

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take you should consult a professional adviser authorised for the purposes of the Financial Services and Markets Act 2000, or if you are not in the United Kingdom, another appropriately authorised professional adviser. All Shareholders are strongly advised to consult their professional advisers regarding their own tax position.**

If you have sold or otherwise transferred all of your holding of Ordinary Shares in Baker Steel Resources Trust Limited (the **Company**), please send this document and the accompanying documents (but not the personalised Tender Form) as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold any part of your holding of Ordinary Shares in the Company, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately. This document (but no Tender Forms) may only be distributed, forwarded or transmitted in or into the United States, Australia, Canada, Japan or the Republic of South Africa for the purposes of providing information to Shareholders in relation to the Tender Offer Authority which is being sought at the Company's 2019 AGM. However, the Tender Offer is only available to Qualifying Shareholders and is not available to Shareholders in the United States, Australia, Canada, Japan, the Republic of South Africa or in any other jurisdiction where the making of the Tender Offer to Shareholders in that jurisdiction would constitute a violation of the relevant laws and regulations in such other jurisdiction.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company in connection with the Tender Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Tender Offer, the contents of this document or any other matter referred to in this document.

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## **BAKER STEEL RESOURCES TRUST LIMITED**

*(a company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered number 51576)*

### **Tender offer by Numis Securities Limited to purchase up to 9,677,498 Shares at 51 pence per share**

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Applications by Qualifying Shareholders to tender Shares for purchase under the Tender Offer may only be made on the Tender Forms or, in the case of Shares held in uncertificated form (that is, in CREST), by making an appropriate CREST instruction (a **TTE Instruction**). Enclosed with this document is a personalised Tender Form for use by Qualifying Shareholders who hold their Shares in certificated form in connection with the Tender Offer. To be effective, such Tender Forms, together with the share certificate(s) and/or other document (s) of title, must be returned as indicated thereon so as to be received as soon as possible and, in any event, not later than 1.00 p.m. on 24 May 2019 by Link Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. A first class reply-paid envelope is enclosed for use in the United Kingdom only.

The availability of the Tender Offer to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Shareholders who are not resident in the United Kingdom should read the paragraph headed "Restricted Shareholders and other Overseas Shareholders" in Part III of this document.

The Tender Offer is conditional upon the passing of Resolution 9 at the 2019 AGM. The notice of 2019 AGM which will be held at 12 noon on 28 May 2019 accompanies this document. Shareholders are requested to return the Form of Proxy accompanying this document for use at the 2019 AGM. To be valid, the Form of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by Link Asset Services as soon as possible and in any event by not later than 12 noon on 24 May 2019.

This document does not constitute an offer to purchase, or solicitation of an offer to sell Shares in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws. Accordingly, unless otherwise determined by Numis (in consultation with the Company) and permitted by applicable law and regulation, the accompanying Tender Form is not being, nor may it be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Territory, and persons receiving the Tender Form (including, without limitation, trustees, nominees or custodians) must not mail or otherwise forward, distribute or send it in, into or from such Restricted Territories as to do so will invalidate any purported acceptance of the Tender Offer. In particular, the Tender Offer is not being made, directly or indirectly, in or into or by the use of mails by any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange of the United States, nor is it being made directly or indirectly in or into Canada, Australia, Japan or the Republic of South Africa and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Canada, Australia, Japan or the Republic of South Africa.

**IF YOU DO NOT WISH TO TENDER ANY SHARES, DO NOT COMPLETE A TENDER FORM OR SUBMIT A TTE INSTRUCTION**

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## EXPECTED TIMETABLE

2019

Latest time and date for receipt of Forms of Proxy for the 2019 AGM	12 noon on 24 May
Latest time and date for receipt of Tender Forms or for settlement of TTE Instructions	1.00 p.m. 24 May
Record Date for participation in the Tender Offer	5.00 p.m. on 24 May
<b>Annual General Meeting</b>	12 noon on 28 May
Results of the 2019 AGM and Tender Offer announced	28 May
Tender Purchase Date	29 May
CREST accounts credited with Tender Offer consideration in respect of uncertificated Shares sold under the Tender Offer and any unsold uncertificated Shares	5 June
Despatch of cheques for the Tender Offer consideration in respect of certificated Shares sold under the Tender Offer	5 June
Despatch of any balance certificates in respect of any unsold certificated Shares	5 June

*Each of the times and dates in the expected timetable may be extended or brought forward without further notice. If any of the above times and/or dates change materially, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service provider.*

*All references to times are to London times.*

All enquiries in connection with the procedure for application under the Tender Offer and completion of the Tender Form should be addressed to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by calling Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Link Asset Services are open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice in respect of the Tender Offer and calls may be recorded and monitored for security and training purposes.

