

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. The whole of this Document should be read, but your attention is in particular drawn to the section entitled "Risk Factors" at Part II of this Document.**

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to 5.00 p.m. on the Record Date, please immediately forward this Document, together with the accompanying Form of Proxy and, if relevant, the Application Form as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications which will be in the Application Form (if relevant).

The Directors, whose names appear on page 4 of this Document, and the Company accept responsibility, collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The distribution of this Document and any accompanying documents to jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and neither this Document nor the Application Form forms part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for New Ordinary Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this Document and/or any of the accompanying documents comes should inform themselves about and observe such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

**This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of the FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 of the FSMA.** Application will be made for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

**This Document does not comprise an admission document under the AIM Rules and neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this Document. This Document does not constitute a recommendation regarding securities of the Company. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List. The New Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made.** Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is anticipated that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 20 December 2016.

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# LightwaveRF plc

*(incorporated and registered in England and Wales under number 06690180)*

## **Proposed Subscription of 384,615 New Ordinary Shares Proposed Open Offer of up to 8,229,903 New Ordinary Shares in each case at an issue price of 13p per share and Notice of General Meeting**

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Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this Document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below and to the section headed "Risk Factors" in Part II of this Document. The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 15 December 2016. The procedure for application and payment for Qualifying Shareholders is set out in paragraph 3 of Part III of this Document, and, where relevant, in the accompanying Application Form to be sent to Qualifying Non-CREST Shareholders.

**Notice of a General Meeting of LightwaveRF plc, to be held at LightwaveRF plc, The Birmingham Science Park Aston, Faraday Wharf, Holt Street, Birmingham B7 4BB, UK at 11.00 a.m. on 19 December 2016 is set out at the end of this Document. To be valid the accompanying Form of Proxy for use in connection with the meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Neville Registrars Limited, by not later than 11.00 a.m. on 15 December 2016. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish. For full details on proxy appointments, see the notes to the Notice of General Meeting and the Form of Proxy.**

WH Ireland, which is authorised and regulated in the UK by the Financial Conduct Authority, is acting as nominated adviser and financial adviser to the Company in connection with the matters described in this Document and is not acting for any other persons in relation to the Open Offer and Admission. WH Ireland is acting exclusively for the Company and for no one else in relation to the contents of this Document and persons receiving this Document should note that WH Ireland will not be responsible to anyone other than the Company for providing the protections afforded to clients of WH Ireland or for advising any other person on the arrangements described in this Document. WH Ireland has not authorised the contents of, or any part of, this Document and/or the Application Form and no liability whatsoever is accepted by WH Ireland for the accuracy of any information or opinions contained in this Document and/or the Application Form or for the omission of any information. The responsibilities of WH Ireland as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this Document and/or the Application Form, or otherwise.

The New Ordinary Shares to be issued will, following their issue, rank *pari passu* with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The New Ordinary Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the New Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into such jurisdictions. Overseas Holders and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this Document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

## IMPORTANT INFORMATION

The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any other Restricted Jurisdiction. The New Ordinary Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares are being offered and sold either: (i) outside the United States in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements in Regulation S under the Securities Act; or (ii) in the United States in private placement transactions not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the Securities Act provided by Section 4(2) under the Securities Act or another applicable exemption therefrom. There will be no public offer of the New Ordinary Shares in the United States.

WH Ireland makes no representation or warranty to any offeree or purchaser of the New Ordinary Shares regarding the legality of any investment in the securities by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his, her or its own advisers as to the legal, tax, business, financial and related aspects of a purchase of the New Ordinary Shares.

None of the New Ordinary Shares, the Application Form, this Document nor any other document connected with the Fundraising have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the New Ordinary Shares, the Application Form or the accuracy or adequacy of this Document or any other document connected with the Fundraising. Any representation to the contrary is a criminal offence.

Notwithstanding anything to the contrary herein, each prospective investor may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and tax structure of the Company and of the transactions contemplated by the Company. For this purpose, "tax structure" shall mean any fact that may be relevant to understanding the purported or claimed US federal tax treatment of the transaction; provided that none of the following shall for this purpose constitute tax treatment or tax structure information: the name of or other identifying information relating to the performance of the Company or its operations.

Not all Shareholders will be Qualifying Shareholders. Subject to certain exceptions, Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Fundraising and will not be sent an Application Form or otherwise be permitted to participate in the Fundraising. The attention of Overseas Shareholders is drawn to paragraph 6 of Part III of this Document.

**The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 15 December 2016. The procedure for application and payment for Qualifying Shareholders is set out in Part III of this Document, and, where relevant, in the accompanying Application Form.**

This Document may contain statements about LightwaveRF that are or may be "forward-looking statements". All statements, other than statements of historical facts, included in this Document may be forward-looking statements and are subject to, *inter alia*, the risk factors described in Part II of this Document. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", "would", "could", "continue", "potential" or words or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements include matters which are not facts. They appear in a number of places throughout this Document and include (without limitation) statements regarding the Directors' intentions, understanding, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth and strategies. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of LightwaveRF. These forward-looking statements involve known and unknown risks, uncertainties

and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules), LightwaveRF does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to LightwaveRF or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Shareholders should not construe the contents of this Document as legal, tax or financial advice, and should consult with their own advisers as to the matters described herein.

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### DIRECTORS OF THE COMPANY

Barry Gamble	<i>Non-executive Chairman</i>
Mike Lord	<i>Chief Executive Officer</i>
Kevin Edwards	<i>Chief Financial Officer</i>
John Shermer	<i>Chief Technical Director</i>
Tom Sykes	<i>Commercial Director</i>
Steven Harris	<i>Non-executive Director</i>

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2016

Record Date for the Open Offer	6.00 p.m. on 17 November
Announcement of the Open Offer	21 November
Existing Ordinary Shares marked “ex” by the London Stock Exchange	21 November
Basic Entitlements credited to stock accounts in CREST of Qualifying CREST Holders	22 November
Recommended latest time for requesting withdrawal of Basic Entitlements from CREST	4.30 p.m. on 9 December
Latest time for depositing Basic Entitlements and/or Excess Entitlements into CREST	3.00 p.m. on 12 December
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 13 December
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 15 December
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 15 December
General Meeting	11.00 a.m. on 19 December
Admission and commencement of dealings of the New Ordinary Shares	8.00 a.m. on 20 December
New Ordinary Shares credited to CREST stock accounts	20 December
Despatch of definitive share certificates for New Ordinary Shares	week commencing 2 January 2017

### Notes:

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (iii) The timing of the events in the above timetable and in the rest of this Document is indicative only.
- (iv) In order to subscribe for New Ordinary Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part III of this Document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Neville Registrars on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant, quoting the allotment number of their Application Form. Calls to the Neville Registrars’ help lines are charged at your provider’s standard rates for national or, as the case may be, international calls. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

## OPEN OFFER STATISTICS

Closing Price per Existing Ordinary Share on 18 November 2016	16.5 pence
Closing Price per Existing Ordinary Share on 22 November 2016	16.375 pence
Number of Qualifying Ordinary Shares	20,574,759
Number of Ordinary Shares issued pursuant to the Firm Subscription <sup>1</sup>	7,980,709
Number of Existing Ordinary Shares in issue	28,555,528
Basic Entitlement under the Open Offer	2 Open Offer Shares for every 5 Qualifying Shares
Issue Price of each New Ordinary Share	13 pence
Discount to market price of 16.5 pence per Existing Ordinary Share <sup>2</sup>	21.2 per cent.
Number of Open Offer Shares to be offered for subscription by Qualifying Shareholders	8,229,903
Number of Subscription Shares to be issued pursuant to the Subscription	384,615
Enlarged Share Capital <sup>3</sup>	37,170,046
Expected proceeds of the Open Offer (before expenses) <sup>3</sup>	£1.07 million
Expected proceeds of the Subscription (before expenses)	£0.05 million
Expected proceeds of the Fundraising (before expenses) <sup>3</sup>	£1.12 million
Enlarged Share Capital following Admission <sup>3</sup>	37,170,046
Percentage of Enlarged Share Capital represented by the Subscription Shares <sup>3</sup>	1.0 per cent.
Percentage of Enlarged Share Capital represented by the Open Offer Shares <sup>3</sup>	22.1 per cent.
Estimated net proceeds of the Fundraising <sup>3</sup>	up to £1.05 million

*Notes:*

1. Comprises 7,692,307 Ordinary Shares issued pursuant to the Firm Subscription and 288,462 Ordinary Shares issued in lieu of fees.
2. Based on the Closing Price on 18 November 2016, being the last practicable date prior to the publication of this Document.
3. Assuming full subscription under the Open Offer.

