



WPP SCANGROUP LIMITED
Registration Number: C.11/2006

PROPOSED ACQUISITION OF KANTAR TNS

CIRCULAR TO SHAREHOLDERS

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR ATTENTION

This Circular to shareholders is issued by WPP Scangroup Limited in connection with the proposed acquisition of Kantar TNS and particularly, the proposal to issue 53,290,883 new ordinary shares in WPP Scangroup as consideration for the purchase of 3,660 ordinary shares being 70 per cent of the total issued share capital of Kantar TNS held by Russell BV in accordance with the terms of the Russell BV SPA. WPP Scangroup is in advanced discussions to purchase an additional 10% of the shares in Kantar TNS held by IRMGH for cash consideration.

This Circular has been prepared in compliance with the requirements of the Capital Markets Act, Chapter 485A, Laws of Kenya, the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, the Capital Markets (Licensing Requirements) (General) Regulations, 2002, the Nairobi Securities Exchange Listing Rules, 2014 and the Nairobi Securities Exchange Listing Manual, 2002.

The Capital Markets Authority (**CMA**) has approved the issue of this Circular. As a matter of policy, neither the CMA nor the Nairobi Securities Exchange (the **NSE**) assume any responsibility for the correctness of any statements or opinions made or reports contained in this Circular. Approval of the Circular by the CMA is not to be taken as an indication of the merits of the matters disclosed in the Circular or as a recommendation by the CMA or the NSE to the shareholders of WPP Scangroup.

If you require clarification on the content of this Circular please seek guidance from your investment banker, stockbroker, investment adviser, lawyer or other professional adviser.

TABLE OF CONTENTS

| | | |
|----|--|----|
| 1. | Definitions..... | 3 |
| 2. | Corporate Information..... | 5 |
| 3. | Letter from the Chairman..... | 6 |
| 4. | The Parties to the Proposed Acquisition | 8 |
| 5. | The Proposed Acquisition | 8 |
| 6. | Pro forma Impact of The Proposed Acquisition on WPP Scangroup..... | 13 |
| 7. | Additional and General Information..... | 15 |
| 8. | Documents available for inspection | 15 |
| | Annexure 1: Independent Expert Reports | 17 |
| | Annexure 2: Historical Information on wpp scangroup shares | 37 |
| | Annexure 3: AGM Notice..... | 40 |

1. DEFINITIONS

| | |
|-------------------------------|--|
| "AGM" | the Annual General Meeting of WPP Scangroup to be held on Thursday, 31 May 2018 convened by the Notice. |
| "Board" | the board of directors of WPP Scangroup. |
| "Completion Date" | completion of the Proposed Acquisition which is expected to occur by 31 July 2018. |
| "CMA" | the Capital Markets Authority. |
| "Independent Expert" | The independent expert appointed by WPP Scangroup to opine on the consideration payable by WPP Scangroup under the Proposed Acquisition, being RSM (Eastern Africa) Consulting Limited. |
| "IRMGH" | International Research and Marketing Group Holdings Limited (Mauritius), a company incorporated under the laws of Mauritius, with its registered address at c/o Appleby Management (Mauritius) Limited, 8th Floor, Medine Mews, La Chaussee Street, Port Louis, Mauritius. |
| "Kantar TNS" | Research and Marketing Group Investment Limited (Mauritius), a company incorporated under the laws of Mauritius under registration number 094608/C1 whose registered office is c/o Appleby Management (Mauritius) Limited, 8th Floor, Medine Mews, La Chassee Street, Port Louis, Mauritius. Research and Marketing Group Investment Limited is the holding company for the Kantar TNS business in sub Saharan Africa. |
| "Kantar TNS Shares" | 3,660 ordinary shares in the capital of Kantar TNS held by Russell BV, which represents 70% of the total issued share capital of Kantar TNS |
| "New Scangroup Shares" | 53,290,883 new ordinary shares in the capital of WPP Scangroup, to be issued to Russell BV in exchange for the Kantar TNS Shares and subject to the terms of the Proposed Acquisition. |
| "Notice" | the notice convening the AGM for, among other things, considering, and if thought fit, approving the resolution approving the Proposed Acquisition. |
| "Proposed Acquisition" | the proposed acquisition of a majority stake in Kantar TNS by WPP Scangroup from Russell BV. |
| "Russell BV" | Russell Square Holding B.V., a private company incorporated under the laws of the Netherlands bearing registration number 24269341 and having its registered office address at Laan op Zuid 167, 3072 DB Rotterdam, the Netherlands. |

“Transaction Agreements”

the share purchase agreement for the purchase of the Kantar TNS Shares and other related agreements required to effect the Proposed Acquisition.

“WPP”

WPP Plc, a public limited liability company registered under the laws of Jersey bearing company number 111714 and having its registered office address at Queensway House, Hilgrove Street, St Helier, JE1 1ES.

“WPP Scangroup”

WPP Scangroup Limited, a public limited liability company incorporated under the laws of the Republic of Kenya with Registration number C.11/2006 and listed on the Nairobi Securities Exchange.

2. CORPORATE INFORMATION

Name WPP Scangroup Limited is incorporated in Kenya under company registration number C.11/2006 and is publicly traded on the Nairobi Securities Exchange. It is also a subsidiary of WPP.

Registered Office The Chancery, 5th Floor
Valley Road, Upper Hill
P. O. Box 34537- 00100
Nairobi
Telephone: +254 (20) 2710021 , 2799000
Kenya

Core business of listed company Marketing and communication group operating a multi-agency model across multiple disciplines in sub Saharan Africa.

| Directors | Name | Address | Nationality |
|-----------|---|---|-------------|
| | David Hutchison – Chairman | P.O. Box 24722 – 00502, Nairobi | British |
| | Bharat Thakrar- Chief Executive Officer | P.O. Box 34537- 00100 | Kenyan |
| | Jonathan Neil Eggar | AKQA, 1 St John's Lane, London EC1M 4BL, UK | British |
| | Richard Omwela | P.O. Box 30333 – 00100, Nairobi | Kenyan |
| | Muchiri Wahome | P.O. Box 57262- 00502 | Kenyan |
| | Andrew Scott | 27 Farm Street London W1J 5RJ | British |
| | Lawrence Mellman | 27 Farm Street London W1J 5RJ | British |
| | Scott Spirit | 27 Farm Street London W1J 5RJ | British |
| | Patricia Ithau | P.O. Box 21122 - 00505 | Kenyan |

Company Secretary Reuben Mwangi Certified Public Secretary (Kenya) Registration Number 937
The Chancery, 5th Floor, Valley Road, Upper Hill
P. O. Box 34537- 00100, Nairobi

Share Registrar Comprite Kenya Limited, The Crescent, off Parklands Road, Crescent Business Centre, 2nd floor, Nairobi – P.O. Box 63428-00619 Nairobi

Legal Adviser



Coulson Harney LLP, 5th floor, West Wing, ICEA Lion Centre, Riverside Park, Chiromo Road, P.O Box 10643 – 00100, Nairobi, Kenya

Independent Expert



RSM (Eastern Africa) Consulting Limited
Pacis Centre, 1st Floor, Slip Road, Off Waiyaki Way
P.O.; Box 346-00606 Nairobi

Dear Shareholder,

WPP Scangroup's growth strategy is based on delivering "Integrated Marketing Communication" services to our clients across all marketing disciplines, including advertising and market research, and across all geographies in sub Saharan Africa. We have achieved this in part by leveraging the expertise and global network of WPP, our largest shareholder and one of the leading marketing and communication groups in the world.

With an increasing reliance on data by our clients, market research presents a key growth area for WPP Scangroup. Currently WPP Scangroup provides market research services through Kantar Millward Brown, a world leader in advertising research. Kantar Millward Brown provides pre-testing, tracking and sales modelling services, as well as a range of other services to help clients market their brands more effectively.

WPP provides market research services in the region through Kantar TNS, a leading market research agency in West Africa. WPP has a controlling interest of 70 per cent in Kantar TNS which it holds through Russell BV, a wholly owned subsidiary of WPP. Kantar TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and stakeholder management, based on long-established expertise and market leading solutions. Kantar TNS also provides consumer research, panel research, retail and shopper research and public and social sector research services. Kantar TNS has a presence in Nigeria, Ghana, Senegal, Cameroon, Ivory Coast and Kenya.

In keeping with our strategy to deliver Integrated Marketing Communication services and to broaden and diversify our product offering, on 25 April 2018 WPP Scangroup entered into an agreement with Russell BV to acquire its 70 per cent interest in Kantar TNS (the **Proposed Acquisition**). On completion of the Proposed Acquisition, WPP Scangroup intends to operationally combine the businesses of Kantar TNS and Kantar Millward Brown. It is your Board's considered view that the acquisition of Kantar TNS will increase WPP Scangroup's geographical reach, particularly in Nigeria and French speaking West Africa, which are strong markets for Kantar TNS but markets in which WPP Scangroup does not currently have a foothold. The merger of the two businesses will enhance the product suite offering in market research to the benefit of the WPP Scangroup clients, adding more value and enhancing our product offerings. The Proposed Acquisition will also enable us to enhance operational efficiencies for the two businesses resulting in better value for clients and ultimately better returns for you, our shareholders.

It is proposed that WPP will receive the New Scangroup Shares as consideration for its interest in Kantar TNS. This benefits WPP Scangroup as it allows us to conserve cash and use our shares as currency. The acquisition by WPP Scangroup of Kantar TNS for consideration other than cash also sets a good precedent and increases opportunities for future strategic acquisitions.

As WPP is a major shareholder of WPP Scangroup, we have engaged the Independent Expert to provide assurance that the price of 17.39 per share at which the New Scangroup Shares will be issued to WPP, which is based on the 90 day weighted average trading price of WPP Scangroup Shares, reflects a fair market value of Kantar TNS and will not prejudice other WPP Scangroup shareholders. The

issue of the New Scangroup Shares will result in a dilution factor of 12.325% for current shareholders and will increase WPP's beneficial shareholding from 50.1% to 56.25%. Your Board is satisfied that the benefit of the Proposed Acquisition to shareholders outweighs the dilutive effect of the issuance.