## PART I

### LETTER FROM THE CHAIRMAN

# BAKER STEEL RESOURCES TRUST LIMITED

*(a company incorporated in Guernsey under The Companies (Guernsey) Law, 2008,  
as amended with registered number 51576)*

*Directors*

Howard Myles (Chairman)  
Charles Hansard  
Clive Newall  
Christopher Sherwell

*Registered office*

Arnold House  
St. Julian's Avenue  
St Peter Port  
Guernsey GY1 3NF  
Channel Islands

9 May 2019

To holders of Shares

Dear Shareholder,

**Tender offer by Numis Securities Limited  
to purchase up to 9,677,498 Shares at 51 pence per Share**

#### **1. Introduction**

As contemplated in my Chairman's statement included in the Company's annual report and accounts for the financial year ended 31 December 2018, the Company has announced today a tender offer for up to 9,677,498 Shares (representing approximately one Share for every 12 of the Company's issued Shares as at the date of this document) as a means of implementing the first return of capital by the Company in accordance with the capital returns policy introduced in 2015.

The Tender Offer will be conducted at a fixed price of 51 pence per Share, which represents a premium of 10.9 per cent. to the closing bid price of an Ordinary Share on the Latest Practicable Date and a discount of 10.2 per cent. to the unaudited NAV per Share as at 30 April 2019 (the **Tender NAV**).

The implementation of the Tender Offer is conditional upon the passing of Resolution 9 which will be proposed as a special resolution at the 2019 AGM. The notice convening the 2019 AGM which is to be held at 12 noon on Tuesday, 28 May 2019 accompanies this document.

The purposes of this document are to set out the background to and reasons for the Tender Offer and why the Board recommends you vote in favour of Resolution 9 to be proposed at the 2019 AGM. This document also contains the terms and conditions of the Tender Offer, together with details of how Qualifying Shareholders can tender Shares for purchase, if they wish to do so.

**This letter is not a recommendation for Qualifying Shareholders to tender any Shares under the Tender Offer. Whether or not Qualifying Shareholders tender any Shares will depend on, among other things, their view of the Company's prospects and their own individual circumstances, including their tax position, on which they should seek their own independent advice.**

#### **2. Background to and reasons for the Tender Offer**

Notwithstanding that the current mining market environment is attractive for investing in new mining opportunities, in 2015 the Board introduced a capital returns policy whereby it will allocate cash for distributions to shareholders in an amount being no less than 15 per cent. of the aggregate audited net realised cash gains generated in the previous financial year.

The sale of the majority of the Company's interest in the Prognoz silver project provides the first opportunity to deliver on this policy. Although the majority of the proceeds are still held in Polymetal

International plc shares, the Board considers these to be sufficiently liquid as to be considered as cash for the purposes of the policy.

Having considered the alternatives, the Board believes that the appropriate way to implement its capital returns policy is through one or more tender offers. The Tender Offer described in this document will enable the Company to return approximately 25 per cent. of the gains generated on Prognoz during the last financial year.

It is hoped that the opportunity to receive a direct share of the proceeds of successful realisations will encourage existing shareholders to maintain their commitment to the Company and attract new investors appreciative of the clear visibility of likely future returns from its investment activities, which in turn may help reduce the discount and improve share liquidity.

### **3. Summary information on the Tender Offer**

Full details of the Tender Offer, including the terms and conditions on which it is being made, are set out in Part III of this document and, in the case of Shares held in certificated form, on the Tender Form.

The Tender Offer is only available to Qualifying Shareholders on the register of members of the Company on the Record Date in respect of the Ordinary Shares and Management Ordinary Shares held by them on the Record Date.

Qualifying Shareholders can choose whether they wish to tender any of their Shares under the Tender Offer. Qualifying Shareholders are not obliged to tender any of their Shares if they do not wish to do so.