## DEFINITIONS

The following definitions apply throughout this Document and the accompanying Form of Proxy and Application Form, unless the context requires otherwise or unless it is otherwise specifically provided:

“Admission”	admission of the New Ordinary Shares to trading on AIM
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies published by London Stock Exchange
“Application Form”	the application form relating to the Open Offer which accompanies this Document (where relevant)
“Basic Entitlement”	the number of Open Offer Shares which Qualifying Holders are entitled to subscribe for at the Issue Price <i>pro rata</i> to their holding of Qualifying Shares pursuant to the Open Offer as described in Part III of this Document
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-divisions thereof
“Certificated” or “certificated form”	recorded on a company’s share register as being held in certificated form (i.e., not in CREST)
“City Code”	the City Code on Takeovers and Mergers
“Conditional Subscription”	the proposed issue and allotment at 13 pence of the Subscription Shares as described in this Document
“Closing Price”	the closing middle market quotation of an Existing Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
“Companies Act” or “Act”	Companies Act 2006 (as amended)
“Company” or “LightwaveRF”	LightwaveRF plc (registered number 06690180)
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 November 1996 and as amended since) as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)

“CREST payment”	shall have the meaning given in the CREST Manual
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST Participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all-CREST personal members)
“Directors” or “Board”	the directors of the Company whose names appear on page 4 of this Document
“Document” or “Circular”	this document which for the avoidance of doubt does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
“enabled for settlement”	in relation to Basic Entitlements and Excess Entitlements, enabled for the limited purpose of settlement of claim transactions and USE transactions
“Enlarged Share Capital”	the issued ordinary share capital of LightwaveRF immediately following Admission
“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	to the extent that Basic Entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy excess applications, subject to a maximum of 8,229,903 Open Offer Shares in aggregate, as described in Part III of this Document
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions of this Document
“Excess Entitlements”	the entitlement for Qualifying Shareholders to apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility, as described in Part III of this Document
“Excess Shares”	the Open Offer Shares applied for under the Excess Application Facility
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this Document
“Firm Subscription”	the issue and allotment of the Firm Subscription Shares to new investors as announced on 16 November 2016
“Firm Subscription Shares”	the 7,980,769 new Ordinary Shares issued and allotted in connection with the Firm Subscription, being 7,692,307 new Ordinary Shares issued pursuant the Firm Subscription, and the 288,462 new Ordinary Shares issued in lieu of professional fees



“Form of Proxy”	the form of proxy accompanying this Document for use at the General Meeting
“FCA”	the Financial Conduct Authority of the UK
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	together the Conditional Subscription and Open Offer
“General Meeting” or “GM”	the general meeting of the Company as described in this Document, notice of which is set out at the end of this Document
“Group”	the Company and its subsidiaries
“ISIN”	International Securities Identification Number
“Issue Price”	13 pence per New Ordinary Share
“Japan”	Japan, its cities, prefectures, territories and possessions
“Listing Rules”	the Listing Rules of the UKLA made in accordance with section 73A(2) of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Money Laundering Regulations 2007 (as amended and supplemented from time to time)
“Net Proceeds”	the proceeds of the Fundraising less costs from the Conditional Subscription and (assuming full subscription) the Open Offer
“Neville Registrars” or “Registrars”	Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B62 3DA
“New Ordinary Shares”	the Subscription Shares and the Open Offer Shares
“Open Offer”	the proposed issue and allotment at 13 pence per share of the Open Offer Shares to Qualifying Shareholders as further described in this Document
“Open Offer Shares”	the maximum of 8,229,903 Ordinary Shares to be issued and allotted to Qualifying Shareholders pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of the Company
“Overseas Shareholders” or “Overseas Holders”	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK
“Panel”	the Panel on Takeovers and Mergers
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
“Qualifying CREST Holders” or “Qualifying CREST Shareholders”	Qualifying Holders holding Qualifying Shares in uncertificated form

“Qualifying Holders” or “Qualifying Shareholders”	Shareholders whose names appear on the register of members of LightwaveRF on the Record Date as holders of Qualifying Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this Document
“Qualifying non-CREST Holders” or “Qualifying non-CREST Shareholders”	Qualifying Holders holding Existing Ordinary Shares in certificated form
“Qualifying Shares”	the Ordinary Shares that qualify for the Open Offer, being the Existing Ordinary Shares less the Firm Subscription Shares
“Receiving Agent”	Neville Registrars
“Record Date”	6.00 p.m. on 17 November 2016
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the notice of General Meeting at the end of this Document
“Restricted Jurisdiction”	the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland and the Republic of South Africa, or any other jurisdiction where the distribution of this Document and/or the offer or sale of Ordinary Shares would constitute a breach of local securities laws or regulations
“RIS”	a regulatory information service as defined by the Listing Rules
“Securities Act”	the US Securities Act of 1933, as amended
“Shareholders”	holders of Ordinary Shares
“Sterling”	pounds sterling, the basic unit of currency in the UK
“Subscription Shares”	the 384,615 New Ordinary Shares being issued pursuant to the Conditional Subscription
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part IV of FSMA
“uncertificated” or “uncertificated form”	recorded on the relevant register or other record of the share or other security as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by way of CREST
“USE”	unmatched stock event
“VAT”	value added tax
“WH Ireland”	W H Ireland Limited
“29.9 per cent. Aggregate Limit”	the restriction on the number of Open Offer Shares that each Qualifying Shareholder may receive under the Open Offer on the basis that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring its aggregate interest in the Company to more than 29.9 per cent. of the Enlarged Share Capital

## PART I

### LETTER FROM THE CHAIRMAN OF

# LightwaveRF plc

*(incorporated and registered in England and Wales under number 06690180)*

*Directors:*

Barry Gamble  
Mike Lord  
Kevin Edwards  
John Shermer  
Tom Sykes  
Steve Harris

*Non-executive Chairman*  
*Chief Executive Officer*  
*Chief Financial Officer*  
*Chief Technical Director*  
*Commercial Director*  
*Non-executive Director*

*Registered Office:*

The Birmingham Science Park Aston  
Faraday Wharf  
Holt Street  
Birmingham  
B7 4BB

23 November 2016

Dear Shareholder

### **PROPOSED CONDITIONAL SUBSCRIPTION OF 384,615 NEW ORDINARY SHARES AND PROPOSED OPEN OFFER OF UP TO 8,229,903 NEW ORDINARY SHARES**

#### **NOTICE OF GENERAL MEETING**

#### **1. Introduction**

On 21 November the Company announced details of a fundraising comprising:

- the Conditional Subscription of 384,615 New Ordinary Shares at 13 pence per share to raise £50,000
- a further issue of up to 8,229,903 New Ordinary Shares at 13 pence per share to Qualifying Shareholders pursuant to the Open Offer to raise up to £1.07 million (before expenses)

The issue price of 13 pence per New Ordinary Share represents a discount of 21.2 per cent. against the mid-market price of 16.5 pence per share at which the Ordinary Shares were quoted on AIM as at close of trading on 18 November 2016, the last trading day prior to announcement of the Conditional Subscription and the Open Offer.

The purpose of this Document is to set out the background to and reasons for the Fundraising and to give details of the Conditional Subscription and the Open Offer and to recommend that you vote in favour of each of the Resolutions required to be passed to implement them. The Fundraising is conditional, amongst other matters, on the passing of Resolutions 1 and 2 at the General Meeting, and is expected to complete at 8.00 a.m. on 20 December 2016, being the expected date of Admission. The notice of General Meeting is set out at the end of this Document.