The Proposed Acquisition, and in particular, the issue of New Scangroup Shares to WPP through Russell BV, is subject to receipt of approval of WPP Scangroup shareholders and the CMA. The issue of New Scangroup Shares will also trigger the requirement for Russell BV (WPP's subsidiary) to make a takeover offer for WPP Scangroup. However, it is important to note that WPP does **not** intend to make a takeover offer for WPP Scangroup and is committed to maintaining WPP Scangroup's status as a public listed company. Russell BV issued a public notice of this intention dated 26 April 2018 and has applied to the CMA for an exemption from the requirement to make a takeover offer.

The estimated timeline for completion is 31 July 2018. On completion of the Proposed Acquisition, Kantar TNS will become a subsidiary of WPP Scangroup. It will remain a subsidiary of WPP albeit through WPP Scangroup.

The Board is also in advanced discussions to acquire an additional 10% of the shares in Kantar TNS owned by IRMGH, an entity wholly owned by the current Chief Executive Officer of Kantar TNS. The consideration for this purchase, if successful, will be cash. We will provide further updates of progress in this regard through public announcements and at the AGM.

Your Board considers the Proposed Acquisition to be in the best interests of the Company and its shareholders. We therefore request that you kindly grant us your approval to the acquisition of Kantar TNS as a subsidiary of WPP Scangroup and the issue of the New Scangroup Shares.

Yours sincerely

DAVID HUTCHISON

CHAIRMAN

4. THE PARTIES TO THE PROPOSED ACQUISITION

| | | |
|---|--|---|
| <p>Target: Research and Marketing Group Investment Limited (Mauritius) trading as Kantar TNS.</p> <p>Limited liability company incorporated under the Laws of Mauritius, registration number 094608/C1 whose registered office is c/o Appleby Management (Mauritius) Limited, 8th Floor, Medine Mews, La Chasse Street, Port Louis, Mauritius</p> <p>*Kantar TNS is the recognised brand name of the business of the target company. The actual legal name of the target company is Research and Marketing Group Investment Limited, referred to as RMG in the Independent Valuation Report. For convenience and clarity, the target is referred to by its brand name Kantar TNS in this Circular.</p> | | |
| Core business of the Target | Market research business | |
| Directors of the Target | Kim Macilwaine Andrew Lancefield Adeola Tejumola Kareem Tejumola Gawtam Gokool Naushad Ally Sohoboo | |
| Shareholders of the Target as at [•] | Shareholder | % shareholding |
| | 1 | Russell BV Square Holding B.V. |
| | 2 | International Research and Marketing Group Holdings Limited (Mauritius) |
| Exchanges on which the securities of Kantar TNS are listed | None | |
| Securities issued by Kantar TNS | None | |
| <p>Seller: Russell Square Holding B.V.</p> <p>A private company incorporated under the laws of the Netherlands bearing registration number 24269341 and having its registered office address at Laan op Zuid 167, 3072 DB Rotterdam, the Netherlands</p> | | |
| Directors of the Seller | Astrid van Heulen-Mulder Willem Roobol Marcel van der Avort | |
| Shareholders of the Seller | Dolphin Square Holding BV (99.995%) Vincent Square Holding BV (0.005%) | |
| <p>Purchaser: WPP Scangroup Limited *see corporate information on page 3</p> | | |

5. THE PROPOSED ACQUISITION

5.1 Background

Since its incorporation in 1999, WPP Scangroup has grown into the one of the largest marketing and communication groups operating a multi-agency model across multiple disciplines in sub Saharan Africa. WPP Scangroup has leveraged the expertise and global network offered through its relationship with WPP, one of the largest marketing and communication firms in the world, to become a market leader in sub Saharan Africa.

WPP Scangroup's strategy is to provide its clients with "best in class" marketing services solutions and increase its geographical reach in sub Saharan Africa by improving its existing individual business lines and adopting data and technology in its service offering. The Proposed Acquisition will enable WPP Scangroup to align two leading market research businesses in the region, resulting in an enhanced service for clients and increased operational efficiency. The Board is optimistic that the Proposed Acquisition will result in the optimisation of value for WPP Scangroup shareholders.

5.2 The Particulars of the Proposed Acquisition

Summary

WPP Scangroup currently provides market research services through Kantar Millward Brown. Kantar Millward Brown is a world leader in advertising research, including pre-testing, tracking and sales modelling, and offers a full range of services to help clients market their brands more effectively.

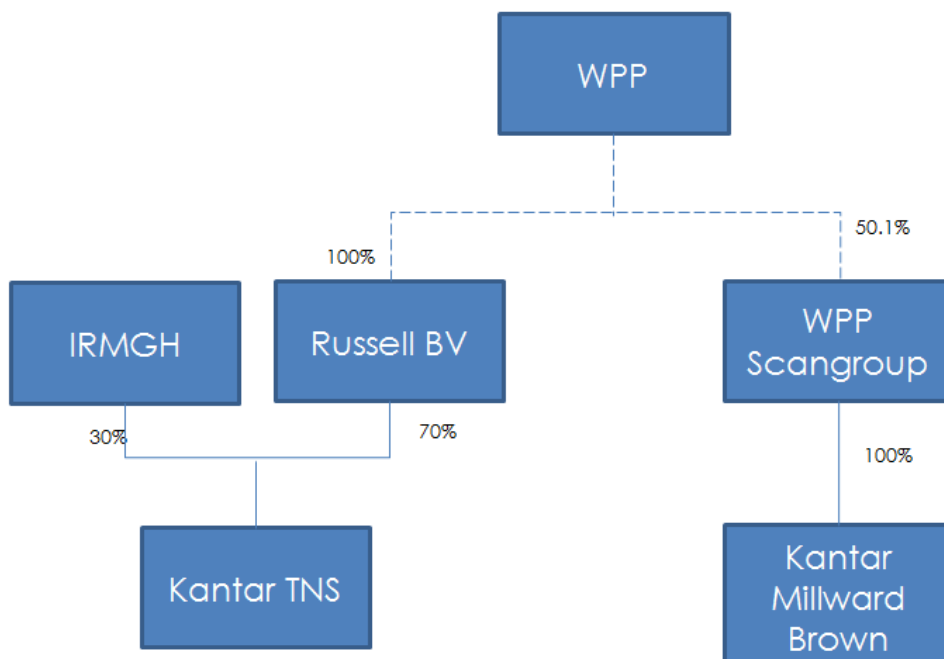
Through its subsidiary Russell BV, WPP has a majority interest in Kantar TNS. Kantar TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and stakeholder management, based on long-established expertise and market-leading solutions.

Kantar TNS and Kantar Millward Brown are both part of Kantar, WPP's data management division and one of the largest insights, information and consultancy groups in the world. Kantar has a presence in over 80 countries, including six countries in sub Saharan Africa.

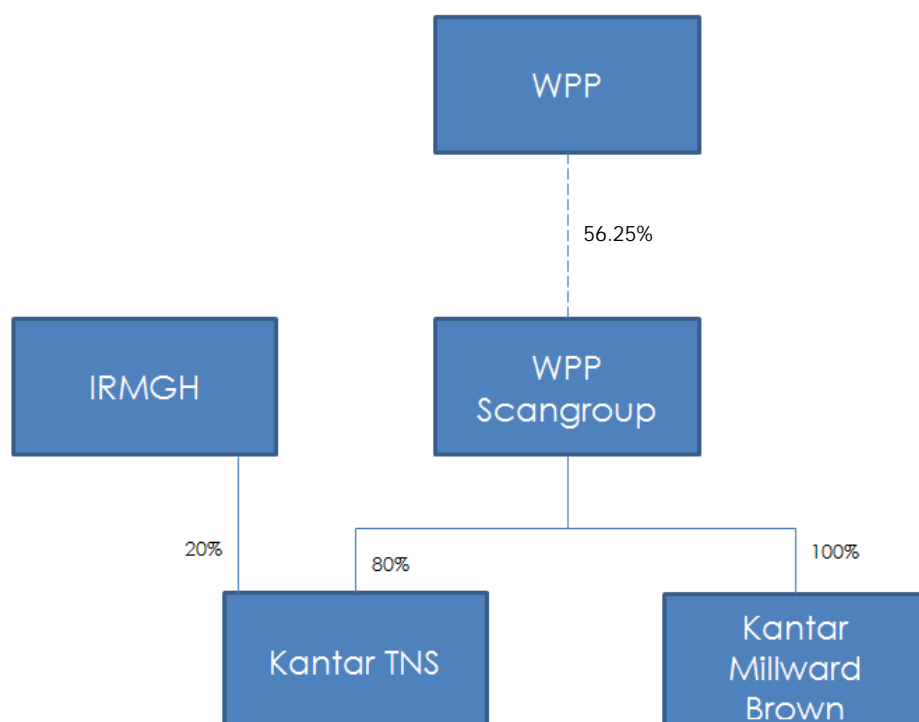
WPP Scangroup wishes to acquire WPP's interest in Kantar TNS so that the businesses of Kantar TNS and Kantar Millward Brown can be aligned under WPP Scangroup, which will optimize the research offering to clients in the region. To effect this proposal, WPP Scangroup intends to complete the Proposed Acquisition.

Capital structure of WPP and WPP Scangroup's market research businesses

As at the date of this Circular, WPP and WPP Scangroup's market research businesses in the region are structured as follows:



Seventy percent (70%) of the current issued shares in Kantar TNS are owned by Russell BV, a subsidiary of WPP (the **Kantar TNS Shares**). The remaining thirty percent (30%) shareholding in Kantar TNS is owned by IRMGH. IRMGH is controlled by Adeola Tejumola, the CEO of Kantar TNS. On and from the Completion Date, WPP and WPP Scangroup's market research businesses in the region will be structured follows (assuming WPP Scangroup acquires an additional 10% of the shares in Kantar TNS from IRMGH):



5.1 The Indicative timetable

It is expected that the Proposed Acquisition of Kantar TNS will be completed on or before 31 July 2018.

| EVENT | KEY DATES |
|---|---------------|
| Signing of Share Purchase Agreement with Russell BV | 25 April 2018 |
| Latest time to return proxy forms for the AGM | 28 May 2018 |
| AGM | 31 May 2018 |
| Completion Date | 20 July 2018 |
| Press Announcement following the Completion Date | 28 July 2018 |
| Date for listing of the new shares to the Nairobi Securities Exchange | 31 July 2018 |

The dates indicated above may be subject to change with the prior approval of the CMA. Any such amendments will be communicated.

