



## NOTES

1. Except pursuant to an applicable exemption, this Application Form does not constitute an offer to sell or issue or the solicitation of an offer to buy or to subscribe for, Open Offer Shares in any jurisdiction where such an offer or solicitation is unlawful and any failure to comply with these restrictions may constitute a violation of applicable securities laws in such jurisdictions. The Existing Ordinary Shares, the Open Offer Shares, the Open Offer Entitlements, the Excess Open Offer Entitlements, the Application Form and the Circular have not been, nor will they be, registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) or under the securities legislation of any Restricted Jurisdiction including any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of any Restricted Jurisdiction including the United States of America, Canada, Australia, Japan or the Republic of South Africa or to any US person (within the definition of Regulation S made under the Securities Act) and no regulatory clearances in respect of the Open Offer Shares have been, or will be, applied for in any jurisdiction other than the UK. In addition, offers, sales or transfers of the Open Offer Shares in or into the United States of America for a period of time following completion of the Placing and Open Offer by a person (whether or not participating in the Placing and/or Open Offer) may violate the registration requirement of the Securities Act. Accordingly, the Open Offer Shares are not being, and may not be, taken up, offered, sold resold, delivered or distributed, directly or indirectly, through CREST or otherwise within, into or from the United States of America, or from any Restricted Jurisdiction or to or for the account of, any person with a registered address in, or who is resident in, or a citizen of such jurisdictions or to any person in any country or territory where to do so would or might contravene local securities laws or regulations except through an applicable exemption. The attention of Overseas Shareholders is drawn to the restrictions on application set out in paragraph 6 of Part 3 of the Circular.
2. If you have sold or otherwise transferred all of your registered Existing Ordinary Shares prior to the Ex-entitlement Date, you should complete Box 10 on page 4 of this Application Form and send this Application Form, together with the Circular and Form of Proxy at once, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee, since the benefits arising under the Open Offer may in such event be claimed from you under the rules of the London Stock Exchange. However, the distribution of this Application Form, the accompanying Circular or Form of Proxy into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into any Restricted Jurisdiction including the United States of America, Canada, Australia, Japan or the Republic of South Africa. If you have sold or transferred part of your holding of Existing Ordinary Shares prior to the Ex-entitlement Date, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected and should complete Box 10 on page 4 and send this Application Form at once to the Receiving Agent, Link Asset Services, as set out in paragraph 2 of “If you have transferred your Existing Ordinary Shares or split your holding” on page 2 of this Application Form in order for you and the purchaser or transferee to obtain split application forms, since the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed from you under the rules of the London Stock Exchange.
3. The Open Offer is not a rights issue. Qualifying Shareholders should be aware that in the Open Offer, unlike a rights issue, any Open Offer Shares not applied for will not be sold in the market on behalf of or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but may be subscribed for by Qualifying Shareholders pursuant to the Excess Application Facility or will be available under the Placing, with the proceeds retained for the benefit of the Company.