#### **2. Background to and reasons for the Fundraising**

The Company announced on 16 November the Firm Subscription of 7,692,307 new Ordinary Shares with new investors to raise approximately £1 million (before expenses). The Firm Subscription utilised almost all of the Company's existing cash placing authority. The Company also indicated its intention to raise a further £1 million through a Conditional Subscription and Open Offer. Today, the Company is pleased to confirm the details of the Conditional Subscription and Open Offer. The Company intends to raise a total of up to £1.12 million (before expenses) pursuant to the Fundraising.

While the proceeds of the Firm Subscription substantially satisfy the Company's funding requirements to support its anticipated growth and investment plans, some additional headroom would be desirable. Therefore the Directors have decided to seek additional fundraising from existing Shareholders by way of the Open Offer which is on the same terms as the Firm Subscription.

The purpose of the Conditional Subscription is to allow Directors Kevin Edwards and Tom Sykes, who do not currently own shares and therefore will not be able to participate in the Open Offer, to subscribe for shares at the same price as the Open Offer and as the new investors under the Firm Subscription.

### **3. Use of the proceeds of the Fundraising**

The net proceeds of the Fundraising, assuming full subscription under the Open Offer, are expected to be approximately £1.05 million. This, combined with the proceeds of the Firm Subscription, provide total additional net funding of approximately £2.02 million to the Company.

These proceeds will provide resources to support the future sales growth and to develop further the sales and marketing activities of the business as well as accelerate new product development.

### **4. Details of the Condition Subscription and the Open Offer**

LightwaveRF is proposing to raise £0.05 million (before expenses) pursuant to the Conditional Subscription and up to a further £1.07 million (before expenses) pursuant to the Open Offer. The Issue Price of 13 pence per New Ordinary Share represents a discount of 7.1 per cent. against the average mid-market price of 13.99 pence per share at which the Ordinary Shares were quoted on AIM as at close of trading for the last 30 trading days prior to announcement on 16 November 2016 of the Firm Subscription and a discount of 21.2 per cent. to the closing price of 16.5 pence on 18 November 2016, the latest business day prior to announcement of the Conditional Subscription and the Open Offer.

The Conditional Subscription has conditionally raised a total of £0.05 million through the subscription of 384,615 Subscription Shares. Kevin Edwards and Tom Sykes, both of whom are Directors of the Company, have subscribed for 153,846 and 230,769 Subscription Shares respectively. Their subscriptions in the Conditional Subscription constitute a related party transaction under the AIM Rules. The independent Directors, being the Directors other than Kevin Edwards and Tom Sykes, consider, having consulted with WH Ireland, the Company's nominated adviser, that the terms of Conditional Subscription are fair and reasonable insofar as the Shareholders are concerned.

The Conditional Subscription is conditional upon Resolution 1 being passed and Admission occurring no later than 8.00 a.m. on 20 December 2016 (or such later date as the Company and WH Ireland shall agree, being no later than 30 December 2016).

The Open Offer is being made on a pre-emptive basis, allowing all Shareholders on the register as at 6.00 p.m. on 17 November 2016 the opportunity to participate.

The Open Offer provides Qualifying Shareholders with the opportunity to apply to acquire Open Offer Shares at the Issue Price *pro rata* to their holdings of Qualifying Shares as at the Record Date on the following basis:

#### **2 Open Offer Shares for every 5 Qualifying Shares**

and so on in proportion to any other number of Qualifying Shares then held.

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Basic Entitlement.

Shareholders who do not take up any of their Basic Entitlements will experience a dilution to their interests of approximately 23.2 per cent. following the Fundraising (assuming full subscription under the Open Offer). Shareholders who take up their Basic Entitlements in full will obtain an increase to their interests of approximately 7.6 per cent. on the same basis.

#### **Qualifying Shareholders should note that the Open Offer Shares have not been underwritten.**

The Open Offer is subject to the satisfaction, amongst other matters, of the following conditions on or before 20 December 2016 (or such later date, being not later than 8.00 a.m. on 30 December 2016, as the Company and WH Ireland may decide):

- the passing of Resolution 2 at the General Meeting (or any adjournment thereof); and

- Admission becoming effective by 8.00 a.m. on 20 December 2016 (or such later time or date not being later than 8.00 a.m. on 30 December 2016 as the Company and WH Ireland may decide).

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

### **Excess Applications**

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares on the Record Date.

Qualifying Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements are not subscribed by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 8,229,903 Open Offer Shares in aggregate. To the extent that applications are received in respect of an aggregate of more than 8,229,903 Open Offer Shares, excess applications will be scaled back accordingly.

However, excess applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with him/her/it for the purposes of the City Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

**Qualifying Shareholders should note that the Open Offer is not a rights issue.** Qualifying non-CREST Holders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that, in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

### **Settlement and dealings**

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 20 December 2016. Further information in respect of settlement and dealings in the New Ordinary Shares is set out in paragraph 8 of Part III of this Document.

### **Overseas Shareholders**

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part III of this Document.

### **CREST instructions**

Application has been made for the Basic Entitlements for Qualifying CREST Holders to be admitted to CREST. It is expected that the Basic Entitlements will be admitted to CREST on 22 November 2016.

The Excess CREST Open Offer Entitlements will also be admitted to in CREST on 22 November 2016. Applications through the CREST system may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying non-CREST Holder an Application Form which gives details of your Basic Entitlement under the Open Offer (as shown by the number of the Open Offer Shares allocated to you) is enclosed with the Circular. If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 3 of Part III of this Document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 15 December 2016.

If you are a Qualifying CREST Holder, no Application Form is enclosed with this Circular but you will receive a credit to your appropriate stock account in CREST in respect of your Basic Entitlement and if appropriate your Excess Entitlement. You should refer to the procedure for application set out in paragraph 3 of Part III

of this Document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 15 December 2016.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 15 December 2016. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your Basic Entitlement or have your Basic Entitlement credited to your stock account in CREST.

**If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

## **5. Current trading and prospects**

In its interim results for the six months ended 31 March 2016 announced on 26 May 2016, LightwaveRF posted a loss after tax of £384,000 on revenue of £804,000. It also announced an order book of £750,000.

On 14 October 2016 the Company announced that the order book was £800,000 and that the out-turn for the second half of the year ending 30 September 2016 was expected to be in line with first half results. This is still expected to be the case and results for the year ended 30 September 2016 are expected to be announced in mid-January 2017.

On 7 November 2016 the Company announced that its order book was over £1 million following an additional order from its UK electrical wholesale partner, Megaman.

Also in November 2016 the Company announced the launch of Amazon Alexa voice control for the LightwaveRF product range. This marked another milestone following the considerable investment in its cloud platform which is allowing the integration with other systems including IFTTT, Google Nest and now Amazon Alexa. Through just one app, LightwaveRF can either directly operate its comprehensive range of devices or be enhanced by powerfully linking to other platforms.

## **6. General Meeting**

You will find set out at the end of this Document a notice convening the General Meeting to be held at the offices of LightwaveRF, The Birmingham Science Park Aston, Faraday Wharf, Holt Street, Birmingham B7 4BB UK at 11.00 a.m. on 19 December 2016 at which the following resolutions will be proposed as ordinary or special resolutions as indicated below:

- (a) to authorise the Directors to allot Ordinary Shares for the purposes of the Conditional Subscription (special resolution);
- (b) to authorise the Directors to allot Ordinary Shares for the purposes of the Open Offer (special resolution);
- (c) subject to Admission, to generally authorise the Directors to allot relevant securities having an aggregate nominal value of up to £619,500 or, if lower, an aggregate nominal value of up to one third of the nominal value of the Enlarged Share Capital (ordinary resolution);
- (d) to waive statutory pre-emption rights in respect of the allotment of equity securities pursuant to the allotment authority referred to in paragraph (c) above having an aggregate nominal value of up to £619,500 (special resolution); and

## **7. Action to be taken in respect of the General Meeting**

Shareholders will find accompanying to this Document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and in any event not later than 11.00 a.m. on 15 December 2016. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the General Meeting should he/she/it so wish.

## **8. Intentions of the Directors and Committed Capital in relation to the Fundraising**

Kevin Edwards (Chief Financial Officer) and Tom Sykes (Commercial Director) have subscribed (conditionally upon Admission) for 153,846 and 230,769 Subscription Shares respectively. Barry Gamble (Chairman) has indicated his intention to subscribe for his Basic Entitlement, being 206,476 Open Offer Shares.