5.2 Summary of Key Terms

| | |
|---|---|
| Purchase Price for the Kantar TNS Shares | Consideration for the Kantar TNS Shares will be settled by the issue of the New Scangroup Shares (53,290,883 new ordinary shares in the capital of WPP Scangroup). |
| Salient conditions of the Proposed Acquisition. | Completion of the acquisition of the Kantar TNS Shares is conditional upon the following prerequisites being satisfied: <ul style="list-style-type: none"> i) the receipt of the approval of the WPP Scangroup shareholders to implement the Proposed Acquisition; ii) the receipt by Scangroup of written approval from the CMA to implement the Proposed Acquisition and to issue, allot and list the New Scangroup Shares to Russell BV; iii) the receipt of an exemption from the CMA by Russell BV from the requirement to make a take-over offer; and iv) the receipt of any other corporate or regulatory approvals which may be necessary for this transaction. |
| Warranties | The selling entity has given appropriate title and capacity warranties, warranties pertaining to the information of Kantar TNS group of companies and limited tax warranties |
| Governing Law | Kenyan Law |

5.3 Acquisition of the Kantar TNS Shares by WPP Scangroup

Subject to the conditions set out in paragraph 0 of this Circular, WPP Scangroup shall acquire the Kantar TNS Shares on the Completion Date. The consideration for the Kantar TNS Shares will be satisfied by the issue of the New Scangroup Shares to Russell BV. WPP Scangroup has entered into a conditional share purchase agreement dated 25 April 2018 with Russell BV setting out the terms of this share swap.

As a result of the issue of New Scangroup Shares to Russell BV, WPP and its associated persons will beneficially own an aggregate of 243,102,299 ordinary shares in WPP Scangroup, which will increase its current shareholding from 50.1% to 56.25% of the total issued shares in WPP Scangroup.

It is important to point out that the issue of the New Scangroup Shares to Russell BV triggers the requirement for Russell BV to make an offer for the takeover of WPP Scangroup pursuant to regulation 4 of the Capital Markets (Takeovers and Mergers) Regulations, 2002 (the **Takeover Regulations**). This is because WPP holds shares in WPP Scangroup through two of its other subsidiaries, being, Cavendish Square Holding BV and Ogilvy & Mather South Africa (Pty) Ltd. Russell BV, Cavendish Square Holding BV, and Ogilvy & Mather South Africa (Pty) Ltd are subsidiaries of WPP and are therefore associated persons within the meaning of the Takeover Regulations. Any acquisition of shares in WPP Scangroup by any associated person of WPP therefore automatically triggers the Takeover Regulations. However, Russell BV does **NOT** intend to make a takeover offer for WPP Scangroup and has applied to the CMA for an exemption from the requirement to make a takeover offer.

5.4 **Conditions to completion of the Proposed Acquisition**

Completion of the steps outlined in paragraph 2.5 above is conditional upon the following prerequisites being satisfied:

1. the receipt of the approval of the WPP Scangroup shareholders to implement the Proposed Acquisition that will result in Kantar TNS becoming a subsidiary of WPP Scangroup;
2. the receipt by WPP Scangroup of written approval from the CMA to implement the Proposed Acquisition and to issue, allot and list the New Scangroup Shares to Russell BV;
3. the receipt of an exemption from the CMA to Russell BV from the requirement to make a take-over offer; and
4. the receipt of any other corporate or regulatory approvals, which may be necessary for this transaction.

5.5 **Consideration payable by WPP Scangroup for the Kantar TNS Shares**

Valuation of the Kantar TNS Business

The valuation method used for valuing entities in the advertising or the communications industry and professional services firms is different from the traditional method of valuation used for products or manufacturing based businesses. The media and marketing industry works on short term contracts or one off projects which makes it difficult to make accurate long term business projections. Due to these reasons it is not feasible to use a discounted cash flow valuation model.

The industry either uses an average of net sales method providing a multiple for the premium, a multiple of the earnings before interest and taxes (EBIT), or an average EBIT over a number of years as methods to value the company. The typical benchmarks on net sales valuation multiples are between 1 to 1.5 times the net sales (average of a few years or of one specific year) and in case of an EBIT multiple, the range may be between 7.5 times to 10 times the EBIT (average of a few years or of one specific year).

Consideration payable for the Kantar TNS Shares

The New Scangroup Shares will be issued at the strike price of Kenya Shillings seventeen and thirty nine cents of (KES 17.39) per New Scangroup Share, which represents the volume weighted average trading price of WPP Scangroup's shares on the Nairobi Securities Exchange in the three months prior to 12 April 2018. A summary of the historical information on the share price of WPP Scangroup is annexed to this Circular.

In calculating the consideration payable to Russell BV, the WPP Scangroup enterprise value to EBIT multiple was used to arrive at the enterprise value of Kantar TNS. From the enterprise value of Kantar TNS, the value of outstanding debt and accrued interest was removed to calculate an implied market capitalization of Kantar TNS. The derived market capitalization was then divided by the average share price and then multiplied by 70% to arrive at the number of new shares to be issued to WPP through Russell BV.

Independent Expert

The Board appointed the Independent Expert to assess the principle used in determining the consideration for the Kantar TNS Shares; and to prepare an independent valuation of the consideration payable by WPP Scangroup to Russell BV for the Kantar TNS Shares.

The Independent Expert concluded that the consideration payable by WPP Scangroup to Russell BV for the Kantar TNS Shares falls within a market rate valuation range for the Kantar TNS Shares. A summary of the Independent Expert's report is annexed to this Circular.

5.6 The Implication of the Proposed Acquisition

The Board is satisfied that the Proposed Acquisition once completed will:

- 5.6.1 increase WPP Scangroup's presence and capability in the market research services sector in the region, enabling it to build a leading position in market research business;
- 5.6.2 allow WPP Scangroup to integrate the two research businesses, Kantar Millward Brown and Kantar TNS, enabling the combined research business to offer best in class solutions to clients across the region; and
- 5.6.3 unlock synergies, which will reduce operational costs and increase revenue which could lead to enhanced economic benefit for WPP Scangroup shareholders,

In addition, by structuring the Proposed Acquisition to include the issue of New Scangroup Shares rather than an outright cash purchase, WPP Scangroup will be able to retain its cash reserves which can be applied towards its working capital or further acquisitions. The issue of New Scangroup Shares as consideration for the Kantar TNS Shares enables WPP Scangroup to avoid incurring debt to acquire the Kantar TNS Shares.

6. PRO FORMA IMPACT OF THE PROPOSED ACQUISITION ON WPP SCANGROUP

6.1 Pro forma impact on WPP Scangroup's Income Statement

Upon completion of the Proposed Acquisition, WPP Scangroup projects that it will add a topline of USD 17.5 Million to its current annual revenue of USD 39 Million on a full year basis. This projected growth is subject to prevailing market conditions but the company is optimistic about future growth. This would result in additional profits for WPP Scangroup thus enhancing shareholder value. Below is a summary table of the pro forma income statement of the company post-acquisition.

| Ksh '000 | 2017 | 2018 (Pro-forma) | Change% | 2019 (Pro-forma) | Change % |
|------------------|------------------|------------------|------------|------------------|------------|
| Net Sales | 4,122,869 | 4,549,537 | 10% | 6,442,361 | 42% |
| Operating Cost | 3,710,602 | 3,863,579 | 4% | 5,331,728 | 38% |
| Operating Profit | 412,267 | 685,959 | 66% | 1,110,632 | 62% |
| OP Margin | 10% | 15.08% | | 17.24% | |

Note: 2018- Kantar TNS numbers are considered for 4 months

2019- Kantar TNS numbers are considered for 12 months

6.2 Information regarding shareholding

The table below illustrates the pro forma impact of the issue of the New Scangroup Shares on WPP Scangroup's existing top 20 WPP Scangroup shareholders as at 13th April 2018 (most recent shareholding information available). All existing WPP Scangroup shareholders will suffer a dilution of 12.325% in their respective shareholding percentages as a result of the issue of the Additional New Scangroup Shares, as illustrated below (see attached table):

| No | Shareholder Name | No. of Shares Pre-Acquisition | % Total | No. of Shares Post-Acquisition | % Total |
|----|--|-------------------------------|---------------|--------------------------------|---------------|
| 1 | CAVENDISH SQUARE HOLDING BV | 176,903,560 | 46.69% | 176,903,560 | 40.94% |
| | RUSSELL B.V. | | 0.00% | 53,290,883 | 12.33% |
| | OGILVY & MATHER SOUTH AFRICA (PTY) LTD | 12,907,856 | 3.41% | 12,907,856 | 2.99% |
| | WPP Shareholding | 189,811,416 | 50.10% | 243,102,299 | 56.25% |
| 2 | THAKRAR BHARAT KUMAR & SADHNA BHARAT | 45,302,360 | 11.96% | 45,302,360 | 10.48% |
| 3 | STANDARD CHARTERED NOMINEES A/C KE002335 | 30,444,161 | 8.04% | 30,444,161 | 7.04% |
| 4 | STANDARD CHARTERED NOMINEES NON-RESD A/C 9944 | 12,921,100 | 3.41% | 12,921,100 | 2.99% |
| 5 | STANDARD CHARTERED NOMINEES NON-RESD A/C KE3280 | 10,622,393 | 2.80% | 10,622,393 | 2.46% |
| 6 | STANDARD CHARTERED NOMINEES NON-RESD A/C KE002471 | 10,556,899 | 2.79% | 10,556,899 | 2.44% |
| 7 | CFC STANBIC NOMINEES LTD A/C NR1030625 | 9,425,600 | 2.49% | 9,425,600 | 2.18% |
| 8 | STANDARD CHARTERED NOMINEES NON-RESD A/C KE9273 | 8,989,200 | 2.37% | 8,989,200 | 2.08% |
| 9 | STANDARD CHARTERED NOMINEES NON-RESD A/C KE21142 | 5,464,700 | 1.44% | 5,464,700 | 1.26% |
| 10 | SANCTA VALUE INVESTMENTS L.P. | 2,483,800 | 0.66% | 2,483,800 | 0.57% |
| 11 | KENYA COMMERCIAL BANK NOMINEES LIMITED A/C 915A | 2,857,000 | 0.75% | 2,857,000 | 0.66% |
| 12 | NIC CUSTODIAL SERVICES A/C 016 | 1,851,480 | 0.49% | 1,851,480 | 0.43% |
| 13 | ICEA LION LIFE ASSURANCE COMPANY LIMITED- POOLED | 1,814,300 | 0.48% | 1,814,300 | 0.42% |
| 14 | BORA SERVICES LTD - SER 1 | 1,687,100 | 0.45% | 1,687,100 | 0.39% |
| 15 | ICEA LION LIFE ASSURANCE COMPANY LIMITED- INSURED | 1,199,680 | 0.32% | 1,199,680 | 0.28% |
| 16 | STANDARD CHARTERED KENYA NOMINEES LTD A/C KE002609 | 1,176,040 | 0.31% | 1,176,040 | 0.27% |
| 17 | STANDARD CHARTERED NOMINEES A/C 9098AC | 1,176,040 | 0.31% | 1,176,040 | 0.27% |
| 18 | BID MANAGEMENT CONSULTANCY LTD | 1,093,100 | 0.29% | 1,093,100 | 0.25% |
| 19 | NGUGI JOHN NJUGUNA | 1,000,000 | 0.26% | 1,000,000 | 0.23% |
| 20 | STANDARD CHARTERED NOMINEES RESD A/C KE11401 | 962,200 | 0.25% | 962,200 | 0.22% |

