such consideration in lieu of a cheque. Bidco further reserves the right to make payment of the said consideration by any other method approved by the Panel;
  - (ii) in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, instruct, or procure the instruction of, Euroclear to create an assured payment obligation in respect of the sums payable to the Scheme Shareholder in accordance with the CREST assured payment arrangements, provided that Bidco reserves the right to make payment of the said consideration by cheque as aforesaid in sub-clause 3(A)(i) of this Scheme if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-clause 3(A)(ii); and
  - (iii) in the case of Scheme Shares issued or transferred pursuant to the Tungsten Share Plans after the making of the Court Order and prior to the Scheme Record Time, procure that the sums payable in respect of those Scheme Shares are settled by such method as shall be determined by Tungsten (including, but not limited to, procuring that payments are made through payroll as soon as possible subject to the deduction of the applicable exercise price, income taxes and social security contributions).
- (B) As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.
- (C) All deliveries of notices, cheques or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel)



addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of Tungsten at the Scheme Record Time or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time, and none of Tungsten, Bidco or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this sub-clause 3(C), which shall be sent at the risk of the person or persons entitled thereto.

- (D) All cheques shall be in pounds sterling and drawn on a United Kingdom clearing bank and shall be made payable to the Scheme Shareholder concerned (except that, in the case of joint holders, Bidco reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such holding at the Scheme Record Time), and the encashment of any such cheque shall be a complete discharge of Bidco's obligation under this Scheme to pay the monies represented thereby. Bidco shall despatch or procure the despatch of cheques within 14 days of the Effective Date.
- (E) If any Scheme Shareholders have not encashed the cheques within six months of the Effective Date, Bidco and the Company shall procure that the cash consideration due to such Scheme Shareholders under this Scheme shall be held on trust for such Scheme Shareholders for a period of 12 years from the Effective Date, and such Scheme Shareholders may claim the consideration due to them (plus any interest accrued thereon, but net of any expenses and taxes) by written notice to the Company in a form which the Company determines evidences their entitlement to such Consideration at any time during the period of 12 years from the Effective Date, and Bidco undertakes that neither it nor its nominee(s) will seek, require or accept repayment of the monies so held on trust for the purposes detailed above prior to the first Business Day after the twelfth anniversary of the Effective Date or otherwise with the permission of the Court.
- (F) In respect of payments made through CREST, Bidco shall instruct, or procure the instruction of, Euroclear to create an assured payment obligation in accordance with the CREST assured payment arrangements within 14 days of the Effective Date. The instruction of Euroclear shall be a complete discharge of Bidco's obligation under this Scheme with reference to the payments made through CREST.
- (G) None of Tungsten, Bidco or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this Clause 3, which shall be sent at the risk of the person or persons entitled thereto.
- (H) The preceding sub-clauses of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.

#### **4. Cancellation of admission to trading on AIM and certificates in respect of Scheme Shares and cancellation of CREST entitlements**

- (A) On the Effective Date, Tungsten will become a wholly-owned subsidiary of Bidco. Prior to the Effective Date, an application will be made to the London Stock Exchange for admission to trading on AIM of the Tungsten Shares to be cancelled from or shortly after the Effective Date. The last day of dealings in Tungsten Shares on AIM is expected to be the Business Day immediately prior to the Effective Date and no transfers shall be registered after close of business on that date.
- (B) With effect from, or as soon as reasonably practicable after, the Effective Date:
  - (i) all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder of Scheme Shares shall be bound at the request of Tungsten to deliver up the same to Tungsten (or any person appointed by Tungsten to receive such certificates), or, as it may direct, to destroy the same;
  - (ii) Tungsten shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;

- (iii) following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Tungsten shall procure (if necessary) that such entitlements to Scheme Shares are rematerialised; and
- (iv) subject to the completion of such forms of transfer or other instruments or instructions of transfer as may be required in accordance with Clause 1 of this Scheme and the payment of any UK stamp duty thereon, Tungsten shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Bidco and/or its nominee(s).

## **5. Mandates**

All mandates and other instructions given to Tungsten by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

## **6. Operation of this Scheme**

- (A) This Scheme shall become effective as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for England and Wales.
- (B) Unless this Scheme has become effective on or before 31 December 2022, or such later date, if any, as may be agreed in writing by Bidco and Tungsten (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)), this Scheme shall never become effective.

## **7. Modification**

Subject always to the Court's approval, Tungsten and Bidco may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Takeover Code.

## **8. Governing law**

This Scheme is governed by English law and is subject to the exclusive jurisdiction of English courts. The rules of the Takeover Code apply to this Scheme on the basis provided in the Takeover Code.

Dated 25 April 2022

## PART V

### FINANCIAL AND RATINGS INFORMATION

#### Part A: Financial information relating to Tungsten

The following sets out financial information in respect of Tungsten as required by Rule 24.3 of the Takeover Code. The specified sections of the documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this Document by reference pursuant to Rule 24.15 of the Takeover Code:

- the audited accounts of Tungsten for the financial year ended 30 April 2019 are set out on pages 64 to 108 (both inclusive) of the 2019 Tungsten annual report available from Tungsten's website at <https://www.tungsten-network.com/about-us/investor-hub/result-and-presentations/>;
- the audited accounts of Tungsten for the financial year ended 30 April 2020 are set out on pages 66 to 124 (both inclusive) of the 2020 Tungsten annual report available from Tungsten's website at <https://www.tungsten-network.com/about-us/investor-hub/result-and-presentations/>;
- the unaudited accounts of Tungsten for the financial half year ended 31 October 2021 are set out on pages 14 to 19 (both inclusive) of the 2021 Tungsten Interim Results available from Tungsten's website at <https://www.tungsten-network.com/about-us/investor-hub/result-and-presentations/>; and
- the audited accounts of Tungsten for the financial year ended 30 April 2021 are set out on pages 74 to 127 (both inclusive) of the 2021 Tungsten annual report available from Tungsten's website at [https://www.tungsten-network.com/wp-content/uploads/2021/10/5047\\_Tungsten\\_Annual\\_Report\\_2021\\_Hyperlink.pdf](https://www.tungsten-network.com/wp-content/uploads/2021/10/5047_Tungsten_Annual_Report_2021_Hyperlink.pdf).

#### Part B: Tungsten ratings information

There are no current ratings or outlooks publicly accorded to Tungsten by any ratings agencies.

#### Part C: Financial Information relating to Bidco

Bidco was incorporated on 25 January 2022 for the purpose of carrying out the Acquisition and has not traded or paid any dividends since its date of incorporation. Accordingly, no financial information is available or has been published in respect of it. Bidco has no material assets or liabilities, in each case other than those described in this Document in connection with the Acquisition.

Following the Scheme becoming Effective, the earnings, assets and liabilities of Bidco will include the consolidated earnings, assets and liabilities of the Tungsten Group on the Effective Date.

The following sets out financial information in respect of Kofax as required by Rule 24.3 of the Takeover Code. The documents referred to below are incorporated into this Document by reference pursuant to Rule 24.15 of the Takeover Code:

- the annual report and financial statements of Kofax for the financial year ended 31 December 2019 available from Kofax's website at <https://www.Kofax.com/Tungsten>; and
- the annual report and financial statements of Kofax for the financial year ended 31 December 2020 available from Kofax's website at <https://www.Kofax.com/Tungsten>.

#### Part D: Bidco ratings information

As Bidco was incorporated on 25 January 2022 for the purpose of carrying out the Acquisition, there are no current ratings or outlooks publicly accorded to Bidco by ratings agencies.

#### Part E: No incorporation of website information

Save as expressly referred to herein, neither the content of Tungsten, Bidco or Kofax's websites, nor the content of any website accessible from hyperlinks on Tungsten, Bidco or Kofax's websites is incorporated into, or forms part of, this Document.

## PART VI

### UNITED KINGDOM TAXATION

The comments set out below summarise certain limited aspects of the UK tax treatment of certain Tungsten Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and current published HMRC practice (which may not be binding on HMRC), in each case as at the Latest Practicable Date, both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and do not deal with certain types of Tungsten Shareholder such as charities, trustees, dealers in securities, persons who have or could be treated for tax purposes as having acquired their Tungsten Shares by reason of their employment or as carried interest, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies.

References below to “UK Holders” are to Tungsten Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in, and only in, the United Kingdom (and to whom split-year treatment does not apply), who hold their Tungsten Shares as an investment (other than under a self-invested personal pension plan or individual savings account) and who are the absolute beneficial owners of their Tungsten Shares.