Committed Capital has indicated its intention to subscribe for at least its Basic Entitlement.

## **9. Additional information**

Your attention is drawn to the risk factors set out in Part II of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this letter.

Details of the action to be taken if you wish to subscribe for Open Offer Shares are provided in Part III of this Document.

## **10. Recommendation**

The Directors believe both the Conditional Subscription and the Open Offer to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as they intend so to do in respect of their beneficial shareholdings amounting to 2,772,856 Existing Ordinary Shares.

Yours faithfully

Barry Gamble  
*Chairman*



## PART II

### RISK FACTORS

**Investors should be aware of the risks associated with an investment in the Company. An investment in the Company may not be suitable for all recipients of this Document. Investors are therefore strongly recommended to consult an investment adviser under the FSMA, who specialises in advising on this type of investment.**

**A prospective investor should carefully consider whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.**

**Accordingly, when evaluating whether to invest in the Company, prospective investors should carefully consider the risks described below. If any of the following risks were to materialise, the Company's business, financial condition, results, prospects and/or future operations could be materially adversely affected. In such case, the market price of the Company's shares might decline and an investor might lose all or part of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have a material adverse effect upon the Company. No inference ought to be drawn from the order in which the following risk factors are presented as to their relative importance or potential effect.**

#### **1. Risks relating specifically to the Company**

##### ***Trading***

The Company's trading expectations are based on assumptions which the Directors consider to be reasonable but which are inherently subject to variation and uncertainty. There can be no assurance or guarantee that any element of those plans will be fulfilled, that the outcome of the Company's strategy will be achieved or that the Company will achieve revenue or be profitable.

##### ***Reliance on software***

The Company's business is reliant on the efficient operation of software which has been specifically developed for the home automation and building control market. The ability of such software to function properly depends upon the Company's ability to protect its network infrastructure, computer equipment and customer files against damage from human error, various natural disasters, power loss, denial of service, security breach and other systems failures. However, despite measures taken by the Company, such as multi-site cloud based data storage and open standard authorisation (OAuth) the occurrence of a natural disaster or other unanticipated problems could result in a loss of customer information or other data integral to the Company's business and/or lead to a material interruption to such business.

##### ***Competition***

There are a number of companies that operate in the Company's market which are in direct competition with the Company. Competitors may have greater research, development, marketing, financial and personnel resources than the Company. Competitors may develop a technology that is more effective or economically viable than those developed by the Company. This could have a negative impact on the Company's results or operations and/or financial condition

##### ***Management of growth***

The Company's growth plans will place additional demand on its management, customer support, marketing and administrative resources. If the Company is unable to manage its growth effectively, its business, operations or financial condition may deteriorate.

##### ***Additional capital requirements in the future***

The Group's capital requirements depend on numerous factors. Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities. In addition, there can be no assurance that the Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Group.



### ***Disruption to the supply chain***

The Company's products are currently manufactured in Asia. Disruption or loss of manufacturing or transport capacity may affect the Company's ability to source its products in a timely fashion or at the same prices.

### ***Currency risk***

The Company reports its results in sterling, whilst some of its costs and revenues will be denominated in currencies outside of its reporting currency. Adverse movements in exchange rates may result in additions to the Company's reported costs or reductions in the Company's reported revenues.

### ***Loss of key personnel***

The Group's performance is dependent upon the continued services and the performance of the executive Directors and other key personnel. The loss of the services of any of the executive Directors or key personnel could have a material adverse effect upon the Group's future.

### ***Ability to pay future dividends***

The Company's ability to pay dividends in the future is dependent upon the extent that it has distributable reserves and cash available for this purpose. The Company can give no assurance to Shareholders that it will pay dividends in the future.

### ***Data protection issues***

Failure to comply with data protection legislation may leave it open to criminal and civil sanctions. In addition, unauthorised access to LightwaveRF's customer data could lead to reputational damage and loss of customer confidence in LightwaveRF which could therefore impair the volume of sales achieved by the Company.

## **2. General industry risks**

### ***General economic conditions***

Market conditions may affect the value of the Company's share price regardless of operating performance. The Group could be affected by unforeseen events outside its control, including natural disasters, terrorist attacks and political unrest and/or government legislation or policy. General economic conditions may affect interest rates and inflation rates. Movements in these rates will have an impact on the Group's cost of raising and maintaining debt financing. Similarly, general economic conditions will impact on the Group's customers, impacting on the Group's ability to win new business and the potential recoverability of amounts owed.

### ***Taxation***

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to Shareholders. Any statements in this Document concerning the taxation of investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

## **3. Risks relating to an investment in Ordinary Shares**

### ***Dilution***

Regardless of whether a Qualifying Shareholder takes up his/her/its entitlements under the Open Offer, the effect of the Firm Subscription and Conditional Subscription will be a reduction of his/her/its proportionate ownership and voting interests in LightwaveRF (unless a Shareholder applies for and obtains Excess Shares under the Open Offer). Shareholders will experience greater dilution in their ownership of, and voting interests in, the Company to the extent they do not subscribe in full for their Basic Entitlement and/or Excess Entitlement. Those Shareholders in a Restricted Jurisdiction, subject to certain exceptions, will in any event not be able to participate in the Open Offer.

***Realisation of investment***

Potential investors should be aware that the value of shares and income from these shares can go down as well as up and that Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Existing Ordinary Shares and/or the New Ordinary Shares may thus be difficult to realise.

***Investment risk and AIM***

The New Shares will be admitted to AIM and it is emphasised that no application is being made for admission of the New Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List. Further, London Stock Exchange has not itself examined or approved the contents of this Document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

***Market for the Company's shares and volatility of share price***

Prospective investors should be aware that the value of an investment in the Company may go down as well as up. In addition, the Company can give no assurance that an active trading market for its shares will develop, or if developed, be sustained in the future. If an active trading market is not developed or maintained, the liquidity and trading price of the Company's shares could be adversely affected. Furthermore, the trading price of the Company's shares may not reflect the underlying value of the investments held by the Company and may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, the timing of investments, changes in the regulatory environment and stock market sentiment towards investment companies.

Investors should consider carefully whether an investment in LightwaveRF is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

This list should not be considered an exhaustive statement of all potential risks and uncertainties.

## PART III

### DETAILS OF THE OPEN OFFER

#### 1. Introduction

The Open Offer has been structured so as to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their existing holdings. Qualifying Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject to a maximum of 8,229,903 Open Offer Shares in aggregate. To the extent that applications are received in respect of an aggregate of more than 8,229,903 Open Offer Shares, excess applications will be scaled back accordingly.

However, excess applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with him/her/it for the purposes of the City Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

The Open Offer Shares to be issued pursuant to the Open Offer will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Qualifying Shares prior to 8.00 a.m. on 21 November 2016, when the Qualifying Shares are marked “ex” the entitlement to the Open Offer, is advised to consult his stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him by the purchaser(s) under the rules of the London Stock Exchange.

The Open Offer has not been underwritten. None of the Open Offer Shares have been conditionally placed with institutional or other investors. Therefore there may be no or fewer than 8,229,903 Open Offer Shares issued under the Open Offer.

The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Companies Act, the Open Offer is being made on the basis that the Open Offer Shares subscribed for will be allotted in any event. Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares will be issued to Qualifying Shareholders who have applied for Open Offer Shares (subject to the terms and conditions set out in this document and the Application Form).

#### 2. The Open Offer

LightwaveRF hereby invites each Qualifying Shareholder, on the terms and subject to the conditions set out herein (and, for Qualifying non-CREST Shareholders, in the accompanying Application Form), to apply to subscribe, at 13 pence per Open Offer Share (payable in full on application and free of all expenses), for any number of Open Offer Shares (subject to the limit of the number of Excess Shares that can be applied for using the Excess Application Facility), being:

##### **2 Open Offer Shares for every 5 Qualifying Shares**

registered in the name of each Qualifying Shareholder on the Record Date and so on in proportion to any other number of Qualifying Shares then held (rounded down to the nearest whole number of Open Offer Shares). Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements.

The Basic Entitlement, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 2 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST. Qualifying CREST Shareholders will have their Basic Entitlements credited to their stock accounts in CREST and should refer to paragraphs 2, 3 and 7 of this Part III and also to the CREST Manual for further information on the relevant CREST procedures.