7. ADDITIONAL AND GENERAL INFORMATION

7.1 Responsibility Statement

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

7.2 Forward Looking Statements

This Circular contains forward-looking statements relating to the business of Kantar TNS and WPP Scangroup. These forward-looking statements can be identified by the use of forward-looking terminology such as expects, may, is expected to, believes, is optimistic that, will, will continue, should, would be, seeks or anticipates or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions.

These statements reflect the current views of WPP Scangroup with respect to future events and are subject to certain risks, uncertainties and assumptions. Several issues could cause the actual results, of WPP Scangroup to be materially different from the projected results, performance or achievements that may be expressed or implied by such forward-looking statements or pro forma financial information. If any one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Circular as anticipated, believed, estimated or expected.

WPP Scangroup does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set out in this Circular.

7.3 Recommendation

The Directors of WPP Scangroup consider the Proposed Acquisition to be in the best interests of WPP Scangroup and its shareholders as a whole. The Directors unanimously recommend all WPP Scangroup shareholders to vote in favour of the resolutions to be proposed at the General Meeting, as they intend to do in respect of their own holdings of shares.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection by WPP Scangroup shareholders, free of charge, at WPP Scangroup's offices at The Chancery, 5th Floor Valley Road, Upper Hill, Nairobi between 9.00 a.m. and 5.00 p.m. Monday to Friday (except public holidays) from the date hereof until 31 May 2018:

8.1.1 the Share Purchase Agreement dated 25 April 2018 between WPP Scangroup and Russell BV;

8.1.2 WPP Scangroup's audited accounts for the last three years (which are also available on the website of WPP Scangroup); and

8.1.3 The Independent Expert Report.



WPP SCANGROUP LIMITED

Independent Valuation Report for the Share Swap in relation to the Proposed Acquisition by Russell Square B.V of New Ordinary Shares in WPP Scangroup Limited in lieu of the acquisition of Russell Square B.V.'s holding in Research and Marketing Group Investment Limited (Mauritius)

Final Report

May 2018

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING





RSM (Eastern Africa) Consulting Ltd

1st Floor, Pacific Centre, 5th Road
Off Waiyaki Way, Westlands
P. O. Box 44- 00506, Nairobi, Kenya

T: +254 (0) 203614000/4451747/8/9

M: +254 (0) 706347950/772786111

F: +254 (0) 204451773

www.rsmglobal/kenya

The Directors,
WPP Scangroup Limited,
5th Floor, The Chancery,
Valley Road, Upperhill,
P.O. Box 34537 - 00100
Nairobi,
Kenya.

12th May 2018

Dear Sirs,

RE: INDEPENDENT VALUATION REPORT FOR THE SHARE SWAP IN RELATION TO THE PROPOSED ACQUISITION BY RUSSELL SQUARE B.V OF NEW ORDINARY SHARES IN WPP SCANGROUP LIMITED IN LIEU OF THE ACQUISITION OF RUSSELL SQUARE B.V.'S HOLDING IN RESEARCH AND MARKETING GROUP INVESTMENT LIMITED (MAURITIUS)

In accordance with the terms of our engagement letter dated 23rd March 2018, we enclose our final independent valuation report for WPP Scangroup Ltd.

This report and the valuations therein have been prepared using the information provided to us by the management of WPP Scangroup Ltd and our conclusions have been based on the assumption that the information is accurate and complete, and includes all relevant information that may affect the valuation.

The management accounts which we have been provided are the sole responsibility of WPP Scangroup Ltd and we accept no responsibility for them. Our procedures did not include verification work or constitute an audit in accordance with generally accepted accounting standards. Accordingly we do not express any opinion on any financial or other data or other information referred to in this report.

This report supersedes all previous oral, draft or interim advice, reports and presentations, and email correspondence. The report is confidential and has been prepared for the use of WPP Scangroup Ltd only. It should not be disclosed to any third party without our prior written consent. Where RSM provides such consent, it does not accept any liability to any third party in connection with this report or the opinions therein.

The RSM team is grateful for the opportunity to work with you in this engagement.

Should you require any clarification or further information relating to any issue contained in this report, please contact the undersigned.

Yours faithfully,

Director
RSM (Eastern Africa) Consulting Limited

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Directors: Ashraf Baswanji (Chartered Accountant), Lina Hulterski (Chartered Accountant), Simon Foster (Chartered Accountant)

RSM (Eastern Africa) Consulting Limited is a member of the RSM network and is licensed RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm with its own legal personality. The RSM network is not itself a separate legal entity in any jurisdiction.

Table of Contents

| | | |
|----------|--|-----------|
| 1 | EXECUTIVE SUMMARY | 3 |
| 1.1 | Introduction..... | 3 |
| 1.2 | Scope of Work | 3 |
| 1.3 | Summary Valuation..... | 4 |
| 2 | VALUATION COMMENTARY | 5 |
| 2.1 | Basis of valuation and assumptions..... | 5 |
| 2.2 | Enterprise valuation of WPP SG..... | 6 |
| 2.3 | Enterprise Valuation of RMG..... | 6 |
| 2.4 | Value of shares issued to Russell BV | 8 |
| 3 | COMMON VALUATION TECHNIQUES | 9 |
| 3.1 | Asset based valuation/cost based approach | 9 |
| 3.2 | Income approach to value (capitalization of earnings)..... | 9 |
| 3.3 | Income approach to value (discounted cash flow)..... | 9 |
| 3.4 | Market approach to value..... | 9 |
| 4 | MATTERS OF SCOPE | 10 |

1 EXECUTIVE SUMMARY

1.1 Introduction

WPP Scangroup Limited (“WPP SG”) is a subsidiary of WPP Plc and is listed on the Nairobi Securities Exchange. The company is in the marketing and communications industry and operates in the 25 countries in Sub-Saharan Africa.

Research and Marketing Group Investment Limited (Mauritius) trading as “Kantar TNS” (“RMG”) is a market research business. WPP Plc owns 70% of the shares in Kantar TNS through Russell Square BV (“Russell BV”) and the remaining 30% are owned by International Research and Marketing Group Holdings Limited (“IRMGH”); a company incorporated under the laws of Mauritius.

WPP SG wishes to acquire shares in RMG as follows:

- 70% shares from Russell BV by way of a share swap with shares in WPP SG.

1.2 Scope of Work

WPP SG have appointed RSM (Eastern Africa) Consulting Ltd (RSM) to review the valuation workings and prepare a valuation report for the following:

- Enterprise valuation of RMG;
- New shares issued to Russell BV; and
- Value of shares issued to Russell BV.

In arriving at the valuation, the following factors are to be noted:

- The Parties have been in discussion and have agreed on a purchase price mechanism;
- Valuation of the companies is based on historical figures and we have not been provided with any future projections hence we do not guarantee the future performance of the companies; and
- We have not undertaken a review of the numbers and have relied solely on the information provided by Management of WPP SG of which we believe have verified the underlying information.

This report should not be used for any other purpose except for the one defined above.

1.3 Summary Valuation

The table below shows the enterprise valuation of RMG and the value of shares to be issued to Russell BV:

| Details | Valuation as of 12 th April 2018 |
|---|---|
| Enterprise valuation of RMG (Shs' 000) | 1,838,660 |
| New WPP SG shares issued to Russell BV ('000) | 53,291 |
| Value of new shares to be issued to Russell BV (Shs' 000) | 926,640 |

2 VALUATION COMMENTARY

2.1 Basis of valuation and assumptions

In undertaking the review of the valuation of RMG, the income approach was used with the valuation multiple being the EV/Rev (enterprise valuation/revenue). WPP SG and RMG have an EV/Rev multiple of 0.59 and 1.01, respectively based on average share price as at 12th April 2018.

Revenue is the average net revenue i.e. the gross margin for two years; 2016 and 2017.

The enterprise valuation of RMG was determined on the EV/EBIT ratio (enterprise valuation/earnings before interest and tax) of WPP SG due to availability of information for a public listed company.

The enterprise valuation of WPP SG was done using the average 90 day share price as at 12th April 2018 per share of the company and multiplying it with the total number of shares issued. The average 90 day share price factor can fluctuate hence may change the valuation accordingly.

The equity valuation for WPP SG and RMG is determined as follows:

| | |
|-----------------------------|------------------|
| Enterprise valuation | xx |
| Less: Debt | (xx) |
| Add: Cash | <u>xx</u> |
| Equity valuation | xx |

Audited financials were used to obtain the net revenue and EBIT values for the year 2016 and Management accounts were used for the year 2017; for both the companies; RMG and WPP SG.

Common valuation techniques for advertising companies are listed out in **Section 3** of this report.