Overseas holders of Tungsten Shares are referred to Part VII (*Additional Information for Overseas Shareholders*) of this Document, which summarises certain UK tax consequences of the Scheme for such holders.

**IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION OR YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISOR IMMEDIATELY.**

#### **UK taxation of chargeable gains**

The transfer of Tungsten Shares under the Scheme in return for cash should be treated as a disposal of the UK Holder’s Tungsten Shares for the purposes of UK capital gains tax (“CGT”) or corporation tax on chargeable gains (as applicable) and therefore may, depending on the UK Holder’s particular circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains or, alternatively, an allowable capital loss.

#### **Individual Tungsten Shareholders**

Subject to available reliefs or allowances, chargeable gains arising on a disposal of Tungsten Shares by an individual UK Holder will be subject to CGT at the rate of (for the 2022/2023 tax year) 10 per cent. or 20 per cent. depending on the individual’s personal circumstances, including other taxable income and gains in the relevant tax year.

No indexation allowance will be available to an individual Tungsten Shareholder in respect of any disposal of Tungsten Shares. The CGT annual exemption may, however, be available to individual UK Holders to offset against chargeable gains realised on the disposal of their Tungsten Shares.

#### **Corporate Tungsten Shareholders**

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of Tungsten Shares by a UK Holder within the charge to UK corporation tax will be subject to UK corporation tax.

For UK Holders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption in respect of their Tungsten Shares), indexation allowance may be available where the Tungsten Shares were acquired prior to 31 December 2017 in respect of the period of ownership of the Tungsten Shares up to and including 31 December 2017 to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the transfer of their Tungsten Shares under the Scheme in return for cash.

The substantial shareholding exemption may apply to exempt from corporation tax any gain arising to UK Holders within the charge to UK corporation tax where a number of conditions are satisfied, including that the corporate UK Holder (together with certain associated companies) is regarded for the purposes of this exemption as having held not less than 10 per cent. of the ordinary issued share capital of Tungsten for a continuous period of at least 12 months beginning not more than six years prior to the date of disposal.

**UK stamp duty and stamp duty reserve tax (“SDRT”)**

No UK stamp duty or SDRT should generally be payable by Tungsten Shareholders on the transfer of their Tungsten Shares under the Scheme.

## PART VII

### ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

#### 1. General

This Document has been prepared for the purposes of complying with English law, the Takeover Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The availability of the Acquisition to Tungsten Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. It is the responsibility of any person outside the United Kingdom into whose possession this Document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

The release, publication or distribution of this Document in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Tungsten Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Bidco or required by the Takeover Code and permitted by applicable law and regulation, the Acquisition 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 Acquisition by any such use, means, instrumentality or form (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Document and all documents relating to the Acquisition 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 Document and all documents relating to the Acquisition (including custodians, nominees and trustees) must observe these restrictions and 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. Doing so may render invalid any purported vote in respect of the Acquisition.

This Document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

**OVERSEAS SHAREHOLDERS SHOULD CONSULT THEIR OWN LEGAL AND TAX ADVISERS WITH RESPECT TO THE LEGAL AND TAX CONSEQUENCES OF THE SCHEME.**



## **2. U.S. Tungsten Shareholders**

### **Notice to U.S. investors**

The Acquisition relates to shares in an English company and is proposed to be made by means of a scheme of arrangement under English company law. U.S. Tungsten Shareholders should note that the Scheme relates to the shares of an English company and will be governed by English law. Neither the U.S. proxy solicitation rules nor the tender offer rules under the U.S. Securities Exchange Act of 1934, as amended, will apply to the Acquisition and the Scheme. Moreover, the Acquisition and the Scheme are subject to the disclosure requirements and practices applicable in England to schemes of arrangement, which differ from the disclosure requirements of the U.S. proxy solicitation rules and tender offer rules. Financial information included in this Document has been prepared in accordance with accounting standards applicable in the UK and may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

If Bidco were to elect (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) to implement the Acquisition by means of a Takeover Offer, such Takeover Offer would be made in compliance with all applicable United States laws and regulations, including Section 14(e) of the U.S. Exchange Act and Regulation 14E thereunder and any applicable exemptions.

Neither the SEC nor any securities commission of any state of the U.S. has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this Document. Any representation to the contrary is a criminal offence in the United States.

It may be difficult for U.S. Tungsten Shareholders to enforce their rights and any claim arising out of the U.S. federal securities laws, since Bidco and Tungsten are located in a non-U.S. jurisdiction, and some or all of their officers and directors are residents of non-U.S. jurisdictions. U.S. Tungsten Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgement.

In accordance with the Takeover Code and normal UK practice, (a) Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Tungsten outside of the United States, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn and (b) Canaccord Genuity and its affiliates will continue to act as an exempt principal trader in Tungsten securities on the London Stock Exchange. If purchases or arrangements to purchase were to be made as contemplated by clause (a) of this paragraph, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices, and any information about such purchases or arrangements to purchase would be disclosed as required in the UK, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). Purchases contemplated by clause (b) of this paragraph that are required to be made public in the United Kingdom pursuant to the Takeover Code would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). Information would also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

The receipt of cash consideration by a U.S. Tungsten Shareholder for the transfer of its Tungsten Shares pursuant to the Acquisition will likely be a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state and local tax laws, as well as foreign and other tax laws. Each U.S. Tungsten Shareholder is urged to consult their independent professional tax adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable U.S. state and local, as well as overseas and other, tax laws.

### **3. UK taxation of certain Overseas Shareholders**

Non-UK Holders should not be subject to UK taxation of chargeable gains in respect of the Scheme, however they may be subject to foreign taxation depending on their personal circumstances. No UK stamp duty or SDRT should generally be payable by Non-UK Holders on the transfer of their Tungsten Shares under the Scheme.

References above to “Non-UK Holders” are to Tungsten Shareholders who are not resident for tax purposes in the UK, have not within the past five years been resident for tax purposes in the UK and are not carrying on a trade (or profession or vocation) in the UK.

## PART VIII

### ADDITIONAL INFORMATION ON TUNGSTEN, BIDCO, KOFAX AND THOMA BRAVO

#### 1. Responsibility

- 1.1 The Tungsten Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this Document (including expressions of opinion), other than information for which responsibility is taken by the Bidco Directors pursuant to paragraph 2.2 below, the Kofax Responsible Persons pursuant to paragraph 2.3 below and the Thoma Bravo Responsible Persons pursuant to paragraph 2.4 below. To the best of the knowledge and belief of the Tungsten Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Kofax Responsible Persons, whose names are set out in paragraph 2.3 below, accept responsibility for the information contained in this Document (including any expressions of opinion) relating to Bidco, Kofax and themselves (and his close relatives, related trusts and companies and other persons connected with him). To the best of the knowledge and belief of the Kofax Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this Document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Thoma Bravo Responsible Persons, whose names are set out in paragraph 2.4 below, accept responsibility for the information contained in this Document (including any expressions of opinion) relating to Bidco, Kofax, Thoma Bravo and themselves (and their close relatives, related trusts and companies and other companies and persons connected with them). To the best of the knowledge and belief of the Thoma Bravo Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this Document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1 The Tungsten Directors and their respective positions are:

Tony Bromovsky	Chairman
Paul Francis Cooper	Chief Executive Officer
Andrew Coulsen	Non-Executive Director
Andrew Doman	Non-Executive Director
Nicholas Wells	Non-Executive Director

The business address of Tungsten and each of the Tungsten Directors is Tungsten Corporation plc, Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL.

The Group General Counsel and Company Secretary of Tungsten is Patrick Clark.

2.2 The Bidco Directors and their respective positions are as follows:

Christian Hefner	Director
Martin Oberholzer	Director
Cort Townsend	Director

The business address of each Bidco Director is 7 Elmwood, Chineham Business Park, Basingstoke, United Kingdom, RG24 8WG.

Bidco is a private limited company incorporated on 25 January 2022 under the laws of England and Wales, with its registered office at 7 Elmwood, Chineham Business Park, Basingstoke, United Kingdom, RG24 8WG.

2.3 The Kofax Responsible Persons and their positions are as follows:

Cort Townsend	Director
Paul John Cooper	Director
Emma Price	Director
Reynolds Bish	Director

The business address of each Kofax Responsible Person is 4th Floor, St Paul's Gate, 22-24 New Street, St Helier, Jersey, JE1 4TR.

2.4 The Thoma Bravo Responsible Persons and their respective positions are as follows:

Andrew Almeida	Partner
Kenneth Virnig	Partner

The business address of each Thoma Bravo Responsible Person is 150 N. Riverside Plaza Suite 2800. Chicago, IL 60606.