Basic Entitlements have been rounded down to the nearest whole number of Ordinary Shares and any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlements and will be aggregated and will be made available to Qualifying Shareholders under the Excess Application Facility. Qualifying Shareholders with fewer than 5 Qualifying Shares will not be able to apply for Open Offer Shares.

Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility. Please see below for further details of the Excess Application Facility.

**Holdings of Qualifying Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.**

The aggregate number of Ordinary Shares available for subscription pursuant to the Open Offer is 8,299,903 Ordinary Shares.

The Open Offer is conditional, *inter alia*, upon the following:

- (a) the passing, without amendment, of the Resolution numbered 2 at the General Meeting;
- (b) Admission becoming effective by not later than 8.00 a.m. on 20 December 2016 (or such later time and/or date as the Company and WH Ireland may agree); and
- (c) The Open Offer Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms.

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 20 December 2016 (or such later time and/or date as the Company and WH Ireland may agree), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form in the week commencing 2 January 2017. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 20 December 2016.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 20 December 2016, when dealings in the Open Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate non-interest bearing bank account opened solely for the Open Offer.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a RIS giving details of the revised dates.

**Excess Applications**

Qualifying Shareholders may apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to below ("Excess Entitlements"). The Basic Entitlement, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 2 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders who have taken up their Basic Entitlement in full to apply for any whole number of Ordinary Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit ("Excess

Shares"). Qualifying non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 6, 7, 8 and 9 on the Application Form. Applications for Excess Shares may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications for Excess Shares by Qualifying Shareholders will be met in full or in part or at all.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 8,299,903 Open Offer Shares.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should also note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for by Qualifying Shareholders under their Basic Entitlements will not be sold in the market for the benefit of those who do not apply under the Open Offer but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and the net proceeds will be retained for the benefit of the Company. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer.**

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST where Existing Ordinary Shares are already admitted to CREST and/or Qualifying Shareholders elect for them to be so admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess CREST Open Offer Entitlements are where appropriate expected to be admitted to CREST with effect from 22 November 2016.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer. Overseas Holders are referred to the section entitled "Overseas Holders" set out in paragraph 6 of this Part III.

The Existing Ordinary Shares are in registered form, are traded on the AIM market and are not traded on any other exchange. The Open Offer Shares will also be in registered form, will be issued credited as fully paid and will rank *pari passu* in all respects with the issued Existing Ordinary Shares. The Open Offer Shares will be issued only pursuant to the Open Offer and will not otherwise be marketed or made available in whole or in part to the public.

The proceeds of the Open Offer will be up to £1.07 million (approx.) before expenses. The Open Offer Shares will represent up to approximately 22.1 per cent. of the Enlarged Share Capital, assuming full subscription of the Open Offer Shares.

### **3. Procedure for application and payment**

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his, her or its Basic Entitlement or a Qualifying Shareholder has his, her or its Basic Entitlement and Excess CREST Open Offer Entitlement credited to his, her or its CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form.

However, it will be possible for Qualifying Shareholders to deposit Basic Entitlements and/or Excess Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(g) of this Part III. CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

**Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this Document.**

### 3.1 ***If you have an Application Form in respect of your entitlement under the Open Offer***

#### (a) *General*

Subject as provided in paragraph 6 of this Part III in relation to Overseas Holders, Qualifying non-CREST Holders will have received an Application Form with this Document. The Application Form shows the number of Qualifying Shares registered in their name on the Record Date in Box 1. It also shows the maximum number of Open Offer Shares for which they are entitled to apply under the Basic Entitlements, as shown by the Basic Entitlement allocated to them set out in Box 2. Box 3 shows how much they would need to pay if they wish to take up their Basic Entitlement in full. Qualifying non-CREST Shareholders wishing to take up their Basic Entitlement in full should complete Boxes 6, 8 and 9.

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying non-CREST Shareholders' Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying non-CREST Shareholders with fewer than 5 Qualifying Shares will not receive a Basic Entitlement. Any Qualifying non-CREST Shareholder with fewer than 5 Qualifying Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 3.1(c) of this Part III). Qualifying non-CREST Shareholders may apply for less than their Basic Entitlement should they wish to do so. Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares representing less than their Basic Entitlement may do so by completing Boxes 6, 8 and 9 of the Application Form. Subject to availability, and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, Qualifying non-CREST Shareholders may also apply for any whole number of Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying non-CREST Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, by completing Boxes 6, 7, 8 and 9 of the Application Form (see paragraph 3.1(c) of this Part III). Qualifying non-CREST Shareholders may hold such an Application Form by virtue of a *bona fide* market claim (see paragraph 3.1(b) of this Part III).

The instructions and other terms set out in the Application Form part of the terms of the Open Offer.

#### (b) *Market claims*

Applications by Qualifying non-CREST Holders to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Holder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a market purchase of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" for the purposes of entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 13 December 2016. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Holder who has sold or otherwise transferred all or part of his holding of Qualifying Shares prior to the date upon which the Qualifying Shares were marked "ex" for the purposes of entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty.



Qualifying non-CREST Holders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee or the Receiving Agent in accordance with the instructions set out in the accompanying Application Form. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 3.2(b) below.

(c) *Excess Application Facility*

Provided that Qualifying non-CREST Holders have accepted their Basic Entitlement in full, Qualifying non-CREST Holders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying non-CREST Holders wishing to apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Non-CREST Holder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, may do so by completing Boxes 6, 7, 8 and 9 of the Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility and where such Excess Application is not in excess of the relevant Qualifying Non-CREST Holder's 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion (and with the prior consent of WH Ireland), and no assurance can be given that the applications for Excess Shares by Qualifying non-CREST Holders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Application procedures*

Qualifying non-CREST Holders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply paid envelope (for use only in the UK) or delivered by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, with a cheque drawn in Sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided for members of either of those companies.

**Cheques should be drawn on the personal account to which the shareholder has sole or joint title. Third party cheques will not be accepted with the exception of bankers' drafts/building society cheques where the bank or building society has endorsed the back of the draft or cheque by adding the shareholder's details and the branch stamp.** Such cheques must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application.

Applications must be received by Neville Registrars (at the address detailed above) no later than 11.00 a.m. on 15 December 2016, after which time, subject as set out in this paragraph, Application Forms will not be valid. Once submitted, applications are irrevocable. If an Application Form is being sent by post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery. Cheques should be made payable to "Neville Registrars Limited re: LightwaveRF plc" and crossed "A/C Payee Only". It is a condition of application that cheques will be honoured on first presentation and LightwaveRF may in its absolute discretion elect not to treat as valid any application in respect of which a cheque is not so honoured. LightwaveRF reserves the right in its sole discretion (but with the prior consent of WH Ireland) to (but shall not be obliged to) treat an Application Form as valid and binding on the person by whom or on whose

behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. LightwaveRF further reserves the right (but shall not be obliged) to accept either Application Forms received after 11.00 a.m. on 15 December 2016 but not later than 8.00 a.m. on 16 December 2016 with the envelope bearing a legible postmark not later than 11.00 a.m. on 15 December 2016 or applications in respect of which remittances are received before 8.00 a.m. on 16 December 2016 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days. Multiple applications will not be accepted.