2.2 Enterprise valuation of WPP SG

Since WPP SG is a public listed company, the equity valuation was done using the total number of shares issued and the average 90 day share price. Cash balance as at 31st March 2018 is then subtracted to determine the enterprise valuation of WPP SG. This is shown as below:

| VALUATION OF WPP SG | |
|--|------------------|
| Total shares issued | 378,865,102 |
| 90 day average share price - Shs per share | 17.39 |
| Equity value - Shs 000 | 6,587,833 |
| Cash -Shs 000 | (3,950,281) |
| Enterprise Value (EV)- Shs 000 | 2,637,551 |
| Average revenue of WPP SG for 2016 and 2017 - Shs'000 | 4,492,498 |
| Average EBIT of WPP SG - Shs'000 | 382,351 |
| EV/Rev | 0.59 |
| EV/EBIT | 6.90 |

Note: The 90 day average share price has been taken as at 12th April 2018. The valuation may change based on the movement in the average share price for 90 days.

According to an article published by *New York University Stern School of Business*¹ as of January 2018, the global advertising industry EV/EBIT multiple as of January 2018 was at a range of 13.15. As seen above, the EV/EBIT of WPP SG falls below the global industry average range.

2.3 Enterprise Valuation of RMG

The methodology applied in valuing RMG is the income approach using valuation multiples. Factors considered and key assumptions applied are as follows:

- Revenue is the average net revenue i.e. the gross margin for two years; 2016 and 2017;
- Debt balance is taken as at 31st March 2018 (being the current value);
- The enterprise valuation of RMG was determined using the EV/EBIT ratio (enterprise valuation/earnings before interest and tax) of WPP SG which is 6.90 then multiplied by the average 2016 and 2017 EBIT of RMG;
- Equity value is the balancing figure; and
- Exchange rate of \$1 to Shs is 103.7037

¹ Pages.stern.nyu.edu. (2018). *Value to Operating Income*. [online] Available at: http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/vebitda.html

| RMG VALUATION | |
|--|------------------|
| WPP SG | |
| Enterprise value of WPP SG (<i>as above</i>) - Shs'000 | 2,637,551 |
| Average revenue of WPP SG for 2016 and 2017 - Shs'000 | 4,492,498 |
| Average EBIT of WPP SG - Shs'000 | 382,351 |
| Shs to USD rate used | 103.7037 |
| EV/EBIT of WPP SG | 6.90 |
| EV/Rev of WPP SG | 0.59 |
| Average 90 days share price as at 12th April 2018 - Shs | 17.39 |
| RMG | |
| | Shs' 000 |
| 2016 and 2017 average net revenue | 1,821,346 |
| 2016 and 2017 average EBIT | 266,540 |
| Equity value (<i>balancing figure</i>) | 1,323,771 |
| Debt as at 31st March 2018 | 514,889 |
| Enterprise Value (EV) - (RMG average EBIT* EV/EBIT of WPP SG) | 1,838,660 |
| EV/rev of RMG | 1.01 |
| EV/EBIT of RMG | 6.90 |

The valuation method used is the market approach; EV/EBIT multiple of WPP SG as it is a listed company and information is also readily available. This is then used to determine the enterprise valuation (EV) of RMG. This is an appropriate method of valuation as RMG is in the same industry as WPP SG.

The enterprise valuation (EV) of RMG is therefore **Shs 1,838,659,790**.

However, due to the recent performance of WPP SG, the EV/EBIT multiple of the company may not be in line with the industry average.

2.4 Value of shares issued to Russell BV

| VALUE OF SHARES ISSUED TO RUSSELL BV | | | |
|---|----------------------|------------------|------------------|
| | WPP SG | RMG | Combined |
| Equity value - Shs 000 | 6,587,833 | 1,323,771 | 7,911,604 |
| Cash -Shs 000 | (3,950,281) | 514,889 | (3,435,392) |
| Enterprise Value (EV)- Shs 000 | 2,637,551 | 1,838,660 | 4,476,211 |
| | Shareholding | % holding | |
| WPP Plc initial shareholding in WPP SG | 189,811,416 | 50.10% | |
| New WPP SG shares issued to Russell BV * | 53,290,883 | | |
| Shareholding post acquisition | 243,102,299 | 56.25% | |
| * Calculated as below: | | | |
| Combined equity value - Shs | 7,911,603,602 | | |
| Divide by: Share price - Shs | 17.39 | | |
| | 454,994,935 | | |
| Less: Current shares issued | (378,865,102) | | |
| | 76,129,833 | | |
| Multiply: Russell BV share ownership in RMG | 70% | | |
| | 53,290,883 | | |
| Value of shares issued to Russell BV | | | |
| New shares issued to Russell BV | 53,290,883 | | |
| Share price | 17.39 | | |
| Value of new shares - Shs | 926,639,644 | | |
| Value of new shares - USD | 8,935,454 | | |

As seen above, WPP Plc shareholding in WPP SG will increase by 6.15% from 50.10% to 56.25% whereas the shareholding of the minority will reduce from 49.90% to 43.75%. Therefore, there will be a dilution in the shareholding of the minority by 12.325%.

The value of shares issued to Russell BV is **Shs 926,639,644** which is equivalent to **USD 8,935,454**.

3 COMMON VALUATION TECHNIQUES

3.1 Asset based valuation/cost based approach

This method calculates a business's equity value as the fair market value of a company's assets less the fair market value of its liabilities. An asset-based valuation can be considered when valuing advertising agencies but tends to be less relevant than other approaches. This is because the value of an advertising agency is tied closely to its industry relationships, reputation, and talent, not its physical assets.

3.2 Income approach to value (capitalization of earnings)

This method is the most applicable for advertising agencies if they are expected to have a constant growth of earnings. The business value under this method is equal to the cash flow projection for one year divided by a capitalization rate (i.e. the appropriate discount rate less the predicted growth rate).

3.3 Income approach to value (discounted cash flow)

The value of equity under this method is equal to the present value of free cash flows available to equity holders over the life of the business. This method works well for both established companies with low growth rates as well as new firms with higher rates of growth, but requires predicting changes in future cash flows.

3.4 Market approach to value

This method utilizes market indications of value such as publicly traded comparable company stock as well as acquisitions of privately held advertising agencies. The financial metrics of public companies or those of private transactions can be used to create valuation multiples that are then used to calculate business value.

4 MATTERS OF SCOPE

This report and the valuations therein have been prepared using the information provided to us by the management of WPP SG and our conclusions have been based on the assumption that the information is accurate and complete, and includes all relevant information that may affect the valuation.

Our analysis was limited to reviewing information made available to us by WPP SG and other publicly available information sources we consider appropriate. Whilst we have no reason to believe that these sources are not reliable and accurate, we do not warrant their accuracy, completeness or correctness.

Furthermore, the valuation of the company, RMG, is not based on future projections hence the future performance of the business has not been evaluated by us.

The management accounts which we have been provided are the sole responsibility of WPP SG and we accept no responsibility for them. Our procedures did not include verification work or constitute an audit in accordance with generally accepted accounting standards. Accordingly we do not express any opinion on any financial or other data or other information referred to in this report.

This report is confidential and has been prepared for the use WPP SG only. The report should not be copied or disclosed to any third party without our prior written consent. Where RSM provides such consent, it does not accept any liability to any third party in connection with this report.

RSM is a member firm of RSM International, a worldwide network of accounting and consulting firms. RSM International does not offer professional services in its own name. Each member firm of RSM International is a legally separate and independent national firm and is not a member of one international partnership, and member firms are not legal partners with each other. One member firm is not responsible for the services or acts of any other member firm.



WPP SCANGROUP LIMITED

Independent Valuation Report for 10% share purchase by WPP Scangroup Limited in Research And Marketing Group Investment Limited (Mauritius)

Final Report

April 2018



RSM (Eastern Africa) Consulting Ltd

1st Floor, Pacis Centre, Slip Road
Off Waiyaki Way, Westlands
P. O. Box 44- 00606, Nairobi, Kenya

T: +254 (0) 203614000/4451747/8/9
M: +254 (0) 706347950/772786111
F: +254 (0) 204451773

www.rsm.global/kenya

The Directors,
WPP Scangroup Limited,
5th Floor, The Chancery,
Valley Road, Upperhill,
P.O. Box 34537 - 00100
Nairobi,
Kenya.

20th April 2018

Dear Sirs,

RE: INDEPENDENT VALUATION REPORT FOR 10% SHARE PURCHASE BY WPP SCANGROUP LIMITED IN RESEARCH AND MARKETING GROUP INVESTMENT LIMITED (MAURITIUS)

In accordance with the terms of our engagement letter dated 23rd March 2018, we enclose our final independent valuation report for WPP Scangroup Ltd.

This report and the valuations therein have been prepared using the information provided to us by the management of WPP Scangroup Ltd and our conclusions have been based on the assumption that the information is accurate and complete, and includes all relevant information that may affect the valuation.

The management accounts which we have been provided are the sole responsibility of WPP Scangroup Ltd and we accept no responsibility for them. Our procedures did not include verification work or constitute an audit in accordance with generally accepted accounting standards. Accordingly we do not express any opinion on any financial or other data or other information referred to in this report.

This report supersedes all previous oral, draft or interim advice, reports and presentations, and email correspondence. The report is confidential and has been prepared for the use of WPP Scangroup Ltd only. It should not be disclosed to any third party without our prior written consent. Where RSM provides such consent, it does not accept any liability to any third party in connection with this report or the opinions therein.

The RSM team is grateful for the opportunity to work with you in this engagement.

Should you require any clarification or further information relating to any issue contained in this report, please contact the undersigned.

Yours faithfully,

Director
RSM (Eastern Africa) Consulting Limited

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Directors: Ashif Kassam (Executive Chairman), Lina Ratansi* (Managing), Simon Fisher**
*Tanzanian **British

RSM (Eastern Africa) Consulting Ltd is a member of the RSM network and trade as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

Table of Contents

| | | |
|----------|---|----------|
| 1 | EXECUTIVE SUMMARY | 3 |
| 1.1 | Introduction..... | 3 |
| 1.2 | Scope of Work | 3 |
| 1.3 | Summary Valuation..... | 4 |
| 2 | VALUATION COMMENTARY | 4 |
| 2.1 | Basis of valuation and assumptions..... | 4 |
| 2.2 | Enterprise valuation of WPP SG..... | 5 |
| 2.3 | Enterprise Valuation of RMG..... | 5 |
| 2.4 | Cash consideration paid to IRMGI..... | 6 |
| 3 | COMMON VALUATION TECHNIQUES | 7 |
| 3.1 | Asset based valuation/cost based approach | 7 |
| 3.2 | Income approach to value (capitalization of earnings) | 7 |
| 3.3 | Income approach to value (discounted cash flow)..... | 7 |
| 3.4 | Market approach to value..... | 7 |
| 4 | MATTERS OF SCOPE | 8 |

1 EXECUTIVE SUMMARY

1.1 Introduction

WPP Scangroup Limited (WPP SG) is a subsidiary of WPP Plc and is listed on the Nairobi Securities Exchange. The company is in the marketing and communications industry and operates in 25 countries in Sub-Saharan Africa.