### 3. Interests and dealings in Tungsten Shares

3.1 For the purposes of this paragraph 3 (*Interests and dealings in Tungsten Shares*) and paragraph 4 (*Interests and Dealings – General*):

“acting in concert” has the meaning given to it in the Takeover Code;

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

“dealing” has the meaning given to it in the Takeover Code;

“derivative” has the meaning given to it in the Takeover Code;

“interest” or “interests” in relevant securities shall have the meaning given to it in the Takeover Code;

“relevant Bidco securities” mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of Bidco including equity share capital in Bidco (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;

“relevant Tungsten securities” mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeree) of Tungsten including equity share capital of Tungsten (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and

“short position” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

3.2 As at the Latest Practicable Date, the Tungsten Directors (and their close relatives, related trusts and connected persons) held the following interests in, or rights to subscribe in respect of, relevant Tungsten securities:

<i>Name</i>	<i>Number of Tungsten Shares</i>	<i>Percentage of existing issued share capital</i>	<i>Nature of interest</i>
Tony Bromovsky	934,104	0.74	Ordinary shares of 0.438 pence each
Andrew Doman	251,649	0.20	Ordinary shares of 0.438 pence each
Nicholas Wells	100,000	0.08	Ordinary shares of 0.438 pence each
Paul Francis Cooper	19,500	0.02	Ordinary shares of 0.438 pence each
<b>Total</b>	<u>1,305,253</u>	<u>1.03</u>	<u>–</u>

3.3 As at the Latest Practicable Date, the Tungsten Directors held the following outstanding awards and options over relevant Tungsten securities under the Tungsten Share Plans set out below:

<i>Name</i>	<i>Number of options</i>	<i>Exercise Period</i>	<i>Exercise price (per share)</i>
Tony Bromovsky	376,166	These options become exercisable on an offer to acquire the entire issued share capital of Tungsten Corporation plc being made unconditional in all respects, resulting in a change of control of Tungsten Corporation plc	0.438 pence
Paul Francis Cooper	160,467	As above	0.438 pence

During the Offer Period, there have been no dealings in relevant securities of Tungsten by Tungsten Directors.

#### **4. Interests and Dealings – General**

4.1 Save as disclosed in paragraph 3 (*Interests and dealings in Tungsten Shares*) above and paragraph 5 (*Irrevocable undertakings*) below, as at the Latest Practicable Date:

- no member of the Bidco Group had any interest in, right to subscribe in respect of or any short position in relation to any relevant Tungsten securities, nor has any member of the Bidco Group dealt in any relevant Tungsten securities during the Disclosure Period;
- none of the Bidco Directors, the Kofax Responsible Persons, nor the Thoma Bravo Responsible Persons had any interest in, right to subscribe in respect of or any short position in relation to any relevant Tungsten securities, nor has any such person dealt in any relevant Tungsten securities or during the Disclosure Period;
- no person acting in concert with Bidco had any interest in, right to subscribe in respect of or any short position in relation to any relevant Tungsten securities, nor has any such person dealt in any relevant Tungsten securities, during the Disclosure Period;
- no person who has an arrangement with Bidco or any person acting in concert with Bidco had any interest in, right to subscribe in respect of or any short position in relation to any relevant Tungsten securities, nor has any such person dealt in any relevant Tungsten securities during the Disclosure Period; and

- (e) neither Bidco nor any person acting in concert with Bidco, has borrowed or lent any relevant Tungsten securities (including for these purposes any financial or collateral arrangements) in the Disclosure Period, save for any borrowed shares which have been either on-lent or sold.
- 4.2 Save as disclosed in paragraph 3 (*Interests and dealings in Tungsten Shares*) above, as at the Latest Practicable Date:
- (a) no member of the Tungsten Group had any interest in, right to subscribe in respect of or any short position in relation to relevant Bidco securities, nor has any such person dealt in any relevant Bidco securities or Tungsten securities during the Offer Period;
  - (b) none of the Tungsten Directors had any interest in, right to subscribe in respect of or any short position in relation to any relevant Bidco securities, nor has any such person dealt in any relevant Tungsten securities or relevant Bidco securities during the Offer Period;
  - (c) no person acting in concert with Tungsten had any interest in, right to subscribe in respect of or any short position in relation to any relevant Tungsten securities, nor has any such person dealt in any relevant Tungsten securities during the Offer Period;
  - (d) no person who has an arrangement with Tungsten had any interest in, right to subscribe in respect of or any short position in relation to any relevant Tungsten securities, nor has any such person dealt in any relevant Tungsten securities during the Offer Period; and
  - (e) neither Tungsten nor any person acting in concert with Tungsten has borrowed or lent any relevant Tungsten securities, save for any borrowed shares which have been either on-lent or sold.
- 4.3 Save as disclosed herein, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the Special Resolution to be proposed at the General Meeting.
- 4.4 Save as disclosed herein, none of: (i) Bidco or any person acting in concert with Bidco; or (ii) Tungsten or any person acting in concert with Tungsten, has any arrangement in relation to relevant Tungsten securities.
- 4.5 Save as disclosed herein, no agreement, arrangement or understanding (including any compensation arrangement) exists between Tungsten, Bidco or any person acting in concert with them and any of the Tungsten Directors or the recent directors, shareholders or recent shareholders of Tungsten having any connection with or dependence upon or which is conditional upon the Acquisition.
- 4.6 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Tungsten Shares to be acquired by Bidco pursuant to the Scheme will be transferred to any other person.
- 4.7 No relevant securities of Tungsten have been redeemed or purchased by Tungsten during the Disclosure Period.

## **5. Irrevocable undertakings**

Bidco has received irrevocable support for the Acquisition from those Tungsten Directors who hold Tungsten Shares in respect of, in aggregate, 1,305,253 Tungsten Shares (representing approximately 1.0 per cent. of the issued ordinary share capital of Tungsten) as at the Latest Practicable Date, as set out in paragraph 5.1 (*Irrevocable undertakings given by the Tungsten Directors*) below.

Bidco has received a further irrevocable commitment to vote in favour of the Acquisition from the Truell Associates in respect of (i) 21,542,558 Tungsten Shares to which the Truell Associates currently control the voting rights, and (ii) a further 1,500,000 Tungsten Shares over which the Truell Associates have an option to reacquire the voting rights (representing in aggregate approximately 18.2 per cent. of the existing issued ordinary share capital of Tungsten) as at the Latest Practicable Date as set out in paragraph 5.2 (*Irrevocable undertakings given by Tungsten Shareholders*) below.

Together with irrevocable undertakings received from the Tungsten Directors that hold Tungsten Shares, in total, Bidco has procured irrevocable commitments to vote in favour of the Acquisition, in respect of, in aggregate, 24,347,811 Tungsten Shares (representing approximately 19.2 per cent. of the existing issued ordinary share capital of Tungsten) as at the Latest Practicable Date.



Copies of the irrevocable undertakings are available on Tungsten's website at [www.Tungsten-Network.com/Takeover-Documentation/](http://www.Tungsten-Network.com/Takeover-Documentation/) and will remain on display until the end of the Offer Period.

### 5.1 **Irrevocable undertakings given by the Tungsten Directors**

The Tungsten Directors have given irrevocable undertakings to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution proposed to implement the Scheme at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by Bidco in accordance with the terms of the irrevocable undertakings) in respect of those Tungsten Shares that they legally and/or beneficially hold and the voting rights of which they control:

<i>Name</i>	<i>Total Number of Tungsten Shares</i>	<i>Percentage of existing issued share capital</i>	<i>Percentage of existing Tungsten Shares eligible to vote at Court Meeting</i>
Tony Bromovsky	934,104	0.74	0.74
Andrew Doman	251,649	0.20	0.20
Nicholas Wells	100,000	0.08	0.08
Paul Francis Cooper	19,500	0.02	0.02
<b>Total</b>	<u>1,305,253</u>	<u>1.03</u>	<u>1.03</u>

These irrevocable undertakings also extend to any shares acquired by the Tungsten Directors as a result of the vesting of awards or the exercise of options under the Tungsten Share Plans.

These irrevocable undertakings will only cease to be binding if:

- (A) the Document is not sent to Tungsten Shareholders within 28 days (or such later period as the Panel may agree) after the date of the 2.7 Announcement;
- (B) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced at the same time;
- (C) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirmed that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise;
- (D) the Scheme has not become effective by 6.00 p.m. on the Long Stop Date (or such other time and date as agreed between Bidco and Tungsten, with the approval of the Court and/or the Panel, if required (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn)); or
- (E) the date on which any competing offer for the entire issued and to be issued share capital of Tungsten is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes Effective.