Cheques are liable to be presented for payment upon receipt. Post-dated cheques will not be accepted. If they are presented before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account until the conditions are fully met. If the conditions of the Open Offer are not fulfilled on or before 8.00 a.m. on 20 December 2016, or such later date as LightwaveRF and WH Ireland may determine (being no later than 8.00 a.m. on 30 December 2016), the Open Offer will lapse and all application monies will be returned without interest by crossed cheque in favour of the registered shareholder(s) through the post at their risk as soon as is practicable after that date. Interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(e) *Effect of application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company and WH Ireland that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) confirms to the Company and WH Ireland that in making the application he is not relying and has not relied on WH Ireland or any other person affiliated with WH Ireland in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (iii) confirms to the Company and WH Ireland that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or WH Ireland;
- (iv) requests that the Open Offer Shares to which he, she or it will become entitled be issued to him, her or it on the terms set out in this Document and subject to the articles of association of LightwaveRF;
- (v) agrees that all applications under the Open Offer and contracts resulting therefrom, shall be governed by and construed in accordance with the laws of England;
- (vi) represents and warrants that he, she or it is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he, she or it is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of the application to, or for the benefit of a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction except where proof satisfactory to LightwaveRF has been provided to LightwaveRF that he, she or it is able to accept the invitation by LightwaveRF free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;



- (vii) represents and warrants that he, she or it is not and nor is he, she or it applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (viii) confirms that in making such application he, she or it is not relying on any information in relation to LightwaveRF other than that contained in this Document and agrees that no person responsible solely or jointly for this Document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agrees that having had the opportunity to read this Document, he, she or it will be deemed to have had notice of all the information concerning LightwaveRF contained therein; and
- (ix) represents and warrants that he, she or it is the Qualifying Shareholder originally entitled to the relevant Basic Entitlement or that he, she or it has received such Basic Entitlement by virtue of a *bona fide* market claim.

Should you need advice with regard to these procedures, please contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant, quoting the allotment number of your Application Form. Calls to Neville Registrars help line number are charged at your standard provider's rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying non-CREST Holders who do not wish to apply for Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

Qualifying non-CREST Holders are, however, encouraged to vote at the Central Meeting by attending in person or by completing and returning the Form of Proxy enclosed with this Document,

### **3.2 If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST**

#### **(a) General**

Subject as provided in paragraph 6 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his, her or its stock account in CREST equal to the number of Open Offer Shares which represents his, her or its Basic Entitlement, and also in respect of his, her or its Excess CREST Open Offer Entitlement (an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement), subject always to the 29.9 per cent. Aggregate Limit (calculated as described in paragraph 2 of this Part III). Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlement and will be aggregated and made available under the Excess Application Facility. Any Qualifying CREST Shareholders with fewer than 5 Existing Ordinary Shares will not receive a Basic Entitlement. Any Qualifying Non-CREST Shareholders with fewer than 5 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 3.2(c) of this Part III.)

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Basic Entitlements and Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 8.00 a.m. on 22 November 2016, or such later time and/or date as the Company and WH Ireland may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his, her or its stock account in CREST. In these circumstances, the

expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlement to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below.

Should you need advice with regard to these CREST procedures, please contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant. Calls to Neville Registrars' help line number are charged at your provider's standard national, or as the case may be, international, rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

Each of the Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and the Excess CREST Open Offer Entitlements will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Subject to availability, and assuming that Qualifying CREST Shareholders have accepted their Basic Entitlement in full, Qualifying CREST Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying CREST Shareholder's Basic Entitlement, subject to the 29.9 per cent. Aggregate Limit.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraphs 3.2(d) to (f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer

Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE instruction must be sent to Euroclear in respect of any application under the Excess CREST Open Offer Entitlement.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number. Any fractional Excess Shares will be aggregated and sold for the benefit of the Company.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility subject always to the 29.9 per cent. Aggregate Limit. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications, for Excess Shares by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

Should you need advice with regard to these CREST procedures, please contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant. Calls to Neville Registrars' help line number are charged at your provider's standard national, or as the case may be, international, rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(d) *USE instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlement and Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Registrar under the participant ID and member account ID specified below, with a Basic Entitlement and/or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Registrar in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 3.2(d)(i) above.

(e) *Content of USE instruction in respect of Basic Entitlements*

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of shares comprised in the Basic Entitlement being delivered to Neville Registrars);
- (ii) the ISIN of the Basic Entitlement, which is GB00BOR6ZC88;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;

- (v) the participant ID of Neville Registrars in its capacity as a CREST receiving agent, which is 7RA11;
- (vi) the member account ID of Neville Registrars in its capacity as a CREST receiving agent, which is LRFBASIC;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 15 December 2016; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 December 2016.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (1) a contact name and telephone number (in the free format shared note field); and
- (2) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 15 December 2016 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 20 December 2016 or such later time and date as the Company and WH Ireland determine (being no later than 8.00 a.m. on 30 December 2016), the Open Offer will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

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

- (i) the number of Excess Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BD6ZD95;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Neville Registrars in its capacity as Receiving Agent. This is 7RA11;
- (vi) the member account ID of Neville Registrars in its capacity as Receiving Agent. This is LRFXS;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Shares referred to in paragraph 3.2(f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 15 December 2016; and

- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of a Excess CREST open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 December 2016.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 15 December 2016 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess Entitlement security.

- (g) *Deposit of Basic Entitlements and Excess CREST Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Holder's Basic Entitlement as set out in his, her or its Application Form may be deposited into CREST (either into the account of the Qualifying Holder named in the Application Form or into the file name of a person entitled by virtue of a *bona fide* market claim). Similarly, Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under Basic Entitlements are reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the Basic Entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlement and the entitlement to apply under the Excess Application Facility following its deposit into CREST to take all necessary steps in connection with taking up his, her or its entitlement prior to 11.00 a.m. on 15 December 2016. In particular, having regard to normal processing times in CREST and on the part of Neville Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 12 December 2016, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements from CREST is 4.30 p.m. on 9 December 2016, in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlement following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlement and/or Excess CREST Open Offer Entitlements as the case may be prior to 11.00 a.m. on 15 December 2016.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to LightwaveRF and Neville Registrars by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to LightwaveRF and Neville Registrars from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.



(h) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 15 December 2016 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his, her or its CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 15 December 2016. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, LightwaveRF, through Neville Registrars, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question without payment of interest;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question without payment of interest; and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question, without payment of interest.

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Neville Registrars' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to LightwaveRF the amount payable on application);
- (ii) represents and warrants to the Company and WH Ireland that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (iii) confirms to the Company and WH Ireland that in making the application he is not relying and has not relied on WH Ireland or any other person affiliated with WH Ireland in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (iv) confirms to the Company and WH Ireland that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or WH Ireland;

- (v) requests that the Open Offer Shares to which he, she or it will become entitled be issued to him, her or it on the terms set out in this Document and subject to the articles of association of LightwaveRF;
  - (vi) agrees that all applications under the Open Offer and contracts resulting therefrom shall be governed by, and construed in accordance with, the laws of England;
  - (vii) represents and warrants that he, she or it is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he, she or it is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of the application to, or for the benefit of a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction except where proof satisfactory to LightwaveRF has been provided to LightwaveRF that he, she or it is able to accept the invitation by LightwaveRF free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
  - (viii) represents and warrants that he, she or it is not and nor is he, she or it applying as nominee or agent for a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
  - (ix) confirms that the Open Offer Shares have not been offered to the applicant by the Company, WH Ireland or any of their affiliates, by means of any:
    - (a) “directed selling efforts” as defined in Regulation S under the US Securities Act; or
    - (b) “general solicitation” or “general advertising” as defined in Regulation D under the US Securities Act;
  - (x) confirms that in making such application he, she or it is not relying on any information in relation to LightwaveRF other than that contained in this Document and agrees that no person responsible solely or jointly for this Document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agrees that having had the opportunity to read this Document, he, she or it will be deemed to have had notice of all the information concerning LightwaveRF contained therein; and
  - (xi) represents and warrants that he, she or it is the Qualifying Shareholder originally entitled to the relevant Basic Entitlement or that he, she or it has received such Basic Entitlement by virtue of a *bona fide* market claim.
- (l) *Discretion of the Company as to the rejection and validity of applications*
- The Company at its sole discretion may:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III of this Document;
  - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as LightwaveRF may determine;
  - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which Neville Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction, or thereafter, either LightwaveRF or Neville Registrars have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend

the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Neville Registrars in connection with CREST.

#### **4. Money laundering regulations**

##### **4.1 Holders of Application Forms**

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007 (as amended and supplemented) (the "Money Laundering Regulations"), the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA and the Proceeds of Crime Act 2002 (together with other guidance and source books produced in relation to financial sector firms), Neville Registrars may at its absolute discretion require verification of identity from any person lodging an Application Form (the "applicant") including, without limitation, any applicant who (i) tenders payment by way of cheque drawn on an account in the name of a person or persons other than the applicant, or (ii) appears to Neville Registrars to be acting on behalf of some other person. In the former case, verification of the identity of the applicant may be required. In the latter case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required.