Research and Marketing Group Investment Limited (Mauritius) trading as “Kantar TNS” (“RMG”) is a market research business. WPP Plc owns 70% of the shares in Kantar TNS through Russell Square Holding BV (“Russell BV”) and the remaining 30% are owned by International Research and Marketing Group Holdings Limited (“IRMGI”), a company incorporated under the laws of Mauritius.

WPP SG wishes to acquire shares in RMG as follows:

- 10% shares from IRMGI with a cash consideration.

The 10% cash consideration has been agreed on with the accepted offer letter sent to the IRMGI in August 2017. However, the valuation may change depending on share price of WPP SG.

This report only includes the reviewed valuation workings for the initial offer sent to IRMGI.

1.2 Scope of Work

WPP SG have appointed RSM (Eastern Africa) Consulting Ltd (RSM) to review the valuation workings and prepare a valuation report for the consideration amount of the 10% share purchase in RMG from IRMGI:

In arriving at the valuation, the following factors are to be noted:

- The Parties have been in discussion and have agreed on a purchase price mechanism;
- Valuation of the companies is based on historical figures and we have not been provided with any future projections hence we do not guarantee the future performance of the companies; and
- We have not undertaken a review of the numbers and have relied solely on the information provided by Management of WPP SG of which we believe have verified the underlying information.

This report should not be used for any other purpose except for the one defined above.

1.3 Summary Valuation

The table below shows the cash consideration amount to be paid to IRMGI:

| Details | (Shs' 000) |
|----------------------------------|------------|
| Cash consideration paid to IRMGI | 199,857 |

2 VALUATION COMMENTARY

2.1 Basis of valuation and assumptions

In undertaking the review of the valuation of RMG, the income approach was used with the valuation multiple being the EV/Rev (enterprise valuation/revenue).

Revenue is the average net revenue i.e. the gross margin for two years; 2016 and 2017.

The enterprise valuation of RMG was determined on the EV/EBIT ratio (enterprise valuation/earnings before interest and tax) of WPP SG due to availability of information for a public listed company **as at 31st August 2017** as agreed in the offer letter from WPP SG to IRMGI.

The enterprise valuation of WPP SG was done using the average 90 day share price as at 31st August 2017 per share of the company and multiplying it with the total number of shares issued. The average 90 day share price factor can fluctuate hence may change the valuation accordingly.

The equity valuation for WPP SG and RMG is determined as follows:

| | |
|-----------------------------|------------------|
| Enterprise valuation | xx |
| Less: Debt | (xx) |
| Add: Cash | <u>xx</u> |
| Equity valuation | xx |

Audited financials were used to obtain the net revenue and EBIT values for the year 2016 and Management accounts were used for the year 2017; for both the companies; RMG and WPP SG.

The debt balance has been taken as at the current date with reference from the offer letter. Hence, the debt element for RMG is as at 16th April 2018.

Common valuation techniques for advertising companies are listed out in **Section 3** of this report.

2.2 Enterprise valuation of WPP SG

Since WPP SG is a public listed company, the equity valuation was done using the total number of shares issued and the average 90 day share price as at 31st August 2017. Cash balance as at the date are then subtracted to determine the enterprise valuation of WPP SG. This is shown as below:

| VALUATION OF WPP SG AS AT 31ST AUGUST 2017 | |
|---|------------------|
| Total shares issued | 378,865,102 |
| 90 day average share price - Shs per share | 18.75 |
| Equity value - Shs 000 | 7,103,721 |
| Cash -Shs 000 | 3,500,000 |
| Enterprise Value (EV)- Shs 000 | 3,603,721 |
| Two year average net revenue- Shs 000 | 4,492,498 |
| Two year average EBIT- Shs 000 | 382,351 |
| EV/Rev | 0.80 |
| EV/EBIT | 9.43 |

Note: The valuation may change based on the movement in the average share price for 90 days.

2.3 Enterprise Valuation of RMG

The methodology applied in valuing RMG is the income approach using valuation multiples. Factors considered and key assumptions applied are as follows:

- Revenue is the average net revenue i.e. the gross margin for two years; 2016 and 2017;
- Debt balance is taken as at 16th April 2018 (current debt balance of the company as per the offer letter);
- The enterprise valuation of RMG was determined using the EV/EBIT ratio (enterprise valuation/earnings before interest and tax) of WPP SG which is 9.43 then multiplied by the average EBIT for two years of RMG;
- Equity value is the balancing figure;
- Exchange rate of \$1 to Shs is 103.7037

| RMG VALUATION FOR THE 10% CASH CONSIDERATION | |
|--|------------------|
| WPP SG | |
| Enterprise value of WPP SG (as above) - Shs'000 | 3,603,721 |
| Average revenue of WPP SG for 2016 and 2017 - Shs'000 | 4,492,498 |
| Average EBIT of WPP SG - Shs'000 | 382,351 |
| Shs to USD rate used | 103.7037 |
| EV/EBIT of WPP SG | 9.43 |
| EV/Rev of WPP SG | 0.80 |
| Average 90 days share price as at 31st August 2017 - Shs | 18.75 |
| RMG | Shs' 000 |
| 2016 and 2017 average net revenue | 1,821,346 |
| 2016 and 2017 average EBIT | 266,540 |
| Equity value (balancing figure) | 1,997,296 |
| Debt balance as at current date (16th April 2018) | (514,889) |
| Enterprise Value (EV) - (RMG average EBIT* EV/EBIT of WPP SG) | 2,512,185 |
| EV/rev of RMG | 1.38 |
| EV/EBIT of RMG | 9.43 |

The valuation method used is the market approach; EV/EBIT multiple of WPP SG as it is a listed company and information is also readily available. This is then used to determine the enterprise valuation (EV) of RMG. This is an appropriate method of valuation as RMG is in the same industry as WPP.

However, due to the recent performance of WPP SG, the EV/EBIT multiple of the company may not be in line with the industry average.

2.4 Cash consideration paid to IRMGI

As per the workings above, it can be noted that the EV/Rev multiple for RMG is 1.38. Hence the cash consideration to be paid by WPP SG to acquire the 10% shares from IRMGI is calculated by multiplying the EV/Rev multiple of 1.38 with the two year average revenue of RMG. This is shown as below:

| Cash consideration for first 10% | |
|--|-----------------|
| Net revenue - Shs'000 | 1,821,346 |
| Stake acquired by WPP Scangroup | 10% |
| EV/rev multiple | 1.38 |
| Cash consideration for first 10% (USD'000) | \$ 1,927 |
| Cash Consideration in Shs'000 | 199,857 |

Hence, the cash consideration paid by WPP SG for the first 10% acquisition of RMG shares held by IRMGI is **Shs 199,856,826** which is equivalent to **USD 1,927,191**.

3 COMMON VALUATION TECHNIQUES

3.1 Asset based valuation/cost based approach

This method calculates a business's equity value as the fair market value of a company's assets less the fair market value of its liabilities. An asset-based valuation can be considered when valuing advertising agencies but tends to be less relevant than other approaches. This is because the value of an advertising agency is tied closely to its industry relationships, reputation, and talent, not its physical assets.

3.2 Income approach to value (capitalization of earnings)

This method is the most applicable for advertising agencies if they are expected to have a constant growth of earnings. The business value under this method is equal to the cash flow projection for one year divided by a capitalization rate (i.e. the appropriate discount rate less the predicted growth rate).

3.3 Income approach to value (discounted cash flow)

The value of equity under this method is equal to the present value of free cash flows available to equity holders over the life of the business. This method works well for both established companies with low growth rates as well as new firms with higher rates of growth, but requires predicting changes in future cash flows.

3.4 Market approach to value

This method utilizes market indications of value such as publicly traded comparable company stock as well as acquisitions of privately held advertising agencies. The financial metrics of public companies or those of private transactions can be used to create valuation multiples that are then used to calculate business value.

4 MATTERS OF SCOPE

This report and the valuations therein have been prepared using the information provided to us by the management of WPP SG and our conclusions have been based on the assumption that the information is accurate and complete, and includes all relevant information that may affect the valuation.

Our analysis was limited to reviewing information made available to us by WPP SG and other publicly available information sources we consider appropriate. Whilst we have no reason to believe that these sources are not reliable and accurate, we do not warrant their accuracy, completeness or correctness.

Furthermore, the valuation of the company, RMG, is not based on future projections hence the future performance of the business has not been evaluated by us.

The management accounts which we have been provided are the sole responsibility of WPP SG and we accept no responsibility for them. Our procedures did not include verification work or constitute an audit in accordance with generally accepted accounting standards. Accordingly we do not express any opinion on any financial or other data or other information referred to in this report.

This report is confidential and has been prepared for the use WPP SG only. The report should not be copied or disclosed to any third party without our prior written consent. Where RSM provides such consent, it does not accept any liability to any third party in connection with this report.

RSM is a member firm of RSM International, a worldwide network of accounting and consulting firms. RSM International does not offer professional services in its own name. Each member firm of RSM International is a legally separate and independent national firm and is not a member of one international partnership, and member firms are not legal partners with each other. One member firm is not responsible for the services or acts of any other member firm.