### 5.2 **Irrevocable undertakings given by Tungsten Shareholders**

The following shareholder has given an irrevocable undertaking to vote or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution proposed to implement the Scheme at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by Bidco in accordance with the terms of the irrevocable undertakings) in respect of those Tungsten Shares that it legally and/or beneficially hold and the voting rights of which it controls:

<i>Name</i>	<i>Total Number of Tungsten Shares</i>	<i>Percentage of existing issued share capital</i>	<i>Percentage of existing Tungsten Shares eligible to vote at Court Meeting</i>
Truell Associates	21,542,558 owned	17.0	17.0
Truell Associates	1,500,000 subject to option to acquire	1.2	1.2
<b>Total</b>	<u>23,042,558</u>	<u>18.2</u>	<u>18.2</u>

These irrevocable undertakings will only cease to be binding if:

- (A) Bidco announces publicly, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced at the same time;
- (B) Bidco informs the Truell Associates in writing that it does not intend to make or proceed with the Acquisition or to implement the Acquisition by way of takeover offer or otherwise;
- (C) the Scheme lapses or is withdrawn in accordance with its terms and Bidco has publicly confirmed that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise;
- (D) the Scheme has not become effective by 30 August 2022, or if later, the Long Stop Date (or such other time and date as agreed between Bidco and Tungsten, with the approval of the Court and/or the Panel, if required (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn);
- (E) any third party announces, in accordance with the Takeover Code, a firm intention to make a general offer (whether made by way of an offer or a scheme of arrangement) for the entire issued share capital of Tungsten not already owned by such third party at an offer price that is above 49.9 pence per Tungsten Share and Bidco has not announced a further offer at an offer price at least equal to the offer price of the competing offer within 28 days of the announcement of the competing offer;
- (F) the date on which any competing offer for the entire issued and to be issued share capital of Tungsten is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes Effective.

## **6. Directors' service agreements and letters of appointment**

### **6.1 Executive Directors' service contracts**

Set out below are details of the service contracts of the Tungsten Directors:

<i>Name of Executive Director</i>	<i>Date of service contract</i>	<i>Effective date of appointment</i>	<i>Notice period</i>
Paul Francis Cooper	June 2021	9 June 2021	One months' notice (increasing to six months' notice from 9 June 2022)

- (A) Paul Francis Cooper's appointment as Chief Executive Officer commenced on 9 June 2021 and he is currently engaged under a service agreement with Tungsten dated June 2021, pursuant to which his current annual base salary is GBP 280,000.
- (B) Benefits available to the Chief Executive Officer include company pension, LTIP, directors' and officers' liability insurance, reasonable expenses and a car allowance of GBP 10,500 per annum.

- (C) The Chief Executive Officer is eligible to participate in a special bonus plan in the first year of employment, with separate awards given in two performance periods of six months each.
- (D) The Chief Executive Officer is permitted to have outside interests which do not reasonably interfere, conflict or compete with his Chief Executive Officer duties or the business carried on by Tungsten or any Tungsten Group Company, and they are properly notified to Tungsten in writing. The Chief Executive Officer is also permitted to hold public company shares or securities provided that any such holding shall not exceed five per cent. of that company's issued share capital and is held by way of *bona fide* investment only and he complies with stated regulatory requirements. The Chief Executive Officer shall also disclose to the Tungsten Board any matters relating to persons connected with a director, members of a director's family and connected, controlling and associated bodies corporate as set out in sections 252 to 256 of the Companies Act 2006 which, if they applied to the Chief Executive Officer, would contravene the provisions relating to his outside interests to the extent that he has knowledge of such matters.
- (E) The Chief Executive Officer is subject to post-termination restrictions for a period of up to six months after termination (less any period of garden leave).

## 6.2 **Chairman and other non-executive Tungsten Directors**

Each non-executive Tungsten Director is appointed for a fixed term of 12 months, subject to their continued satisfactory performance and re-election by shareholders of the Company as required by the Articles of Association.

Each non-executive Tungsten Director may be terminated with immediate effect without payment of compensation in certain circumstances, including if the non-executive Tungsten Director: (i) commits any serious or persistent breach or non-observance of their obligations to Tungsten, including a breach of their contractual obligations or the rules of any applicable regulatory authority; (ii) is guilty of any gross misconduct or serious negligence in connection with or affecting the business or affairs of the Company; (iii) is convicted of an arrestable criminal offence (other than an offence under road traffic legislation or elsewhere for which a non-custodial penalty is imposed); (iv) is declared bankrupt or makes any arrangement or composition with his creditors or have an interim order made against him pursuant to section 252 of the Insolvency Act 1986; or (v) is prohibited from acting as a director, either by law, the Company's Articles of Association or any regulatory body applicable to the Company.

<i>Name of Director</i>	<i>Date appointed Director</i>	<i>Original letter of appointment date</i>	<i>Fees (per annum) (GBP '000)</i>
Tony Bromovsky	22 August 2018	21 September 2018	120
Andrew Doman	12 December 2018	27 February 2019	42
Andrew Coulsen	19 October 2020	19 October 2020	49
Nicholas Wells	31 March 2020	24 April 2020	50

Tungsten also maintains directors' and officers' liability insurance for the benefit of each non-executive Tungsten Director. In accordance with its Articles of Association and to the extent permitted by law, Tungsten Directors are granted an indemnity from Tungsten in respect of liability incurred as a result of their appointment to the Tungsten Board.

## 6.3 **Other service agreements**

Save as disclosed above, there are no service contracts or letters of appointment, between any Tungsten Director or proposed director of Tungsten and any member of the Tungsten Group and no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this Document.

Save as set out in paragraph 9 of Part II (*Explanatory Statement*), the effect of the Scheme on the interests of the Tungsten Directors does not differ from its effect on the like interests of any other holder of Scheme Shares.

#### 6.4 **Amendments, other contracts and other compensation**

Save as disclosed above, there are no other contracts of service between the Tungsten Directors and the Company or any of its subsidiaries.

Save as disclosed in this paragraph 6:

- (A) no Tungsten Director is entitled to commission or profit sharing arrangements;
- (B) neither the service contract nor any of the letters of appointment set out in this paragraph 6 have been entered into or amended during the six months prior to the date of this Document; and
- (C) other than statutory compensation and payment in lieu of notice, no compensation is payable by the Company to any Tungsten Director upon early termination of their employment or appointment.

#### 7. **Market quotations**

The following table shows the Closing Price for Tungsten Shares as derived from the AIM Appendix to the Daily Official List for the first Business Day of each of the six months before the date of this Document, for 13 December 2021 (being the last Business Day prior to the commencement of the Offer Period) and for the Latest Practicable Date:

<i>Date</i>	<i>Tungsten Share price (pence)</i>
1 November 2021	28.0
1 December 2021	27.0
13 December 2021	29.0
4 January 2022	40.9
1 February 2022	41.6
1 March 2022	34.5
1 April 2022	45.6
Latest Practicable Date	45.3

#### 8. **Material contracts**

##### 8.1 **Tungsten material contracts**

Save as disclosed below, and save for the Confidentiality Agreement and the Cooperation Agreement, each of which is summarised in paragraph 9 (*Offer-related arrangements*), no member of the Tungsten Group has, during the period beginning 13 December 2019 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of the Tungsten Group during the period beginning 13 December 2019 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date

##### *Revolving Credit Facility*

On 14 August 2020, Tungsten Network Limited entered into a facility agreement with HSBC UK Bank PLC (“HSBC”), whereby HSBC offered Tungsten Network Limited a GBP 4.0 million sterling revolving credit facility, which was subsequently amended on 22 November 2021 (the “Revolving Facility”).

The Revolving Facility will terminate on 14 December 2023, being the date falling 40 months after the date of the Revolving Facility.

Any sums drawn pursuant to the Revolving Facility are subject to interest.

Pursuant to the Revolving Facility, Tungsten Network Limited granted a negative pledge to HSBC to ensure that it and no member of its corporate group shall create or permit to subsist any security interest over any of its assets, nor shall they enter into certain arrangements.

The Revolving Facility provides for certain events of default and conditions that are customary for facilities of this type.

## 8.2 **Bidco material contracts**

Save for the Confidentiality Agreement, Cooperation Agreement and the Intra-Group Loan Agreement, each as summarised in paragraph 9 (*Offer-related arrangements*), no member of the Bidco Group has, during the period beginning 24 March 2020 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

## 9. Offer-related arrangements

### **Confidentiality Agreement**

See paragraph 12 of Part II (*Explanatory Statement*) of this Document for further details on the Confidentiality Agreement.