## INFORMATION ON HOW TO COMPLETE THIS FORM

1. This Application Form should be completed and returned, in the pre-paid envelope provided or returned by post or by hand only during normal office hours, to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as Receiving Agent in relation to the Open Offer), together with a cheque or banker’s draft in respect of the number of Open Offer Shares applied for so as to arrive not later than 11.00 a.m. on 4 December 2017. If you post your Application Form by first class post, you are recommended to allow at least four working days for delivery. No receipt will be given for this Application Form or the application monies. All documents or remittances sent by or to an applicant, or as he may direct, will be sent through the post at his risk.
2. Applications may be made for Excess Shares in excess of your Open Offer Entitlement (as shown in Box 4). If you wish to apply for more than your Open Offer Entitlement, you should complete Boxes 6, 7, 8 and 9.
3. Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to “Link Market Services re: Hornby PLC — Open Offer A/C” and crossed “A/C Payee Only”. Third party cheques may not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has inserted the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the shareholder. Payments via CHAPS, BACS or electronic transfer will not be accepted. Cheques and banker’s drafts must be drawn in sterling on an account at a branch of a bank or building society in the UK, which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker’s drafts to be cleared through the facilities provided for the members of any of those institutions and must bear the appropriate sort code number in the top right hand corner, and must be for the full amount payable on application. If cheques or banker’s drafts are presented before the conditions of the Open Offer are fulfilled, application monies will be kept in a separate bank account pending the Open Offer becoming unconditional. Any interest earned on monies in such account will be retained by the Company.
4. An individual must sign the Application Form. A corporation should execute this Application Form under seal or as a deed or sign under the hand of a duly authorised officer who should state his/her capacity and any person(s) authorised by a corporation incorporated outside Great Britain may sign in accordance with the laws of the territory in which the relevant company is incorporated. In each case, execution should be expressed to be by the company. In the case of joint holders, all must sign. If this Application Form is signed under a power of attorney, such power of attorney or a duly certified copy thereof must accompany this Application Form.
5. The attention of Overseas Shareholders is drawn to the restrictions on applications set out in the Circular. No person receiving the Circular and/or an Application Form in any territory other than the United Kingdom, may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form could lawfully be used without contravention of any registration or other legal or regulatory requirements. Any person (including without limitation, nominees and trustees) outside the United Kingdom, wishing to accept the Open Offer Shares comprised in the Application Form must satisfy himself as to full observance of the laws of any relevant territory in connection there with, including obtaining any requisite governmental or other consent, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory. Submission of this Application Form will constitute a warranty that all these requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser.
6. The Company reserves the right to treat as invalid any application or purported application of Open Offer Shares comprised in an Application Form which either (a) appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the securities legislation of any jurisdiction or (b) does not contain the relevant warranty relating to Overseas Shareholders.
7. This Application Form may be split or transferred, but only to satisfy *bona fide* market claims in relation to sales or transfers made before 3.00 p.m. on 30 November 2017 in relation to Open Offer Entitlement only, and may be consolidated. Instructions for splitting and transfer and for consolidation are set out below.
8. It is expected that definitive certificates in respect of the Open Offer Shares in certificated form will be despatched to the registered address of the sole or first named shareholder shown on page 1 as soon as possible and by 15 December 2017 and, if applicable, that relevant Open Offer Shares in uncertificated form are expected to be credited to the relevant CREST stock account on 7 December 2017.
9. All applications in respect of the Open Offer, all acceptances thereof and all contracts and non-contractual obligations resulting from such acceptances shall be governed by and construed in accordance with the laws of England and Wales.
10. The verification of identity requirements of the Money Laundering Regulations will apply and verification of the identity of applicants may be required. Applications with a value of €15,000 (or the sterling equivalent) or greater will be subject to the verification of identity requirements of the Money Laundering Regulations.

## IF YOU HAVE TRANSFERRED YOUR EXISTING ORDINARY SHARES OR SPLIT YOUR HOLDING

1. This Application Form may be transferred or split, but only to satisfy a *bona fide* market claim in relation to Open Offer Entitlements only. If you have sold or transferred before 3.00 p.m. on 15 November 2017 all of the Existing Ordinary Shares shown in Box 3 which were registered in your name at that time, you should complete Box 10 on page 4 and forward this Application Form together with any accompanying documents at once to the purchaser or transferee (save that this Application Form should not be submitted or forwarded in or into the United States of America, any Restricted Jurisdiction or any jurisdiction where it would or may be unlawful to do so, unless pursuant to an applicable exemption).
2. If you have sold or transferred before 3.00 p.m. on 15 November 2017 only some of the Existing Ordinary Shares shown in Box 3, you should complete Box 10 on page 4 and return this Application Form by post or, during normal business hours, by hand, at once to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU accompanied by a letter stating the number of split Application Forms required and the total number of Open Offer Shares to be included in each split Application Form, the aggregate of which must equal the number shown in Box 4. Box 10 on each split Application Form will be marked “Declaration of sale duly made”. The latest time and date for splitting is 3.00 p.m. on 30 November 2017.
3. If you are entitled to make an application for the number of Open Offer Shares shown in Box 4 by virtue of a *bona fide* market purchase or transfer before 3.00 p.m. on 30 November 2017 and Box 10 has been completed by the registered shareholder(s) named on the top of page 1 or is marked “Declaration of sale duly made”, you should complete Box 11 on page 4 and submit this Application Form in accordance with the instructions above. If, however, you would prefer to take up the Open Offer through CREST please follow the instructions set out below. Box 11 on page 4 should not be completed in this instance.

## DO YOU WANT TO CONSOLIDATE YOUR OPEN OFFER ENTITLEMENTS?

1. These instructions should be followed when it is desired to register in the name of one holder (or joint holders) all the Open Offer Entitlements represented by several Application Forms which have been received in settlement of *bona fide* market claims in relation to Open Offer Entitlement only and it is wished to receive New Ordinary Shares in certificated form. If, however, you would prefer to receive New Ordinary Shares in uncertificated form, the entitlements represented by the several forms must first be deposited into CREST in accordance with the procedures referred to in the paragraph headed “Instructions for Depositing Open Offer Entitlements into CREST” below.
2. Box 10 of each Application Form must be duly completed (signed by all Shareholders or marked “Declaration of sale duly made”) and the Application Forms should then be sorted into Allotment number order (lowest first) by reference to the Allotment number shown on page 1.
3. Details of each Application Form (including the first Application Form (the “**Principal Form**”) should be inserted in Allotment number order (lowest first) in the Consolidation Listing Form in Box 14 on page 4 of the Principal Form and the Allotment number of the Principal Form should be inserted in the space provided in the Consolidation Listing Form on each of the remaining Application Forms. If the spaces in the Consolidation Listing Form in the Principal Form are not sufficient, the particulars should be listed on separate sheets and attached to the Principal Form.
4. All the Application Forms should be lodged for registration in one batch with the Principal Form on top and the others in Allotment number order (lowest first) together with the remittance for the total number of New Ordinary Shares applied for, taking into consideration any shares applied for under the Excess Application Facility.