The Tender Offer involves the following:

- Numis, acting as principal, will purchase up to 9,677,498 Shares at the Tender Price on and subject to the terms and conditions of the Tender Offer and will sell such tendered Shares to the Company pursuant to the Repurchase Agreement.
- 9,677,498 Shares represent approximately one Share for every 12 of the Company's issued Shares as at the date of this document (equivalent to 8.333 per cent. of the current issued Shares excluding Ordinary Shares held in treasury).
- The Tender Price, being 51 pence per Share represents a 10.9 per cent premium to the closing bid price of an Ordinary Share on the Latest Practicable Date and a 10.2 per cent. discount to the Tender NAV.
- The Tendered Shares will be acquired by the Company from Numis and such Shares will then be cancelled.
- All Shares tendered by any Qualifying Shareholder up to their Basic Entitlement (which represents such Qualifying Shareholder's *pro rata* share of the maximum number of Shares to be acquired under the Tender Offer) will be accepted in full on and subject to the terms and conditions of the Tender Offer set out in Part III of this document and, in the case of Shares held in certificated form, the Tender Form.
- Each Qualifying Shareholder's Basic Entitlement will be calculated by the Registrars as at the Record Date by reference to the Qualifying Shareholder's holding of Ordinary Shares and/or Management Ordinary Shares as at that date.
- If the number of Shares validly tendered is 9,677,498 or less, all such Shares will be purchased under the Tender Offer on and subject to the terms and conditions of the Tender Offer set out in Part III of this document.
- If the number of Shares validly tendered is more than 9,677,498, tenders will be accepted in the order set out below:
  - all Shares tendered by Qualifying Shareholders up to their Basic Entitlement will be accepted in full; and
  - tenders of Shares in excess of the Qualifying Shareholders' Basic Entitlements will be satisfied *pro rata* in proportion to the amount tendered in excess of Basic Entitlements (rounded down to the nearest whole number of Shares) or otherwise at the discretion of Numis, in consultation with the Board.

- Qualifying Shareholders are able to tender their Shares until 1.00 p.m. on the Tender Closing Date, which is 24 May 2019. In order to participate in the Tender Offer:
  - Qualifying Shareholders holding Shares in certificated form as at the Record Date must return the accompanying personalised Tender Form together with any share certificate(s) and/or other document(s) of title in accordance with the instructions set out on the Tender Form by 1.00 p.m. on 24 May 2019; and
  - Qualifying Shareholders holding Shares in uncertificated form (that is, in CREST) are directed to paragraph 3.2 of Part III of this document which details specific procedures for those holders.

Qualifying Shareholders who choose not to participate in the Tender Offer and who therefore do not tender their Shares will not receive any cash proceeds in respect of their Shares under the Tender Offer but will benefit from an uplift to the Company's NAV (estimated to be 0.7 per cent.) owing to the Tender Price being at a discount to the NAV per share. Further, non-participating Qualifying Shareholders will benefit by owning a greater percentage of the Company as there will be fewer Shares in issue after completion of the Tender Offer.

Ordinary Shares may be traded in the normal way during the period in which the Tender Offer remains open, but Qualifying Shareholders should note that, once tendered, their Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

The purchase from Qualifying Shareholders and the subsequent sale of the tendered Ordinary Shares to the Company will be effected by Numis, as principal, "On Exchange" in accordance with the Rules of the London Stock Exchange, except for any Management Ordinary Shares which will be acquired by Numis, as principal, off-market since the Management Ordinary Shares are not admitted to trading on the London Stock Exchange.

The Tender Offer is only available to Qualifying Shareholders and is not available to Shareholders in the United States, Australia, Canada, Japan, the Republic of South Africa or to Shareholders who are otherwise within a Restricted Territory.

Any rights of Qualifying Shareholders who choose not to tender their Shares will be unaffected by the Tender Offer.

#### **4. Irrevocable undertakings to accept the Tender Offer from the Deemed Concert Party**

The Takeover Code applies to the Company and governs, *inter alia*, transactions which may result in a change of control of the Company. Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested or in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is the subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, Rule 9 of the Takeover Code also provides that when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry more than 30 per cent. of the voting rights of such company, but does not hold shares carrying 50 per cent, or more of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person.