### **Cooperation Agreement**

See paragraph 12 of Part II (*Explanatory Statement*) of this Document for further details on the Cooperation Agreement.

### **Intra-Group Loan Agreement**

See paragraph 7 of Part II (*Explanatory Statement*) of this Document for further details on the Intra-Group Loan Agreement.

## 10. Offer-related fees and expenses

### 10.1 **Fees and Expenses of Bidco**

The aggregate fees and expenses expected to be incurred by Bidco in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately:

<i>Category</i>	<i>Amount</i>
Financial and corporate broking advice	GBP 806,102.13
Legal advice	GBP 1,760,443.00
Accounting advice	GBP 575,769.23
Other professional services (including, for example, management consultants, actuaries and specialist valuers)	GBP 7,000.00
Other costs and expenses	GBP 37,500.00
<b>Total</b>	<b>GBP 3,186,814.36</b>

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.
- (2) These services include services charged by reference to hourly or daily rates. The amounts included here reflect the services incurred up to the Latest Practicable Date and an estimate of the residual amount of time required until the Acquisition becomes Effective.

In addition, stamp duty of 0.5 per cent. on the purchase price of the Tungsten Shares acquired pursuant to the Acquisition will be payable by Bidco.

## 10.2 **Tungsten Fees and Expenses**

The aggregate fees and expenses expected to be incurred by Tungsten in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately:

<i>Category</i>	<i>Amount</i>
Financial and corporate broking advice	GBP 797,000
Legal advice	GBP 250,000
Public relations advice	GBP 85,000
Other costs and expenses	GBP 583,425
<b>Total</b>	<b>GBP 1,715,425</b>

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective. The total does not include disbursements.
- (2) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required prior to the Effective Date.
- (3) Amount includes costs of printing and fees payable to the London Stock Exchange.

## 11. **Financing arrangements relating to Bidco**

The cash consideration payable by Bidco under the terms of the Acquisition will be funded from existing cash resources of the Kofax Group, to be provided to Bidco under the Intra-Group Loan Agreement.

Further information on the financing of the Acquisition is included at paragraph 9 of this Part VIII of this Document.

## 12. **Persons acting in concert**

In addition to the Bidco Directors (together with their close relatives and related trusts), and members of the Bidco Group, the persons who, for the purposes of the Takeover Code, are acting in concert with Bidco are:

<i>Name</i>	<i>Registered Office</i>	<i>Relationship with Bidco</i>
Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited	Cassini House, 57 St James's Street, London, United Kingdom, SW1A 1LD	Financial Adviser to Bidco

In addition to the Tungsten Directors (together with their close relatives and related trusts) and members of the Tungsten Group, the persons who, for the purposes of the Takeover Code, are acting in concert with Tungsten are:

<i>Name</i>	<i>Address/Registered office</i>	<i>Relationship with Tungsten</i>
Canaccord Genuity Limited	88 Wood Street, London, United Kingdom, EC2V 7QR	Financial Adviser to Tungsten

## 13. **No significant change**

Save to the extent disclosed in this document, there has been no significant change in the financial or trading position of Tungsten since 31 October 2021, being the date to which the latest interim financial information published by Tungsten was prepared.

## 14. **Consent**

Each of Shore Capital and Canaccord Genuity has given and not withdrawn its written consent to the issue of this Document with the inclusion of references to its name in the form and context in which they are included.



## 15. Documents incorporated by reference

- 15.1 Parts of other documents are incorporated by reference into, and form part of, this Document.
- 15.2 Part V (*Financial and Ratings Information*) of this Document sets out which sections of certain documents are incorporated by reference into, and form part of, this Document.
- 15.3 A person who has received this Document may request a hard copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested, free of charge, by contacting Tungsten's registrars, Equiniti Group plc, either in writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, or by calling +44 (0)371 384 2050. Calls outside the UK will be charged at the applicable international rate. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.

## 16. Documents available for inspection

Copies of the following documents will be available for viewing on Tungsten's and Bidco's websites at [www.Tungsten-Network.com/Takeover-Documentation/](http://www.Tungsten-Network.com/Takeover-Documentation/) and [www.Kofax.com/Tungsten](http://www.Kofax.com/Tungsten) respectively by no later than 12.00 p.m. on the Business Day following the date of publication of this Document (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions):

- (a) this Document;
- (b) the Forms of Proxy;
- (c) the memorandum and articles of association of each of Tungsten and Bidco;
- (d) a draft of the articles of association of Tungsten as proposed to be amended at the General Meeting;
- (e) the 2.7 Announcement;
- (f) the financial information relating to Tungsten referred to in Part A of Part V (*Financial and Ratings Information*) of this Document;
- (g) the financial information relating to Bidco referred to in Part C of Part V (*Financial and Ratings Information*) of this Document;
- (h) the written consents referred to in paragraph 14 above;
- (i) the material contracts referred to in paragraph 8 above;
- (j) the Confidentiality Agreement;
- (k) the Cooperation Agreement; and
- (l) copies of the irrevocable undertakings referred to in paragraph 5 above.

## 17. Sources of information and bases of calculation

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

- 17.1 Tungsten's fully diluted equity value has been calculated on the basis of a fully diluted issued ordinary share capital of 127,952,719 Tungsten Shares, calculated as:
- (a) 126,537,962 Tungsten Shares in issue as at the Latest Practicable Date; *plus*
  - (b) 1,414,757 Tungsten Shares which may be issued on or after the date of this Document pursuant to the Tungsten Share Plans as at the Latest Practicable Date.
- 17.2 A value of approximately GBP 53.7 million for the entire issued and to be issued share capital of Tungsten is based on:
- (a) an offer price of 42 pence per Scheme Share; and
  - (b) Tungsten's fully diluted issued ordinary share capital of 127,952,719 Tungsten Shares, as set out in paragraph 17.1 above.

17.3 The premium calculations to the price per Tungsten Share used in this Document have been calculated based on an offer price of 42 pence per Scheme Share and by reference to:

- (a) the Closing Price on 13 December 2021 (being the last Business Day before the commencement of the Offer Period) of 29.0 pence derived from the Daily Official List;
- (b) the one-month volume weighted average Closing Price of 26.0 pence per Tungsten Share on 13 December 2021 (being the last Business Day before the commencement of the Offer Period) derived from the Daily Official List;
- (c) the three-month volume weighted average Closing Price of 26.8 pence per Tungsten Share on 13 December 2021 (being the last Business Day before the commencement of the Offer Period) derived from the Daily Official List; and
- (d) the six-month volume weighted average Closing Price of 30.2 pence per Tungsten Share on 13 December 2021 (being the last Business Day before the commencement of the Offer Period) derived from the Daily Official List.

17.4 Unless otherwise stated, the financial information of Tungsten is extracted (without material adjustment) from the annual report and audited accounts of the Tungsten Group for the 12 months ended 30 April 2021.

17.5 Certain figures included in this Document have been subject to rounding adjustments.

## PART IX

### DEFINITIONS

“2.7 Announcement”	the announcement made by Bidco on 24 March 2022 of its firm intention to make a cash offer for Tungsten;
“2021 Tungsten Annual Report”	the annual report and audited accounts of the Tungsten Group for the year ended 30 April 2021;
“Acquisition”	the acquisition of the entire issued, and to be issued, share capital of Tungsten by Bidco (other than Tungsten Shares already held by or on behalf of Bidco, if any) to be implemented by way of the Scheme or, should Bidco so elect (with the consent of the Panel and subject to the terms of the Cooperation Agreement) by way of a Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time);
“Articles of Association”	the articles of association of Tungsten from time to time;
“associated undertaking”	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations;
“Authorisations”	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, in each case of a Third Party;
“Award”	any award or option under a Tungsten Share Plan;
“Bidco”	Project California Bidco Limited, a wholly-owned indirect subsidiary of Kofax Parent Limited;
“Bidco Board”	the Bidco Directors acting together as the board of directors of Bidco;
“Bidco Directors”	the directors of Bidco, whose names are set out in paragraph 2.2 of Part VIII ( <i>Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo</i> );
“Bidco Group”	Bidco and its subsidiary undertakings and where the context permits, each of them;
“Business Day”	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business;
“Canaccord Genuity”	Canaccord Genuity Limited;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“CGT”	UK capital gains tax;