ANNEXURE 2: HISTORICAL INFORMATION ON WPP SCANGROUP SHARES

The table below sets out the historical information on the share price of WPP Scangroup and the volume weighted average trading price of WPP Scangroup's shares on the Nairobi Securities Exchange in the three months prior to 12 April 2018. This is the information that was used to determine the KES 17.39 price for the New Scangroup Shares.

| | Trading | Day | Low | High | Scangroup | NASI | Shares | C & S | Safaricom |
|----|-----------|-----|-------|-------|-----------|--------|--------------|--------------|-----------|
| | Date | | | | VWAP | | Traded | Sector Index | VWAP |
| 1 | 12-Apr-18 | Thu | 16.10 | 16.10 | 16.10 | 192.82 | 3,400.00 | 11.99 | 31.50 |
| 2 | 11-Apr-18 | Wed | 16.00 | 16.50 | 16.10 | 194.16 | 9,000.00 | 11.89 | 32.00 |
| 3 | 10-Apr-18 | Tue | 16.00 | 16.00 | 16.00 | 193.20 | 1,800.00 | 11.95 | 31.75 |
| 4 | 9-Apr-18 | Mon | 16.00 | 16.00 | 16.00 | 193.06 | 6,500.00 | 12.05 | 31.75 |
| 5 | 6-Apr-18 | Fri | 16.00 | 16.10 | 16.00 | 194.86 | 2,500.00 | 12.38 | 32.25 |
| 6 | 5-Apr-18 | Thu | 16.10 | 16.10 | 16.10 | 196.57 | 800.00 | 12.61 | 32.75 |
| 7 | 3-Apr-18 | Tue | 16.00 | 18.60 | 16.90 | 191.92 | 2,300.00 | 11.71 | 31.25 |
| 8 | 29-Mar-18 | Thu | 17.00 | 17.00 | 17.00 | 191.23 | 1,100.00 | 11.05 | 31.00 |
| 9 | 28-Mar-18 | Wed | 16.00 | 17.00 | 16.00 | 189.34 | 15,300.00 | 10.65 | 30.75 |
| 10 | 27-Mar-18 | Tue | 15.90 | 16.20 | 16.00 | 190.54 | 4,800.00 | 10.59 | 31.25 |
| 11 | 26-Mar-18 | Mon | 16.00 | 16.00 | 16.00 | 191.44 | 12,000.00 | 10.62 | 31.50 |
| 12 | 23-Mar-18 | Fri | 16.05 | 16.50 | 16.10 | 192.17 | 1,800.00 | 10.32 | 31.75 |
| 13 | 22-Mar-18 | Thu | 16.00 | 16.50 | 16.00 | 191.67 | 61,600.00 | 10.45 | 31.75 |
| 14 | 21-Mar-18 | Wed | 16.05 | 16.85 | 16.80 | 190.45 | 132,100.00 | 10.77 | 31.25 |
| 15 | 20-Mar-18 | Tue | 16.75 | 16.80 | 16.75 | 188.61 | 8,900.00 | 11.25 | 30.75 |
| 16 | 19-Mar-18 | Mon | 16.85 | 16.90 | 16.85 | 186.65 | 16,200.00 | 11.28 | 30.00 |
| 17 | 16-Mar-18 | Fri | 16.80 | 16.90 | 16.90 | 184.09 | 172,000.00 | 11.28 | 29.50 |
| 18 | 15-Mar-18 | Thu | 16.80 | 16.90 | 16.90 | 182.88 | 105,900.00 | 11.36 | 29.50 |
| 19 | 14-Mar-18 | Wed | 16.80 | 16.80 | 16.80 | 183.57 | 1,000.00 | 11.42 | 29.75 |
| 20 | 13-Mar-18 | Tue | 17.00 | 17.00 | 17.00 | 182.74 | 100.00 | 11.59 | 29.75 |
| 21 | 12-Mar-18 | Mon | 16.90 | 17.00 | 16.90 | 181.25 | 14,800.00 | 12.12 | 29.25 |
| 22 | 9-Mar-18 | Fri | 16.70 | 17.00 | 17.00 | 180.60 | 66,300.00 | 12.25 | 29.25 |
| 23 | 8-Mar-18 | Thu | 16.80 | 17.00 | 17.00 | 181.27 | 1,563,800.00 | 12.42 | 29.50 |
| 24 | 7-Mar-18 | Wed | 16.80 | 17.00 | 16.85 | 182.16 | 1,000.00 | 12.88 | 29.50 |
| 25 | 6-Mar-18 | Tue | 16.80 | 17.00 | 17.00 | 181.02 | 204,600.00 | 12.92 | 29.25 |
| 26 | 5-Mar-18 | Mon | 16.80 | 16.80 | 16.80 | 180.91 | 900.00 | 12.91 | 29.25 |
| 27 | 2-Mar-18 | Fri | 16.85 | 16.85 | 16.85 | 181.26 | 1,000.00 | 13.23 | 29.25 |

| | Trading | Day | Low | High | Scangroup | NASI | Shares | C & S | Safaricom | |
|----|-----------|-----|-------|-------|-----------|-------|--------|------------|-----------|-------|
| 28 | 1-Mar-18 | Thu | 16.70 | 16.90 | | 16.85 | 181.99 | 2,600.00 | 13.09 | 29.50 |
| 29 | 28-Feb-18 | Wed | 16.70 | 16.70 | | 16.70 | 181.77 | 700.00 | 13.03 | 29.75 |
| 30 | 27-Feb-18 | Tue | 16.50 | 17.50 | | 16.95 | 180.68 | 5,800.00 | 13.45 | 29.50 |
| 31 | 26-Feb-18 | Mon | 16.00 | 16.00 | | 16.00 | 180.64 | 100.00 | 13.80 | 29.50 |
| 32 | 23-Feb-18 | Fri | 15.50 | 17.20 | | 16.40 | 180.78 | 5,100.00 | 14.20 | 29.50 |
| 33 | 22-Feb-18 | Thu | 17.00 | 17.15 | | 17.10 | 180.75 | 386,300.00 | 14.30 | 29.50 |
| 34 | 21-Feb-18 | Wed | 17.10 | 17.50 | | 17.35 | 181.71 | 600.00 | 14.36 | 29.75 |
| 35 | 20-Feb-18 | Tue | 17.10 | 17.55 | | 17.25 | 181.74 | 191,800.00 | 14.34 | 29.75 |
| 36 | 19-Feb-18 | Mon | 17.10 | 17.50 | | 17.25 | 180.21 | 3,300.00 | 14.19 | 29.25 |
| 37 | 16-Feb-18 | Fri | 17.30 | 17.50 | | 17.45 | 180.25 | 6,100.00 | 14.23 | 29.25 |
| 38 | 15-Feb-18 | Thu | 17.40 | 17.40 | | 17.40 | 178.66 | 100.00 | 14.23 | 28.75 |
| 39 | 14-Feb-18 | Wed | 17.10 | 17.30 | | 17.10 | 178.96 | 1,800.00 | 14.23 | 28.75 |
| 40 | 13-Feb-18 | Tue | 17.00 | 17.10 | | 17.05 | 178.35 | 80,000.00 | 14.27 | 28.50 |
| 41 | 12-Feb-18 | Mon | 17.05 | 17.45 | | 17.30 | 177.78 | 2,700.00 | 14.67 | 28.25 |
| 42 | 9-Feb-18 | Fri | 17.50 | 17.85 | | 17.60 | 179.96 | 190,400.00 | 14.71 | 29.00 |
| 43 | 8-Feb-18 | Thu | 17.45 | 17.85 | | 17.70 | 180.39 | 3,400.00 | 14.25 | 29.25 |
| 44 | 7-Feb-18 | Wed | 17.85 | 17.85 | | 17.85 | 178.11 | 200.00 | 14.29 | 28.50 |
| 45 | 6-Feb-18 | Tue | 17.45 | 18.00 | | 17.85 | 181.38 | 7,400.00 | 14.16 | 29.50 |
| 46 | 5-Feb-18 | Mon | 17.75 | 17.75 | | 17.75 | 181.91 | 300.00 | 14.00 | 29.75 |
| 47 | 2-Feb-18 | Fri | 17.30 | 17.55 | | 17.45 | 181.69 | 125,000.00 | 13.97 | 29.75 |
| 48 | 1-Feb-18 | Thu | 17.10 | 17.40 | | 17.40 | 181.57 | 512,400.00 | 13.99 | 29.75 |
| 49 | 30-Jan-18 | Tue | 17.00 | 17.25 | | 17.10 | 181.04 | 2,600.00 | 14.35 | 29.75 |
| 50 | 29-Jan-18 | Mon | 17.25 | 17.60 | | 17.30 | 181.16 | 2,300.00 | 14.30 | 29.75 |
| 51 | 26-Jan-18 | Fri | 17.15 | 17.60 | | 17.15 | 181.69 | 2,800.00 | 14.34 | 30.00 |
| 52 | 25-Jan-18 | Thu | 17.00 | 17.20 | | 17.05 | 180.55 | 3,600.00 | 14.44 | 29.75 |
| 53 | 24-Jan-18 | Wed | 17.50 | 18.60 | | 17.60 | 179.44 | 1,500.00 | 14.40 | 29.50 |
| 54 | 23-Jan-18 | Tue | 17.55 | 17.55 | | 17.55 | 180.43 | 11,600.00 | 14.65 | 29.50 |
| 55 | 22-Jan-18 | Mon | 17.05 | 17.55 | | 17.35 | 179.81 | 2,200.00 | 14.23 | 29.25 |
| 56 | 19-Jan-18 | Fri | 17.00 | 17.30 | | 17.00 | 180.17 | 3,300.00 | 14.18 | 29.50 |
| 57 | 18-Jan-18 | Thu | 17.30 | 17.55 | | 17.35 | 178.49 | 4,400.00 | 14.00 | 29.25 |
| 58 | 17-Jan-18 | Wed | 17.05 | 17.55 | | 17.30 | 177.67 | 6,200.00 | 14.44 | 29.00 |
| 59 | 16-Jan-18 | Tue | 17.50 | 17.60 | | 17.55 | 177.83 | 13,000.00 | 14.73 | 29.00 |