An offer under Rule 9 must be in cash and at the highest price paid within the twelve months prior to the announcement of the offer for any interest in shares in the Company by the person required to make the offer or any person acting in concert with him.

Baker Steel Capital Managers LLP which acts as the Company's investment manager was co-founded by Trevor Steel and David Baker in 2001. David Baker and Trevor Steel exercise majority management control over Baker Steel Capital Managers LLP. Both Trevor Steel and David Baker are considered to be acting in concert for the purposes of the Takeover Code and certain other Shareholders of the Company are considered to be acting in concert as a result of their relationships with Trevor Steel, David Baker and/or the Investment Manager

(the **Deemed Concert Party**). Full details of the Deemed Concert Party are set out in paragraph 4 to Part VI of this document.

The Deemed Concert Party originally acquired an aggregate interest of more than 30 per cent. in the Company's voting rights in connection with the acquisition by the Company of a portfolio of additional investments from Genus Natural Resources Fund and Genus Natural Resources Master Fund for which a waiver from the obligation to make a general offer to the Shareholders pursuant to Rule 9 of the Takeover Code was obtained from the Panel that was approved by the Company's independent shareholders at a general meeting held on 23 February 2015.

The aggregate shareholding of the Deemed Concert Party in the Company as at the Latest Practicable Date was 36,910,436 Shares (including 10,000 Management Ordinary Shares), representing approximately 31.78 per cent. of the voting share capital of the Company.

In order to ensure that the aggregate shareholding of the Deemed Concert Party does not increase as a result of the Tender Offer, all members of the Deemed Concert Party have irrevocably undertaken to take up at least their Basic Entitlement under the Tender Offer.

## **5. Expenses**

The costs relating to the Tender Offer, and assuming the Tender Offer is fully subscribed, are expected to be approximately £116,000. The Tender Price represents a 10.2 per cent. discount to the Tender NAV and assuming that the Tender Offer is fully subscribed, the costs of the Tender Offer are expected to be approximately 2.0 per cent. of the Tender NAV, and therefore continuing Shareholders should expect to receive an uplift to the NAV per Share.

## **6. Taxation**

A guide to certain UK tax consequences of the Tender Offer for Shareholders under UK law and HMRC practice is set out in Part V of this document.

**Qualifying Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult a professional adviser.**

## **7. Overseas Shareholders**

The attention of Shareholders who are not resident in the United Kingdom is drawn to paragraph 9 of Part III of this document headed "Restricted Shareholders and other Overseas Shareholders".

## **8. 2019 AGM and Tender Offer Authority**

In addition to the usual annual buy-back authority which enables the Company to make market purchases of Ordinary Shares representing up to 14.99 per cent. of the Company's issued Ordinary Shares in accordance with and subject to the requirements of the Listing Rules, to enable the Company to implement its capital returns policy, the Directors are also seeking Shareholders' authority to purchase up to 30,000,000 Ordinary Shares and Management Ordinary Shares (representing approximately 25.8 per cent of the Company's ordinary share capital) in connection with one or more tender offers for the Shares, the first of which is the Tender Offer described in this document, (the **Tender Offer Authority**). The Board intends to seek renewal of the Tender Offer Authority at each annual general meeting held after the 2019 AGM.

Accordingly, the proposed Tender Offer requires Shareholders' approval of the Tender Offer Authority and is conditional on the passing of Resolution 9 set out in the 2019 AGM Notice which accompanies this document. The Tender Offer Authority which will be proposed as a special resolution requires at least 75 per cent. of the votes cast to be in favour of it.

## **9. Action to be taken**

### ***To vote at the 2019 AGM to approve the tender offer authority***

Whether or not you propose to attend the 2019 AGM in person, you are requested either to complete the accompanying Form of Proxy and return it to Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU in accordance with the instructions printed on it, or, if you hold your Ordinary Shares in CREST, to utilise the CREST electronic proxy appointment service in accordance with the procedures set out on the Form of Proxy. In each case, proxy votes

should be returned as soon as possible, but in any event not later than 48 hours before the time appointed for the 2019 AGM or any adjournment of that meeting.

Completion and return of Forms of Proxy will not prevent you from attending and voting in person at the 2019 AGM should you wish to do so.

#### ***To tender Shares under the Tender Offer***

The procedure for tendering Shares depends on whether your Shares are held in certificated or uncertificated form and is summarised below.