“Closing Price”	the closing middle market price of a Tungsten Share as derived from the AIM Appendix to the Daily Official List on any particular date;
“Combined Group”	the enlarged group following completion of the Acquisition, comprising the Bidco Group and the Tungsten Group;
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Conditions”	the conditions to the implementation of the Acquisition (including the Scheme) which are set out in Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of this Document;
“Confidentiality Agreement”	the confidentiality agreement entered into between Kofax and Bidco, dated 1 December 2021 as described in paragraph 12 of Part II ( <i>Explanatory Statement</i> ) of this Document;
“Consideration”	the consideration payable to Tungsten Shareholders pursuant to the Acquisition, comprising 42 pence in cash per Tungsten Share;
“Cooperation Agreement”	the cooperation agreement between Kofax, Inc, an entity in the Bidco Group, and Tungsten dated 24 March 2022 as described in paragraph 12 of Part II ( <i>Explanatory Statement</i> ) of this Document;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment, postponement or reconvening thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part X ( <i>Notice of Court Meeting</i> ) of this Document, for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme, including any adjournment, postponement or reconvening thereof;
“Court Order”	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Manual”	the CREST Manual published by Euroclear, as amended from time to time;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time (including by means of the Uncertificated Securities (Amendment and EU Exit) Regulations 2019 (SI 2019/679));
“Daily Official List”	the daily official list of the London Stock Exchange;
“Dealing Disclosure”	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer;
“Disclosed”	the information disclosed by or on behalf of Tungsten: <ul style="list-style-type: none"> <li>(i) in the 2021 Tungsten Annual Report;</li> <li>(ii) in the 2.7 Announcement;</li> <li>(iii) in any other announcement to a Regulatory Information Service prior to the publication of the 2.7 Announcement; or</li> </ul>

	(iv) fairly disclosed in writing (including via the virtual data room operated by or on behalf of Tungsten in respect of the Acquisition) prior to the date of the 2.7 Announcement to Bidco or Bidco's advisers (in their capacity as such);
"Disclosure Guidance and Transparency Rules"	the disclosure guidance and transparency rules of the FCA made under section 73A of FSMA and forming part of the FCA's Handbook of rules and guidance, as amended from time to time;
"Disclosure Period"	the period commencing on 14 December 2020 (being the date 12 months prior to the start of the Offer Period) and ending on the Latest Practicable Date;
"Document"	this Document dated 25 April 2022 addressed to Tungsten Shareholders containing the Scheme and an explanatory statement in compliance with section 897 of the Companies Act;
"DSBP"	the deferred share bonus plan operated by Tungsten under which awards over ordinary shares have been granted to employees;
"Effective"	in the context of the Acquisition: <ul style="list-style-type: none"> <li>(i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or</li> <li>(ii) if the Acquisition is implemented by way of the Takeover Offer (with the Panel's consent and subject to and in accordance with the terms of the Cooperation Agreement), the Takeover Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Takeover Code;</li> </ul>
"Effective Date"	the date on which the Acquisition becomes Effective;
"Euroclear"	Euroclear UK & Ireland Limited;
"Excluded Shares"	any Tungsten Shares (if any) which are: <ul style="list-style-type: none"> <li>(i) registered in the name of or beneficially owned by: (1) Bidco and/or any member of the Bidco Group; (2) Kofax; (3) Thoma Bravo and funds managed by Thoma Bravo and/or any of their respective subsidiaries and subsidiary undertakings; and/or (4) any nominee of the foregoing; or</li> <li>(ii) held in treasury,</li> </ul> in each case, immediately prior to the Scheme Record Time;
"Executive Directors"	the executive directors of Tungsten as at the date of this Document and "Executive Director" means any one of them;
"Explanatory Statement"	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in this Document;
"FCA"	the Financial Conduct Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of FSMA, or its successor from time to time;
"Form(s) of Proxy"	either or both (as the context demands) of the BLUE Form of Proxy in relation to the Court Meeting and/or the YELLOW Form of Proxy in relation to the General Meeting;
"FSMA"	the Financial Services and Markets Act 2000;

“General Meeting”	the general meeting of Tungsten Shareholders, convened by the notice set out in Part XI ( <i>Notice of General Meeting</i> ) of this Document, including any adjournment, postponement or reconvening thereof, for the purposes of considering and, if thought fit, approving the Special Resolution;
“HMRC”	Her Majesty’s Revenue and Customs or its successor from time to time;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“Intra-Group Loan Agreement”	the loan agreement between Bidco, as borrower, and Project Leopard Holdings, Inc., a member of the Wider Bidco Group and affiliate of Bidco, as lender, relating to the advance of funds in an amount equal to the amount of the cash consideration payable by Bidco under the terms of the Acquisition;
“Kofax”	Kofax Parent Limited, a register private company incorporated in Jersey with registered number 124147 and with its registered office address at 4th Floor, St Paul’s Gate, 22-24 New Street, St Helier, Jersey, JE1 4TR, and a portfolio company of funds advised and/or managed by Thoma Bravo;
“Kofax Board”	the directors of Kofax;
“Kofax Group”	Kofax and its subsidiary undertakings and where the context permits, each of them;
“Kofax Responsible Person”	Cort Townsend, Paul John Cooper, Emma Price and Reynolds Bish, being the persons whose names are set out in paragraph 2.3 of Part VIII ( <i>Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo</i> );
“Latest Practicable Date”	close of business on 21 April 2022, being the latest practicable date before publication of this Document;
“London Stock Exchange”	the London Stock Exchange plc or its successor;
“Long Stop Date”	31 December 2022, or such later date as may be agreed in writing between Bidco and Tungsten (with the Panel’s consent and as the Court may approve (if such approval(s) is/are required));
“LTIP”	the long term incentive plan operated by Tungsten under which awards and options over ordinary shares have been granted to employees;
“Market Abuse Regulation”	the retained EU law version of Regulation (EU) No. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;
“Meeting(s)”	the Court Meeting and/or the General Meeting, as the case may be;
“Offer Period”	the offer period (as defined in the Takeover Code) relating to Tungsten, which commenced on 14 December 2021, and ending on the earlier of the date on which it is announced that the Scheme has become Effective and/or the date on which it is announced that the Scheme has lapsed or has been withdrawn (or such other date as the Takeover Code may provide or the Panel may decide);
“Opening Position Disclosure”	has the same meaning as in Rule 8 of the Takeover Code;



“Overseas Shareholders”	Tungsten Shareholders (or nominees of, or custodians or trustees for Tungsten Shareholders) who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers of the United Kingdom, or any successor to it;
“Registrar” or “Receiving Agent” or “Equiniti”	Equiniti Limited;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Tungsten Shareholders in that jurisdiction;
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under Part 26 of the Companies Act between Tungsten and holders of Scheme Shares, as set out in Part IV ( <i>The Scheme of Arrangement</i> ) of this Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Tungsten and Bidco;
“Scheme Court Hearing”	the hearing of the Court to sanction the Scheme pursuant to section 899 of the Companies Act and any adjournment, postponement or reconvening thereof;
“Scheme Record Time”	6.00 p.m. on the Business Day immediately following the date on which the Court makes the Court Order or such other time as Tungsten and Bidco may agree;
“Scheme Shares”	the Tungsten Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of this Scheme;</li> <li>(ii) (if any) issued after the date of this Document and prior to the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time either on terms that the original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme, in each case (where the context requires), remaining in issue at the Scheme Record Time but excluding any Excluded Shares;</li> </ul>
“Scheme Shareholders”	the holders of Scheme Shares;
“SEC”	the U.S. Securities and Exchange Commission;
“Share Appreciation Rights”	the share appreciation rights granted under the share option scheme for the grant of share appreciation rights operated by Tungsten;
“Shore Capital”	together Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited;
“Special Resolution”	the special resolution to be approved at the General Meeting in connection with, among other things, the approval of the Scheme and the alteration of the Articles of Association of Tungsten by the

	adoption and inclusion of a new article under which any Tungsten Shares issued or transferred after the Scheme Record Time (other than to Bidco and/or its nominees) shall be automatically transferred to Bidco (or as it may direct) (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the Tungsten Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities) and such other matters as may be necessary to implement the Scheme and the delisting of Tungsten Shares;
“subsidiary”, “subsidiary undertaking” and “undertaking”	shall be construed in accordance with the Companies Act;
“Takeover Code”	The City Code on Takeovers and Mergers, as amended from time to time;
“Takeover Offer”	if (subject to the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) Bidco elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 29 of the Companies Act), the offer to be made by or on behalf of Bidco to acquire the issued and to be issued ordinary share capital of Tungsten on the terms and subject to the conditions to be set out in the related offer document (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer);
“Third Party”	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;
“Thoma Bravo”	Thoma Bravo, L.P.;
“Thoma Bravo Responsible Persons”	Andrew Almeida and Kenneth Virnig, being the persons whose names are set out in paragraph 2.4 of Part VIII ( <i>Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo</i> );
“treasury shares”	any ordinary shares of Tungsten held by Tungsten as treasury shares;
“Truell Associates”	associates of Mr Edmund Truell, being Issus LP and Long Term Assets Limited;
“Tungsten” or “Company”	Tungsten Corporation plc, a company incorporated in England and Wales with registered number 07934335;
“Tungsten Board”	the Tungsten Directors acting together as the board of directors of Tungsten;
“Tungsten Directors”	the directors of Tungsten, whose names are set out in paragraph 2.1 of Part VIII ( <i>Additional Information on Tungsten, Bidco, Kofax and Thoma Bravo</i> ) of this Document;
“Tungsten Group”	Tungsten and its subsidiaries and subsidiary undertakings and, where the context permits, each of them;
“Tungsten Share(s)”	ordinary shares of 0.438 pence each in the capital of Tungsten and any further shares which are unconditionally allotted or issued before the Effective Date, but excluding any such shares held or which become held in treasury;