The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (b) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (c) if the aggregate subscription price for the Open Offer Shares is less than the Sterling equivalent of €15,000 (approximately £13,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (i) if payment is made by building society cheque (not being a cheque drawn on an account in the name of the applicant), by the building society or bank endorsing on the cheque the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature;
- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, the Republic of Korea, the Republic of South Africa, Singapore, Switzerland, Turkey, UK Crown Dependencies and the United States and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Neville Registrars. If the agent is not such an organisation, it should contact Neville Registrars using the telephone numbers set out above.

If you deliver your Application Form personally by hand, you should ensure that you have with you evidence of identity bearing your photograph (for example your passport). If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 15 December 2016, Neville Registrars have not received evidence satisfactory to them as aforesaid, Neville Registrars may, at their discretion, as the agents of LightwaveRF, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to



the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

#### 4.2 **Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST**

If you hold your Basic Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlement and/or Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Registrar is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrar as to identity, the Registrar may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as to the identity of the person or persons on whose behalf the application is made.

### **5. No public offering outside the United Kingdom**

LightwaveRF has not taken nor will take any action in any jurisdiction that would permit a public offering of Existing Ordinary Shares in any jurisdiction where action for the purpose is required, other than in the United Kingdom.

### **6. Overseas Holders**

#### 6.1 **General**

The distribution of this Document and the Application Form and the making of the Open Offer to Qualifying Shareholders who are resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Such Overseas Shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to accept the Open Offer and/or apply to subscribe for Open Offer Shares.

As a result of restrictions applicable to any holder of Existing Ordinary Shares with registered or mailing addresses in the United States, Canada, Australia, Japan, their territories or possessions and other Restricted Jurisdictions, this Document and the accompanying Application Form are not being sent to any such holders of Existing Ordinary Shares nor will Basic Entitlements and/or Excess CREST Open Offer Entitlements be credited to the stock account of any such holder.

No person receiving a copy of this Document and/or the Application Form and/or a credit of a Basic Entitlement and/or Excess Open Offer Entitlement to a stock account in CREST in any territory other than the United Kingdom, may treat the same as constituting an invitation or offer to him, her or it to subscribe, nor should he, she or it in any event use such Application Form or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him, her or it or the Application Form or credit of Basic Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any registration or regulation or other legal requirements.

No Basic Entitlements and/or Excess CREST Open Offer Entitlements may be credited to the stock accounts in CREST of certain Overseas Holders unless they can prove to the satisfaction of LightwaveRF that such action would not result in contravention of any applicable legal requirements. Receipt of this Document and/or the Application Form or the crediting of Basic Entitlement and/or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an offer in those territories in which it would be unlawful to make such an offer and, in such circumstances, this Document and/or the Application Form will be treated as confidential, sent for information purposes only and should not be copied or distributed.

It is the responsibility of any Overseas Holder receiving a copy of this Document and/or the Application Form and/or receiving a credit of a Basic Entitlement to a stock account in CREST and wishing to take up the Open Offer to satisfy himself, herself or itself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining all governmental or other consents which may be required, observing all other requisite formalities that need to be observed in such territory, and paying all issue, transfer or other taxes payable in such territory. If you are in any doubt as to your position, you should consult your independent professional adviser.

Persons (including, without limitation, nominees and trustees) receiving an Application Form and/or receiving a credit of a Basic Entitlement to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Basic Entitlement and/or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If an Application Form and/or credit of a Basic Entitlement or Excess CREST Open Offer Entitlement to a stock account in CREST is received by a person in any such jurisdiction or by the agent or nominee of such a person, he, she or it must not seek to apply for Open Offer Shares except pursuant to an express agreement with LightwaveRF. Any person who does forward an Application Form or transfer a Basic Entitlement and/or Excess CREST Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph 6.

LightwaveRF reserves the right (but shall not be obliged) to reject a purported application for Open Offer Shares under the Open Offer in a particular case if it believes doing so may violate applicable legal or regulatory requirements. The provisions of this paragraph 6 and/or any other terms of the Open Offer relating to Overseas Holders may be waived, varied or modified (a) as regards specific holders of Existing Ordinary Shares or (b) on a general basis by LightwaveRF in its absolute discretion (and on such terms and conditions as it may think fit).

All payments under the Open Offer must be made in Sterling.

## 6.2 **United States**

For the purposes of this Document a "US person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States and an estate or trust the income of which is subject to United States federal income taxation regardless of its source; provided, however, that the term "US person" does not include a branch or agency of a US bank or insurance company that is operating outside the United States for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not solely for the purpose of investing in securities not registered under the Securities Act.

The Open Offer Shares and the accompanying Application Form have not been, and will not be, registered under the Securities Act or under the securities laws of any jurisdiction or state of the United States. Accordingly, except in a transaction which is exempt under the legislation, the Open Offer Shares and the Application Form and/or Basic Entitlements and/or Excess Entitlements may not be directly or indirectly offered, sold, renounced, transferred, taken up or delivered, directly or indirectly, in or into the United States or to or for the benefit of US persons. This Document shall not constitute an offer to sell or the solicitation of an offer to buy any of the Open Offer Shares in the United States.

Envelopes containing the Application Form should not be postmarked in the United States or otherwise despatched from the United States. Persons will be deemed to have made an invalid application if they submit the Application Form in an envelope postmarked in the United States or have provided an address in the United States for registration, or do not make the representation and warranty set out in the Application Form to the effect that such person is not in the United States, is not a US person

and is not acting for the account or benefit of a US person. The Open Offer is not therefore being made in the United States or to or for the account or benefit of a US person and holders of Existing Ordinary Shares at the Record Date with registered addresses in the United States will not be Qualifying Shareholders and Application Forms will not be sent to such persons.

### 6.3 **Canada**

No exemptions in connection with the Open Offer have been or will be obtained from any securities commission or similar regulatory authority in Canada. Accordingly, the Open Offer Shares are not being offered, nor may they be offered or sold, directly or indirectly, in Canada or to persons resident in Canada.

No prospectus in relation to the Open Offer Shares will be filed with and no relief from applicable securities law requirements will be obtained from the applicable regulatory authority of any province or territory of Canada.

Holders of Existing Ordinary Shares with registered addresses in Canada will not be Qualifying Holders and no Application Forms will be sent to such persons, nor will Basic Entitlements and/or Excess Entitlements be credited to the stock accounts of such persons.

Persons (including without limitation, nominees and trustees) receiving an Application Form and/or a Basic Entitlement and/or Excess Entitlements should not distribute, send or transfer it or them to persons resident in Canada. LightwaveRF reserves the right to reject an Application Form from persons whom it believes are residents of Canada or persons who are acquiring Open Offer Shares for resale into Canada.

### 6.4 **Australia**

No Application Form, advertisement or other offering material in relation to the Open Offer or the Open Offer Shares has been or will be distributed, directly or indirectly, in or into Australia, nor will Basic Entitlements and/or Excess Entitlements be credited to the stock accounts of such persons. No prospectus in relation to the Open Offer Shares has been or will be lodged with or registered by the Australian Securities and Investments Commission. The Open Offer is not being made in Australia. The Open Offer Shares will not be available for subscription or purchase by any resident of Australia (including corporations and other entities organised under the laws of Australia, but not including a permanent establishment of any such corporation or entity located outside Australia).

Holders of Existing Ordinary Shares with registered addresses in Australia will not be Qualifying Holders and no Application Forms will be sent to, nor will Basic Entitlements and/or Excess Entitlements be credited to, the stock accounts of such persons.

### 6.5 **Japan**

The relevant clearances have not been, and will not be, obtained from the Ministry of Finance of Japan and no circular in relation to the Open Offer Shares has been or will be lodged with or registered by the Ministry of Finance of Japan. The Open Offer Shares may not therefore, subject to certain exceptions, be offered or sold, directly or indirectly, in or into Japan. Accordingly, Application Forms are not being sent to, and no Basic Entitlements and/or Excess Entitlements will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in Japan.

### 6.6 **Other Restricted Jurisdictions**

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this Document or the Application Form into any Restricted Jurisdiction.

## 6.7 **Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements or Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares.

## 6.8 **Representations and warranties relating to Overseas Shareholders**

### (a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, WH Ireland and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the representation and warranty required by this subparagraph 6.8(a).