| | Trading | Day | Low | High | Scangroup | NASI | Shares | C & S | Safaricom | |
|----------------|-----------|-----|-------|-------|-----------|--------------|--------|--------------|-----------|-------|
| 60 | 15-Jan-18 | Mon | 17.55 | 17.60 | | 17.55 | 177.37 | 1,100.00 | 15.03 | 28.75 |
| 61 | 12-Jan-18 | Fri | 17.35 | 18.00 | | 17.50 | 176.07 | 1,700.00 | 15.20 | 28.25 |
| 62 | 11-Jan-18 | Thu | 18.50 | 20.00 | | 18.55 | 174.20 | 205,500.00 | 15.02 | 27.75 |
| 63 | 10-Jan-18 | Wed | 18.00 | 19.00 | | 18.90 | 173.76 | 753,200.00 | 14.58 | 27.75 |
| 64 | 9-Jan-18 | Tue | 17.35 | 19.00 | | 18.90 | 174.14 | 16,600.00 | 14.01 | 28.00 |
| 65 | 8-Jan-18 | Mon | 17.35 | 19.00 | | 18.90 | 174.14 | 16,600.00 | 14.01 | 28.00 |
| 66 | 5-Jan-18 | Fri | 18.60 | 18.60 | | 18.60 | 174.17 | 100.00 | 14.20 | 28.00 |
| 67 | 4-Jan-18 | Thu | 18.50 | 18.60 | | 18.55 | 171.67 | 6,800.00 | 14.64 | 27.00 |
| 68 | 3-Jan-18 | Wed | 18.60 | 18.60 | | 18.60 | 170.98 | 1,200.00 | 14.96 | 26.75 |
| 69 | 29-Dec-17 | Fri | 19.00 | 19.00 | | 19.00 | 171.20 | 10,200.00 | 15.25 | 26.75 |
| 70 | 27-Dec-17 | Wed | 19.00 | 19.00 | | 19.00 | 170.00 | 600.00 | 15.92 | 26.25 |
| 71 | 22-Dec-17 | Fri | 17.00 | 17.45 | | 17.40 | 171.62 | 2,100.00 | 15.66 | 26.50 |
| 72 | 21-Dec-17 | Thu | 17.45 | 17.45 | | 17.45 | 171.36 | 500.00 | 15.76 | 26.50 |
| 73 | 20-Dec-17 | Wed | 17.30 | 17.35 | | 17.30 | 169.99 | 3,200.00 | 15.71 | 26.00 |
| 74 | 19-Dec-17 | Tue | 17.40 | 17.40 | | 17.40 | 170.16 | 1,600.00 | 15.80 | 26.00 |
| 75 | 18-Dec-17 | Mon | 17.30 | 17.45 | | 17.35 | 170.59 | 1,900.00 | 15.85 | 26.25 |
| 76 | 15-Dec-17 | Fri | 17.35 | 17.95 | | 17.45 | 172.15 | 4,700.00 | 15.66 | 26.75 |
| 77 | 14-Dec-17 | Thu | 17.30 | 17.95 | | 17.65 | 172.88 | 900.00 | 15.62 | 27.00 |
| 78 | 13-Dec-17 | Wed | 17.35 | 18.00 | | 17.95 | 174.14 | 6,900.00 | 15.50 | 27.50 |
| 79 | 11-Dec-17 | Mon | 18.50 | 18.50 | | 18.50 | 176.00 | 2,229,900.00 | 15.39 | 28.00 |
| 80 | 8-Dec-17 | Fri | 18.20 | 19.65 | | 19.60 | 175.27 | 6,600.00 | 15.43 | 27.75 |
| 81 | 7-Dec-17 | Thu | 18.00 | 18.50 | | 18.15 | 175.08 | 2,500.00 | 15.32 | 27.75 |
| 82 | 6-Dec-17 | Wed | 18.00 | 18.50 | | 18.30 | 173.63 | 1,500.00 | 14.90 | 27.25 |
| 83 | 5-Dec-17 | Tue | 18.50 | 19.00 | | 18.75 | 173.30 | 200.00 | 13.96 | 27.25 |
| 84 | 4-Dec-17 | Mon | 18.50 | 19.00 | | 18.50 | 173.61 | 1,125,200.00 | 13.07 | 27.50 |
| 85 | 1-Dec-17 | Fri | 19.00 | 19.00 | | 19.00 | 173.08 | 1,000.00 | 12.30 | 27.50 |
| 86 | 30-Nov-17 | Thu | 18.00 | 18.00 | | 18.00 | 172.92 | 400.00 | 11.52 | 27.50 |
| 87 | 29-Nov-17 | Wed | 18.00 | 18.00 | | 18.00 | 170.80 | 890,100.00 | 10.84 | 27.50 |
| 88 | 27-Nov-17 | Mon | 16.70 | 18.10 | | 17.45 | 170.80 | 1,200.00 | 9.86 | 27.50 |
| 89 | 24-Nov-17 | Fri | 18.50 | 18.50 | | 18.50 | 168.43 | 100.00 | 9.87 | 26.75 |
| 90 | 23-Nov-17 | Thu | 18.50 | 19.80 | | 19.45 | 167.90 | 5,900.00 | 9.99 | 26.50 |
| AVERAGE | | | | | | 17.39 | | | | |



WPP SCANGROUP

WPP SCANGROUP LIMITED NOTICE OF THE ANNUAL GENERAL MEETING 2018

Notice is hereby given that the twelfth Annual General Meeting of WPP Scangroup Limited will be held at Bomas of Kenya, Lang'ata Road, Nairobi, Kenya on Thursday 31 May 2018 at 11.00a.m. to transact the following business;

ORDINARY BUSINESS

1. To read the notice convening the meeting, table the proxies received and confirm the presence of a quorum.
2. To receive and approve the minutes of the Annual General Meeting held on 26 May 2017.
3. To receive, consider and adopt the Financial Statements for the year ended 31 December 2017 together with the reports of the Directors and the Auditors thereon.
4. To consider and approve a first and final dividend totaling KShs. 284,148,826.50 being KShs. 0.75 per share for the year ended 31 December 2017 payable before 30 June 2018 to shareholders on the Register of Members at the close of business on 31 May 2018.
5. To approve the remuneration of the Directors as provided in the accounts for the year ended 31 December 2017.
6. Directors
 - 6.1 Mr. David Hutchison, having attained the age of seventy years on 9 October 2014 retires in accordance with the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 and does not offer himself for re-election.
 - 6.2. In accordance with the provisions of Section 769 (1) of the Companies Act 2015, the following Directors, being members of the Audit and Risk Management Committee of the Board, be confirmed to continue serving as members of the said committee:
 - i. Richard Omwela; and
 - ii. Andrew Scott.
 - 6.3. In accordance with Section 770(1) of the Companies Act 2015, to appoint Mr. Muchiri Wahome as a member of the Audit & Risk Management Committee.
7. To note that Deloitte & Touché continue in office as auditors of the Company in accordance with the provisions of Sec. 721(2) of the Companies Act 2015 and to authorize the Directors to set their remuneration for the ensuing financial year.

SPECIAL BUSINESS

1. Change of the name of the Company:

Special Resolution

To consider and if thought fit to pass the following Special Resolution:

THAT the name of the Company be and is hereby changed from "WPP Scangroup Limited" to "WPP Scangroup Plc" with effect from the date set out in the Certificate of Change of Name to be issued in that regard by the Registrar of Companies in compliance with section 53 of the Companies Act, 2015.

2. Acquisition of a new Subsidiary-Research and Marketing Group Investment Limited:

To consider and if thought fit, pass the following ordinary Resolutions and Special Resolution;

a. Approve the proposed acquisition of shares in Research and Marketing Group Investment Limited

THAT subject to Russell Square Holdings BV (Russell BV) obtaining the exemption from the Capital Markets Authority from the requirement to make a takeover offer and the Company obtaining an approval to issue and list 53,290,883 ordinary shares in the Company, the Company's acquisition of a subsidiary, Research and Marketing Group Investment Limited (the Target), through the purchase of 3,660 ordinary shares from Russell Square Holding B.V. is hereby approved.

b. Increase the authorized share capital of the Company

THAT pursuant to Article 57 of the Company's Articles of Association, and subject to regulatory approvals, the nominal share capital of the Company be increased from KShs. 400,000,000 divided into 400,000,000 ordinary shares of KShs. 1 each to KShs. 500,000,000 divided into 500,000,000 ordinary shares of KShs. 1 each and authorize the amendment of the Articles of Association of the Company to reflect the increase.

c. Special Resolution: Issue 53,290,883 ordinary shares to Russell Square Holdings BV

THAT the Board is hereby authorised to issue 53,290,883 ordinary shares in the Company at a price of KShs. 17.39 per share to Russell BV, in satisfaction of the purchase consideration payable to Russell BV for its shares in the Target, WITHOUT first offering them to existing shareholders on the basis of their pre-emption rights.

A Shareholders' Circular regarding Special Business, item no. 2 of the Agenda on the transaction will be available on the Company's website www.wpp-scangroup.com soon after the approval of The Capital Markets Authority which will be communicated by way of a public announcement.

3. De-registration of WPP Percy Limited

To consider and if thought fit, pass the following Special Resolution;

THAT the Board be and is hereby authorized to take appropriate steps to apply for the de-registration of WPP Percy Limited, a Company registered in the Companies House in London, England under Registration No. 08948558 which is a subsidiary of WPP Scangroup Limited with effect from the date when the de-registration is approved by the Registrar of Companies.

Notes:

A Member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Company. A Proxy Form may be downloaded from the Company's website, www.wpp-scangroup.com or obtained from the Registrar, Comp-rite Kenya Limited, The Crescent, off Parklands Road, Crescent Business Centre, 2nd floor, Nairobi-P.O. Box 63428-00619 Nairobi.

To be valid, a Proxy Form must be duly completed by a Member and must either be lodged with the Registrar at the above given address or posted so as to reach the Registrar not later than 11.00a.m. on Tuesday 28 May 2018.

In accordance with Articles 152 & 148 of the Company's Articles of Association, a copy of the Annual Report may be viewed on our website, www.wpp-scangroup.com or obtained from the Registrar's office at the address given above. Registration of Members and proxies attending the Annual General Meeting will commence at 8.00a.m. on Thursday 31 May 2018 and will close at the conclusion of the meeting.

Members and proxies will be required to produce a national identity card, a passport or other acceptable means of identification. CDS account numbers or Member number will also be required for ease of the registration process. Courtesy transport will be provided for Members between 7.30a.m. to 10.00a.m. from town (pick-up and drop-off points: behind Kencom House-Moi Avenue, Nairobi) to the venue of the meeting and back to town at the conclusion of the meeting.

By Order of the Board

Reuben Mwangi
Company Secretary
Nairobi