“Tungsten Share Plans”	the LTIP, DSBP, the UK Share Option Plan, the U.S. Stock Option Plan and Share Appreciation Rights;
“Tungsten Shareholders”	the holders of Tungsten Shares from time to time;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Share Option Plan”	the UK Share Option Plan operated by Tungsten under which options over ordinary shares have been granted to employees;
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“U.S. Exchange Act”	the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
“U.S. Tungsten Shareholder”	an Tungsten Shareholder resident or located in the United States of America;
“U.S. Stock Option Plan”	the U.S. Stock Option Plan operated by Tungsten under which options over ordinary shares have been granted to employees;
“Voting Record Time”	6.30 p.m. on the day which is two Business Days prior to the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned Meeting;
“Wider Bidco Group”	Bidco and the subsidiaries and subsidiary undertakings of Bidco and associated undertakings (including any joint venture, partnership, firm or company) in which any member of the Bidco Group and any such undertakings (aggregating their interests) have a substantial interest); and
“Wider Tungsten Group”	Tungsten and the subsidiaries and subsidiary undertakings of Tungsten and associated undertakings (including any joint venture, partnership, firm or company) in which any member of the Tungsten Group and any such undertakings (aggregating their interests) have a substantial interest.

- “subsidiary”, “subsidiary undertaking”, “undertaking”, “associated undertaking” have the meanings given by the Companies Act;
- references to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of the 2.7 Announcement;
- all references to “GBP” and “pence” are to the lawful currency of the United Kingdom and all references to “USD” are to the lawful currency of the United States;
- references to the singular include the plural and vice versa; and
- all times referred to are London time unless otherwise stated.

## **PART X**

### **NOTICE OF COURT MEETING**

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

**CR-2022-001087**

#### **IN THE MATTER OF TUNGSTEN CORPORATION PLC**

**and**

#### **IN THE MATTER OF THE COMPANIES ACT 2006**

NOTICE IS HEREBY GIVEN that, by an order dated 21 April 2022 made in the above matters, the Court has given permission for a meeting (the “Court Meeting”) to be convened of the holders of Scheme Shares as at the Voting Record Time (each as defined in the Scheme (defined below)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “Companies Act”) between Tungsten Corporation PLC (the “Company”) and the holders of Scheme Shares (the “Scheme”) and that such meeting will be held at the offices of Memery Crystal, 165 Fleet Street, London EC4A 2DY at 10.00 a.m. on 18 May 2022.

A copy of the Scheme and a copy of the explanatory statement required to be published pursuant to section 897 of the Companies Act are included in the Document of which this notice forms part.

Unless the context requires otherwise, any capitalised term used but not defined in this notice shall have the meaning given to such term in the Document of which this notice forms part.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chairman of the Court Meeting may determine.

#### **Possibility of COVID-19 Restrictions**

The COVID-19 situation is constantly evolving and the UK Government may implement new measures relating to the holding of shareholder meetings. As such, while Scheme Shareholders will be permitted to attend, ask questions and/or raise any objections and vote at the Court Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Scheme Shareholders are nevertheless encouraged to appoint “the Chairman of the meeting” as their proxy for the Court Meeting. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Court Meeting, that proxy may not be permitted to attend the Court Meeting in person.

Any changes to the arrangements for the Court Meeting will be communicated to you before the Meetings, including through Tungsten’s website [www.Tungsten-Network.com](http://www.Tungsten-Network.com) and by announcement through a Regulatory Information Service.

#### **Right to Appoint a Proxy; Procedure for Appointment**

Voting at the Court Meeting will be by poll. Scheme Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting as soon as possible, using any of the methods (by post electronically through CREST) set out below.

The completion and return of the BLUE Form of Proxy by post (or transmission of a proxy appointment or voting instruction electronically, online, through CREST or by any other procedure described below) will not prevent you from attending and voting at the Court Meeting in person if you are entitled to and wish to do so.

(a) ***Sending BLUE Form of Proxy by post***

A BLUE Form of Proxy, for use at the Court Meeting, has been provided with this notice. Instructions for its use are set out on the form. It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company's Registrar, Equiniti, by post to Equiniti Group plc, either in writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received as soon as possible and ideally not later than 10.00 a.m. on 16 May 2022 (or, in the case of an adjournment of the Court Meeting, 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time appointed for the adjourned meeting).

If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

(b) ***Electronic appointment of proxies through CREST***

If you hold Tungsten Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the Court Meeting (as set out in (a) above or any adjournment thereof). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. If the CREST proxy appointment or instruction is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Tungsten may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the CREST Regulations.

*Voting Record Time*

Entitlement to attend and vote (in person or by proxy) at the Court Meeting or any adjournment thereof and the number of votes which may be cast at the Court Meeting will be determined by reference to the register of members of the Company at 6.30 p.m. on 16 May 2022 or, if the Court Meeting is adjourned, 6.30 p.m. on the date which is two Business Days before the date fixed for the adjourned

meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the Court Meeting.

#### *Joint Holders*

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

#### *Corporate Representatives*

As an alternative to appointing a proxy, any holder of Scheme Shares which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said order, the Court has appointed Tony Bromovsky or, failing him, Nicholas Wells, or failing him, Andrew Coulsen, or failing him, Paul Cooper, or failing him, Andrew Doman to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 25 April 2022  
Memery Crystal  
165 Fleet Street

London EC4A 2DY  
*Solicitors for the Company*

#### **Nominated Persons**

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "Nominated Person") does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by shareholders of the Company. However, Nominated Persons may, under an agreement between them and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.



**PART XI**  
**NOTICE OF GENERAL MEETING**  
**TUNGSTEN CORPORATION PLC**

Notice is hereby given that a general meeting of Tungsten Corporation PLC (the “Company”) will be held at the offices of Memery Crystal, 165 Fleet Street, London EC4A 2DY, at 10.15 a.m. on 18 May 2022 (or as soon thereafter as the Court Meeting (as defined in Part IX (*Definitions*) of the Document of which this notice forms part) concludes or is adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

Unless the context requires otherwise, any capitalised term used but not defined in this notice shall have the meaning given to such term in the Document of which this notice forms part.

**SPECIAL RESOLUTION**

**THAT:**

1. for the purpose of giving effect to the scheme of arrangement dated 25 April 2022 (as amended or supplemented) (the “Scheme”) between the Company and the holders of Scheme Shares (as defined in the Scheme), a copy of which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, in its original form or with or subject to any modification, addition, or condition agreed by the Company and Project California Bidco Limited and approved or imposed by the High Court of Justice of England and Wales, the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
2. with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new Article 143:  
“143. Scheme of Arrangement  
143.1 In this article 143, references to the “Scheme” are to the Scheme of Arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 25 April 2022 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company, Project California Bidco Limited (“Bidco”)) and (save as defined in this article) terms defined in the Scheme shall have the same meanings in this article.  
143.2 Notwithstanding any other provisions in these articles, if the Company issues or transfers out of treasury any Tungsten Shares (other than to Bidco, any subsidiary of Bidco, any parent undertaking of Bidco or any subsidiary of such parent undertaking, or any nominee of Bidco (each a “Bidco Company”)) on or after the date of the adoption of this article 143 and prior to the Scheme Record Time (as defined in the Scheme), such Tungsten Shares shall be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original holder or subsequent holders of such Tungsten Shares shall be bound by the Scheme accordingly.  
143.3 Notwithstanding any other provision of these articles, subject to the Scheme becoming Effective, any shares issued, transferred out of treasury or transferred pursuant to article 143(d) below, to any person (other than a Bidco Company or its nominee(s)) at or after the Scheme Record Time (a “New Member”) (each a “Post-Scheme Share”) shall be issued or transferred on terms that they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue or transfer (but subject to the terms of articles 143.4 and 143.5 below)), be immediately transferred to Bidco (or such person as it may direct) (the “Purchaser”), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment by or on behalf of Bidco to the New Member of an amount in cash for each Post-Scheme Share equal to the consideration to which a New Member would have been entitled pursuant to the Scheme becoming Effective had such Post-Scheme Share been a Scheme Share.