## INSTRUCTIONS FOR DEPOSITING OPEN OFFER ENTITLEMENTS INTO CREST

The following procedure should be followed if you wish to convert your entitlements under the Open Offer into uncertificated form, that is, deposit them into CREST.

Subject as provided in paragraph 1 below, normal CREST procedures (except for the last time for stock deposits) apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures. If you are a CREST Sponsored Member, you should contact your CREST Sponsor.

1. If you are the registered holder(s) of the Existing Ordinary Shares set out in Box 3, the CREST Deposit Form contained in Box 13 on page 4 should be completed and then this Application Form deposited with the CREST Courier and Sorting Service (“CCSS”). In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS and (b) only the total number of the Open Offer Entitlements shown in Box 4 of this Application Form may be deposited into CREST.
2. If you are entitled to the basic Open Offer Entitlements shown in Box 4 by virtue of a *bona fide* market claim in respect of such Open Offer Entitlements only, the declaration in Box 10 on page 4 must have been completed or (in the case of a split Application Form) marked “Declaration of Sale duly made”, and then the CREST Deposit Form in Box 13 on page 4 completed and deposited with the CCSS in accordance with the instructions above. If entitlements under the Open Offer represented by more than one Application Form received in settlement of *bona fide* market claims in respect of Open Offer Entitlements only are to be deposited each Application Form must be completed and the forms deposited. Box 10 on page 4 on each Application Form must have been completed by the registered holder(s) whose name(s) appear on page 1 of the Application Form.
3. Please ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements in CREST following the conversion to take all necessary steps in connection with applying under the Open Offer prior to 11.00 a.m. on 4 December 2017. In particular, having regard to processing times in CREST and on the part of the Registrar, the latest time for depositing an Application Form with the CCSS if you are entitled by virtue of a *bona fide* market claim in respect of Open Offer Entitlements only (in order to enable you to take all necessary steps in connection with applying under the Open Offer prior to 11.00 a.m. on 4 December 2017) is 3.00 p.m. on 29 November 2017.