##### *By Shareholders holding Shares in certificated form*

Qualifying Shareholders who hold Shares in certificated form and who wish to tender all or any of their existing holding of Shares should complete the Tender Form in accordance with the instructions printed thereon (including a witnessed signature) and in Part IV of this document and return it to Link Asset Services, Corporate Actions, in accordance with the instructions printed on the Tender Form. A prepaid envelope is enclosed for this purpose. Qualifying Shareholders who hold their Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Shares tendered. Completed Tender Forms must be received by not later than 1.00 p.m. on 24 May 2019. Further details of the procedures for tendering and settlement are set out in paragraph 3.2 of Part III of this document and in the accompanying Tender Form.

##### *By Shareholders holding Ordinary Shares in uncertificated form*

Qualifying Shareholders who hold Ordinary Shares in uncertificated form (that is, in CREST) and who wish to tender all or any of their existing holdings of Ordinary Shares should tender electronically through CREST so that the TTE Instruction settles by not later than 1.00 p.m. on 24 May 2019. Further details of the procedures for tendering and settlement are set out in Part III of this document.

The CREST manual may also assist you in making a TTE Instruction.

**Shareholders who do not wish to tender any Shares should not complete a Tender Form or submit a TTE Instruction.**

#### **10. Recommendation**

The Board considers that the Tender Offer is in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 9 to be proposed at the 2019 AGM which will authorise the implementation of the Tender Offer.

The Directors intend to vote in favour, or procure the vote in favour, of Resolution 9 at the 2019 AGM in respect of their own beneficial holdings of Ordinary Shares, which in aggregate amount to 129,198 Ordinary Shares (representing 0.11 per cent. of the issued ordinary share capital of the Company as at the date of this document).

The Directors make no recommendation to Shareholders as to whether or not they should tender all or any of their Shares in the Tender Offer. Whether or not Shareholders decide to tender their Shares will depend, amongst other factors, on their view of the Company's prospects and their own individual circumstances, including their own tax position.

**If you are in any doubt about the contents of this document or the action you should take, you should seek your own independent financial or legal advice immediately.**

Yours sincerely

Howard Myles  
*Chairman*



## PART II

### LETTER FROM NUMIS SECURITIES LIMITED

# Numis

Numis Securities Limited  
The London Stock Exchange Building  
10 Paternoster Square  
London EC4M 7LT  
+44 (0)20 7260 1000  
www.numis.com

9 May 2019

Dear Shareholder

#### TENDER OFFER TO SHAREHOLDERS OF BAKER STEEL RESOURCES TRUST LIMITED

### 1 Introduction

As explained in the letter from your Chairman in Part I of this document, Shareholders of Baker Steel Resources Trust Limited (other than Shareholders in Restricted Jurisdictions) are being given the opportunity to tender their Shares for purchase in the Tender Offer on the basis set out below and in Part III of this document. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer. This letter is not, however, a recommendation to Shareholders to sell their Shares.

Numis hereby invites Qualifying Shareholders (but not Restricted Shareholders) on the Register on the Record Date to tender up to approximately 8.333 per cent. of their Shares for purchase for cash at the Tender Price. Each Qualifying Shareholder will be entitled to have accepted in the Tender Offer valid tenders of Shares to Numis in respect of their Basic Entitlement. Such Qualifying Shareholders may tender fewer Shares than their Basic Entitlement, or they may tender Shares in excess of their Basic Entitlement. If the aggregate number of Shares tendered exceeds the Basic Entitlement of all Qualifying Shareholders, excess tenders will be satisfied *pro rata* in proportion to the excess over the Basic Entitlement tendered (rounded down to the nearest whole number of Shares) as determined in accordance with paragraph 2.12 of Part III of this document or otherwise at the discretion of Numis, in consultation with the Board.

Qualifying Shareholders are not obliged to tender any Shares. Qualifying Shareholders who do not wish to tender any Shares should not return their Tender Form or send a TTE instruction. Qualifying Shareholders who are in any doubt as to the consequences, including the taxation consequences, of returning or failing to return their Tender Forms or of submitting or failing to submit a TTE instruction, are recommended to consult an appropriate professional adviser.

Numis is acting exclusively for the Company in connection with the Tender Offer and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis nor for providing advice in relation to the Tender Offer, the contents of this document or any other matter referred to in this document.