### (b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company and WH Ireland that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) it is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

## 6.9 **Waiver**

The provisions of this paragraph 6.9 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion with the prior consent of WH Ireland. Subject to this, the provisions of this paragraph supersede any terms of the Open Offer inconsistent herewith. References in this paragraph to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph shall apply to them jointly and to each of them.

## **7. No withdrawal rights**

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

## **8. Settlement and dealings**

The result of the Open Offer is expected to be announced on 19 December 2016. Application will be made to the London Stock Exchange for all of the New Ordinary Shares to be admitted to trading on AIM. It is expected that, subject to the Open Offer becoming unconditional in all respects, Admission will become effective and that dealings in the Open Offer Shares will commence on 20 December 2016. The earliest date for settlement of such dealings will be 20 December 2016.

LightwaveRF's Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the Open Offer Shares, all of which, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Basic Entitlements to be admitted to CREST. The conditions to such admission having already been met, the Basic Entitlements are expected to be admitted to CREST with effect from 22 November 2016. Basic Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 15 December 2016 (the latest time and date for applications under the Open Offer).

Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by LightwaveRF on the day on which all conditions to the Open Offer are satisfied (expected to be 20 December 2016). On this day, Neville Registrars will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 20 December 2016). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Qualifying CREST Holders should note that they will be sent no confirmation of the credit of the Open Offer Shares to their CREST stock account nor any other written communication by LightwaveRF in respect of the issue of the Open Offer Shares.

Notwithstanding any other provision of this Document, LightwaveRF reserves the right to send Qualifying CREST Holders an Application Form instead of crediting the relevant stock account with a Basic Entitlement and/or to issue Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by Neville Registrars in connection with CREST. This right may also be exercised if the correct details (such as participant ID and member account ID details) are not provided as requested.

For Qualifying non-CREST Holders who have applied by using an Application Form, share certificates for the Open Offer Shares validly applied for are expected to be despatched by post during the week commencing 2 January 2017. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying non-CREST Holders will be certified against the register. All documents or remittances sent by or to an applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant.

## **9. Times and dates**

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement on a RIS.

## **10. Taxation**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

## **11. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this Document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of England. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this Document or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Document and, where applicable, the Application Form Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.



## NOTICE OF GENERAL MEETING

# LightwaveRF plc

*Incorporated and registered in England and Wales under number 06690180*

NOTICE is hereby given that a General Meeting of LightwaveRF plc will be held at the offices of the Company, The Birmingham Science Park Aston, Faraday Wharf, Holt Street, Birmingham B7 4BB, UK on 19 December 2016 at 11 a.m. to consider and, if thought fit, pass the following Resolutions, of which Resolution numbered 3 will be proposed as an Ordinary Resolution and Resolutions numbered 1, 2 and 4 will be proposed as Special Resolutions.

### SPECIAL RESOLUTIONS

1. **That** the Directors be and they are:

- (a) generally and unconditionally authorised pursuant to section 551, Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “**Relevant Securities**”) up to an aggregate nominal amount of £19,230.75 in connection with the Conditional Subscription (as that term is defined in the circular to shareholders published by the Company dated 23 November 2016 (the “**Circular**”)); and
- (b) empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under section 551 of the Act conferred by paragraph (a) of this Resolution as if section 561(1) of the Act did not apply to such allotment, provided that such power conferred by this Resolution shall be limited to the allotment of equity securities up to an aggregate nominal value equal to £19,230.75 in connection with the Conditional Subscription,

provided that this power shall expire on 30 December 2016 except that the Company may before the expiry of this power make an offer or agreement which would or might require Relevant Securities or equity securities to be allotted or granted (as applicable) in pursuance of such an offer or agreement as if this power had not expired.

2. **That** the Directors be and they are:

- (a) generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot Relevant Securities up to an aggregate nominal amount of £411,495.15 in connection with the Open Offer (as that term is defined in the Circular); and
- (b) empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the directors under section 551 of the Act conferred by paragraph (a) of this Resolution as if section 561(1) of the Act did not apply to such allotment, provided that such power conferred by this Resolution shall be limited to the allotment of equity securities up to an aggregate nominal value equal to £411,495.15 in connection with the Open Offer,

provided that this power shall expire on 30 December 2016 except that the Company may before the expiry of this power make an offer or agreement which would or might require Relevant Securities or equity securities to be allotted or granted (as applicable) in pursuance of such an offer or agreement as if this power had not expired.

### ORDINARY RESOLUTION

3. **That**, subject to and conditional upon Admission (as that term is defined in the Circular) and in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this Resolution (save for the authorities conferred pursuant to Resolutions 1 and 2 above), the Directors be and they are generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot or grant (as applicable) Relevant Securities up to an aggregate nominal amount of £619,500, or, if lower, Relevant Securities having an aggregate nominal value equal

to one third of the aggregate nominal value of the Enlarged Share Capital (as defined in the Circular), provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2017, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot or grant (as applicable) Relevant Securities in pursuance of such an offer or agreement as if this authority had not expired.

#### **SPECIAL RESOLUTION**

4. **That**, subject to and conditional upon, Admission the Directors be and they are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company wholly for cash pursuant to the authority of the Directors under section 551 of the Act conferred by Resolution 3 above as if section 561(1) of the Act did not apply to such allotment provided that:
- (a) the power conferred by this resolution shall be limited to:
    - (i) the allotment or grant (as applicable) of equity securities in connection with an offer of equity securities to the holders of ordinary shares in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
    - (ii) the allotment or grant (as applicable), otherwise than pursuant to sub-paragraph (i) above, of equity securities up to an aggregate nominal amount of £619,500; and
  - (b) unless previously revoked, varied or extended, this power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2017, except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted or granted (as applicable) after such expiry and the Directors may allot, or grant, (as applicable) equity securities in pursuance of such an offer or agreement as if this power had not expired.

By Order of the Board

Kevin Edwards  
*Company Secretary*

Dated 23 November 2016

LightwaveRF plc  
The Birmingham Science Park Aston,  
Faraday Wharf,  
Holt Street,  
Birmingham B7 4BB



Notes:

#### **Entitlement to attend and vote**

1. Only those members registered on the Company's register of members at 6.00 p.m. on 17 December or, if this General Meeting (the "Meeting") is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

#### **Website giving information regarding the Meeting**

2. Information regarding the Meeting is available from [www.LightwaveRF.com](http://www.LightwaveRF.com).

#### **Attending in person**

3. If you wish to attend the Meeting in person, you will need to bring with you a form of formal identification which includes your photograph, such as a passport or a picture driving licence.

#### **Appointment of proxies**

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
5. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please complete and return the enclosed form of proxy and return it to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA in accordance with the instructions thereon.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

#### **Appointment of proxy using hard copy proxy form**

8. The notes to the proxy form explain how to direct your proxy to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B62 3DA in accordance with the instructions thereon; and
- received by Neville Registrars (at the above address) no later than 11.00 a.m. on 15 December 2016.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

#### **Appointment of proxy by joint members**

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

#### **Changing proxy instructions**

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131, where relevant, quoting the allotment number of your Application Form. Calls to Neville Registrars help line number are charged at your provider's standard rates.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### **Termination of proxy appointments**

11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Neville Registrars no later than 11.00 a.m. on 15 December 2016.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

#### **Corporate representatives**

12. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

#### **Issued shares and total voting rights**

13. As at 5.00 p.m. on 22 November 2016, the Company's issued share capital comprised 28,555,528 ordinary shares of 5 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on 22 November 2016 is 28,255,528.

#### **Questions at the Meeting**

14. The Company will answer any question you ask relating to the business being dealt with at the Meeting unless:
  - (a) answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
  - (b) the answer has already been given on a website in the form of an answer to a question; or
  - (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

#### **Communication**

15. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
  - (a) in writing to the Company Secretary, LightwaveRF plc, The Birmingham Science Park Aston, Faraday Wharf, Holt Street, Birmingham B7 4BB, UK;
  - (b) by email to any electronic address provided either in this notice of general meeting or any related documents (including the chairman's letter and proxy form),to communicate with the Company for any purposes other than those expressly stated.