## APPLICATION LETTER (FOR ALL APPLICANTS)

To: The Directors of the Company

1. I/We, being the holder(s) at the close of business on the Open Offer Record Date, of the number of Existing Ordinary Shares set out in Box 3 on page 1 (or the beneficial owner(s) of any of those Existing Ordinary Shares by virtue of a *bona fide* market claim in respect of Open Offer Entitlements only), hereby apply irrevocably for either the number of Open Offer Shares in Box 4 on page 1 or, if fewer, the number of Open Offer Shares inserted in Box 6 on page 1 or, if more, the number of Open Offer Shares inserted in Box 8 on page 1 (subject to the further provisions set out in paragraph 4 below) and agree to accept the same on the terms and subject to the conditions set out in the Circular and in this Application Form and subject to the memorandum and articles of association of the Company.
2. I/We enclose a sterling cheque or banker’s draft payable to “Link Market Services Limited re: Hornby PLC — Open Offer A/C” and crossed “A/C Payee only” for either the sum inserted in Box 5 on page 1 or, if applying for an amount greater or less than my/our Open Offer Entitlement, the sum inserted in Box 9 above, being the amount payable in full on application for such Open Offer Shares or if the amount inserted in Box 5 or Box 9 on page 1 (as the case may be) is inconsistent with the remittance, for the sum payable in full on application for such number of Open Offer Shares at 29.5 pence per Open Offer Share as are applied for or deemed to be applied for in accordance with the provisions of this Application Form.
3. I/We acknowledge that, in order to ensure compliance with the Money Laundering Regulations (as defined in the Circular), the Registrar may, in its absolute discretion, require verification of identity from any person lodging this Application Form. I/We agree that pending such verification this application may be dealt with in accordance with, and I/ we will comply with, the provisions set out in the Circular. I/We agree that on request by the Registrar, I/we will disclose promptly in writing to it satisfactory evidence of my/ our identity and do all other acts and things as may reasonably be required so as to comply with such regulations. I/We agree for the Registrar to make a search using a credit reference agency for the purpose of confirming such identity, where deemed necessary. A record of the search will be retained. I/We agree that any monies returnable to me/us and any certificate for Open Offer Shares issuable to me/us may be retained pending clearance of my/our remittance and any verification of identity by the Money Laundering Regulations and that such monies will not bear interest and that, failing such clearance or verification of identity within the period referred to in the Circular, this application may be rejected.
4. In consideration of your agreeing to deal with this application, upon and subject to the terms and conditions set out in the Application Form and in the Circular, for the number of Open Offer Shares applied for or deemed applied for, I/we undertake that this application shall be irrevocable and agree that the return of this Application Form and accompanying payment shall constitute a conditional contract between me/us and the Company which shall be binding upon receipt by the Registrar of this Application Form and accompanying payment. I/We acknowledge that you reserve the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. I/We acknowledge that you reserve the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid if the number in Box 4 (where I have applied for my Open Offer Entitlement in full), Box 6 (where I have applied for fewer Open Offer Shares than my Open Offer Entitlement) or Box 8 (where I have applied for Excess Shares) is inconsistent with the remittance that accompanies this Application Form. I/We agree Link Asset Services shall be entitled, in its absolute discretion, to deem me/us to have applied for (i) where an insufficient sum is paid, the greatest whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price; and (ii) where an excess sum is paid, the greatest number of Open Offer Shares inserted in Boxes 6, 7 and 8. I/We acknowledge that the Company reserves the right, in its absolute discretion (a) to instruct the Registrar to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity and (b) to reject any acceptance or purported acceptance of the Open Offer (i) which is in breach of an irrevocable undertaking not to accept the Open Offer or subscribe for more than a specified number of Open Offer Shares or (ii) in the circumstances described in the Circular.
5. I/We request and authorise the Company or its agents, in respect of the Open Offer Shares for which this application is accepted, to send me/us a definitive share certificate by post at my/our risk to me/us to the address shown on page 1 or Box 11 on page 4 or to the agent whose name and address appear in Box 12 and to procure that my/our name(s) is/are placed on the register of members of the Company as holder(s) of the said shares. Pending despatch of definitive share certificates transfer of the Open Offer Shares to be held in certificated form will be certified against the register of members of the Company.
6. I/We represent and warrant to the Company and Liberum Capital Limited that I/we am/are not, and that I/we am/are not applying on behalf of any person who is in the United States of America or who is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of Restricted Jurisdictions or the United States of America or any jurisdiction in which the application for Open Offer Shares is prevented by law and am/are not applying with a view to re-offering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of a person who is a citizen or resident, or which is a corporation, partnership or other entity created or organised in order under any laws of any Restricted Jurisdiction or the United States of America or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that I/we are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such a person on a non- discretionary basis, nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer. I/We represent and warrant that I/we am/are not (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer, nor acting on behalf of any such person(s) on a non-discretionary basis.
7. I/We authorise the Company or its agents to present the enclosed cheque or banker’s draft on receipt. In the event that any of the conditions of the Open Offer are not satisfied or waived by 8.00 a.m. on 7 December 2017 (or such later time and/or date that the Company may determine but not later than 15 December 2017), I/We authorise the Company or its agent to return such application monies, without interest, to me/us by post at my/our risk to the first address shown on page 1 as soon as practicable after that.
8. I/We acknowledge that due completion of this Application Form accompanied by a cheque or banker’s draft constitutes a representation and warranty that the cheque or banker’s draft will be honoured on first presentation and that this shall constitute a fundamental term of this application and the Open Offer and, without prejudice to the Company’s right to require payment, that this application may be deemed invalid if such cheque or banker’s draft is not so honoured.
9. I/We confirm to the Company and Liberum Capital Limited that in making this application I/we am/are not relying on any information or representation in relation to the Company other than that contained in the Circular and I/we accordingly agree that no person responsible solely or jointly for the Circular or any part thereof or involved in the preparation thereof shall have any liability for any information or representation not contained in the Circular. I/We agree that I/we are not relying on and have not relied on Liberum Capital Limited, or its affiliates, in connection with any investigation of the accuracy of any information contained in this document or my/our investment decisions. I/ We agree that having had the opportunity to read the Circular I/we shall be deemed to have had notice of all the information in relation to the Company contained in the Circular. I/We confirm that no person has been authorised to give any information or to make any representation concerning the Company or the Group or the Open Offer Shares (other than as contained in the Circular) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company.
10. I/We represent and warrant to the Company and Liberum Capital Limited that I/we am/are not, and nor am/are I/we applying as a 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.
11. I/We acknowledge that the Company may, in its discretion, amend dates and times in relation to this Application Form and the Open Offer.
12. I/We represent and warrant to the Company and Liberum Capital Limited that I/we have the right, power and authority, and has/have taken all action necessary, to make this application under the Open Offer and to execute, deliver and exercise my/our rights and perform my/our obligations under any contracts resulting there from. I/We agree that all applications under the Open Offer and any contracts or non-contractual obligations resulting there from shall be governed by and construed in accordance with the laws of England and Wales.

**Note: If you cannot make these representations and warranties you may not make this application.**