- 143.4 Any person who is beneficially entitled to shares issued or transferred to a New Member (other than, for the avoidance of doubt, a person who becomes beneficially entitled to shares by virtue of a transfer pursuant to this article 143.4) may, prior to the issue or transfer of Post-Scheme Shares to the New Member pursuant to the exercise of an option or satisfaction of an award under one of the Tungsten Share Plans (as defined in the Scheme), give not less than two Business Days' written notice to the Company in such manner as the board shall prescribe of their intention to transfer some or all of such Post-Scheme Shares to their spouse or civil partner and may, if such notice has been validly given, on or before such Post-Scheme Shares being issued to them, immediately transfer to their spouse or civil partner beneficial ownership of any such Post-Scheme Shares, provided that such Post-Scheme Shares (including both legal and beneficial ownership thereof) will then be immediately transferred to the Purchaser pursuant to article 143.3 above. If notice has been validly given pursuant to this article 143.4 but the beneficial owner does not immediately transfer to their spouse or civil partner, both the legal and beneficial ownership of the Post-Scheme Shares in respect of which notice was given will be transferred to the Purchaser and/or its nominee(s) pursuant to article 143.3 above. If notice is not given pursuant to this article 143.4, both the legal and beneficial ownership of the Post-Scheme Shares will be immediately transferred to the Purchaser pursuant to article 143.3 above.
- 143.5 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date (as defined in the Scheme), the value of the consideration per Post-Scheme Share to be paid under article 143.3 shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this article to Tungsten Shares shall, following such adjustment, be construed accordingly.
- 143.6 To give effect to any transfer of Post-Scheme Shares required pursuant to article 143.3 and/or 143.4, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to article 143.3 above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Shares as soon as practicable and in any event no later than 14 days after the date on which the Post-Scheme Shares are issued to the New Member.
- 143.7 If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) clause 18 of the Scheme, this article 143 shall cease to be of any effect.
- 143.8 Notwithstanding any other provision of these articles, both the Company and the board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser and/or its nominee(s) pursuant to the Scheme."

*By Order of the Board*

*Registered Office:*  
Pountney Hill House  
6 Laurence Pountney Hill  
London  
EC4R 0BL

**Patrick Clark**

Group General Counsel and Company Secretary

Registered in England and Wales No. 07934335

**Notes:**

The following notes explain your general rights as a shareholder and your right to attend and vote at the General Meeting or to appoint someone else to vote on your behalf. The nature of business of the General Meeting is to consider and, if thought fit, pass the Special Resolution.

**1. Special Resolution**

In order for the Special Resolution above to be passed, not less than 75 per cent. of the votes cast by those entitled to vote must be in favour in order to pass the resolution as a Special Resolution.

**2. Attendance at the Meeting**

The COVID-19 situation is constantly evolving, and the UK Government may implement new measures relating to the holding of shareholder meetings. As such, while Tungsten Shareholders will be permitted to attend, ask questions and vote at the General Meeting in person if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force), Tungsten Shareholders are nevertheless encouraged to appoint "the Chairman of the meeting" as their proxy for the General Meeting. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the General Meeting, that proxy may not be permitted to attend the General Meeting in person.

Any changes to the arrangements for the General Meeting will be communicated to Tungsten Shareholders before the Meetings, including through Tungsten's website [www.Tungsten-Network.com](http://www.Tungsten-Network.com) and by announcement through a Regulatory Information Service.

**3. Entitlement to attend and vote**

Pursuant to Regulation 41(1) of the CREST Regulations, the Company has specified that only those members registered on the register of members of the Company at 6.30 p.m. on 16 May 2022 (the "Voting Record Time") (or, if the meeting is adjourned to a time more than 48 hours after the Voting Record Time, by 6.30 p.m. on the day which is two Business Days prior to the time of the adjourned meeting) shall be entitled to attend and vote (in person or by proxy) at the General Meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Voting Record Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

**4. Appointment of proxies**

Tungsten Shareholders are strongly encouraged to submit proxy appointments and instructions for the General Meeting as soon as possible, using any of the methods (by post, online, or electronically through CREST) set out below. In particular, given the ongoing uncertainty regarding the ongoing COVID-19 situation, Tungsten Shareholders are encouraged to appoint "the Chairman of the meeting" as their proxy for the General Meeting. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the General Meeting, that proxy may not be permitted to attend the General Meeting in person.

A member entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of the member's rights to attend and, on a poll, to vote instead of them. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy they should contact Equiniti for further YELLOW forms of proxy or photocopy the YELLOW Form of Proxy as required.

The completion and return of the YELLOW Form of Proxy by post (or transmission of a proxy appointment or voting instruction electronically, online, through CREST or by any other procedure described below) will not prevent Tungsten Shareholders from attending and voting at the General Meeting if they are entitled to and wish to do so (subject to any applicable COVID-19 restrictions then in force).

**(A) Sending YELLOW Form of Proxy by post**

A YELLOW Form of Proxy, for use at the General Meeting, has been provided with this notice. Instructions for its use are set out on the form. It is requested that the YELLOW Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company's Registrar, Equiniti, by post to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received as soon as possible and in any event not later than 10.15 a.m. on 16 May 2022 (or, in the case of an adjournment of the General Meeting, 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time appointed for the adjourned meeting).

If the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

**(B) Electronic appointment of proxies through CREST**

If you hold Tungsten Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the General Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the General Meeting (as set out in paragraph (a) above) or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Tungsten may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

**5. Appointment of a proxy by joint holders**

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company's register of members in respect of the joint holding.

## **6. Corporate representatives**

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to vote in respect of the same shares: if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and in other cases, the power is treated as not exercised.

## **7. Votes to be taken by a poll and results**

At the General Meeting voting on the Special Resolution will be by poll. The results of the polls will be announced through a Regulatory Information Service and published on the Company's website as soon as reasonably practicable following the conclusion of the General Meeting.

The 'Withheld' option on the YELLOW Form of Proxy is provided to enable Tungsten Shareholders to abstain from voting on the Special Resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of proportion of votes 'For' and 'Against' the Special Resolution.

## **8. Nominated persons**

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "Nominated Person") may, under an agreement between them and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 5 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

## **9. Website providing information regarding the General Meeting**

Information regarding the General Meeting, including information required by section 311A of the Companies Act, and a copy of this Notice may be found on Tungsten's website at: [www.Tungsten-Network.com](http://www.Tungsten-Network.com).

## **10. Issued share capital and total voting rights**

As at 21 April 2022 (being the Latest Practicable Date) the Company's issued share capital consisted of 126,537,962 ordinary shares of 0.438 pence each, carrying one vote each (there are currently no shares held in treasury). Therefore, the total voting rights in the Company as at 21 April 2022 were 126,537,962 votes.

## **11. Further questions and communication**

Under section 319(a) of the Companies Act, any shareholder attending the General Meeting has the right to ask questions. As set out above, Tungsten Shareholders, if attending in person, will be permitted to ask questions at the General Meeting (subject to the applicable COVID-19 restrictions then in force).

Tungsten Shareholders may submit questions to be considered at the General Meeting at any time up to 48 hours before the General Meeting by emailing [Patrick.Clark@Tungsten-Network.com](mailto:Patrick.Clark@Tungsten-Network.com). The Chairman of the General Meeting will ensure that all such questions relating to the formal business of the General Meeting are addressed during the General Meeting, unless no response is required to be provided under the Companies Act or the Company's Articles of Association, including if the provision of a response would, at the Chair's discretion, otherwise be undesirable in the interests of the Company or the good order of the General Meeting.

Tungsten Shareholders who have any queries about the General Meeting should contact the Shareholder Helpline operated by Equiniti, the Company's Registrar, on 0371 384 2050 from the UK or +44 371 384 2050 from overseas. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Tungsten Shareholders may not use any electronic address or fax number provided in this Notice or in any related documents to communicate with the Company for any purpose other than those expressly stated. Any electronic communications, including the lodgement of any electronic proxy form, received by the Company, or its agents, that is found to contain any virus will not be accepted.