### 2 Procedure for tendering Shares

#### *Certificated Shares: Tender Form*

Qualifying Shareholders who hold their Shares in certificated form who wish to tender some or all of their Shares for purchase should complete the personalised Tender Form which accompanies this document in accordance with the instructions printed thereon and as set out in Part III of this document, and return it by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, along with the share certificate(s) (and/or other document(s) of

title) representing the Shares they wish to tender for purchase so as to arrive by no later than 1.00 p.m. on the Tender Closing Date.

#### *Uncertificated Ordinary Shares: CREST arrangements*

Qualifying Shareholders who hold their Ordinary Shares in uncertificated form (i.e. through CREST) who wish to tender some or all of their Ordinary Shares for purchase should send or procure the sending of a TTE Instruction (as set out in Part III of this document) ensuring that the instruction is received by Link Asset Services by no later than 1.00 p.m. on the Tender Closing Date.

**Qualifying Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.**

Full details of the procedure for tendering Shares are set out in Part III of this document and, in the case of Shares held in certificated form, on the Tender Form.

If you have any queries regarding the procedure for tendering your Shares, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Link Asset Services are open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice in respect of the Tender Offer and calls may be recorded and monitored for security and training purposes.

### **3 Validity of tenders**

Tender Forms and TTE Instructions which are received after 1.00 p.m. on the Tender Closing Date or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to Shareholders or their appointed agents, together with any accompanying share certificate(s) and/or other document(s) of title. However, Numis reserves the right to treat as valid Tender Forms or TTE Instructions which are not entirely in order and which are not accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof and shall be entitled (in its sole discretion) to accept late Tender Forms and TTE Instructions.

### **4 Overseas Shareholders**

Numis may be prohibited from making the Tender Offer to persons outside the United Kingdom, or the Tender Offer may be affected by the relevant laws of the overseas jurisdiction. Shareholders with registered or mailing addresses outside the UK, or who are citizens or nationals of, or resident in, a jurisdiction other than the UK, should read paragraph 9 of Part III of this document and, in the case of Shares held in certificated form, the relevant provisions of the Tender Form.

### **5 Conditions and Termination**

The Tender Offer is conditional upon the satisfaction of the conditions specified in paragraph 2.1 of Part III of this document. The Tender Offer may be terminated in the circumstances described in paragraph 2.17 of Part III of this document.

### **6 Settlement**

Subject to the Tender Offer becoming unconditional, payment of the Tender Price due to Shareholders under the Tender Offer whose tenders have been accepted (rounded down to the nearest whole penny) are expected to be effected by the crediting of CREST accounts or the dispatch of cheque(s) (as appropriate) on 5 June 2019.

### **7 The City Code on Takeovers and Mergers**

Shareholders should note the important information in paragraph 3 of Part VI of this document relating to certain provisions of the Takeover Code.

**8 Notification of shareholding**

Please note that, whether or not you tender your Shares, a change in your interests in the Company following completion of the Tender Offer may give rise to an obligation to make a notification of your revised shareholding to the Company. Please refer to paragraph 1.3 of Part VI of this document for more details.

**9 Further Information**

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part III of this document.

**10 General**

This letter is not a recommendation to Shareholders to sell or not sell their shares in the Tender Offer.

Yours faithfully

Nathan Brown  
Managing Director, Investment Banking  
For and on behalf of Numis Securities Limited

## PART III

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### 1 Tenders

- 1.1 All Shareholders (other than Restricted Shareholders) may tender Shares for purchase by Numis as principal, subject to the terms and conditions set out in this document and, in respect of Shareholders holding their Shares in certificated form, in the accompanying personalised Tender Form (which together with this document constitute the Tender Offer). Shareholders are not obliged to tender any Shares.
- 1.2 The Tender Offer will be made at the Tender Price. The consideration for each tendered Share acquired by Numis pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 4 of this Part III.
- 1.3 Upon the Tender Offer becoming unconditional and unless the Tender Offer has lapsed or has been terminated in accordance with the provisions of paragraph 2 of this Part III, Numis will accept the offers of Qualifying Shareholders validly made in accordance with this Part III. Each Qualifying Shareholder will be entitled to sell to Numis any number of Shares up to their Basic Entitlement. Qualifying Shareholders may also tender additional Shares in excess of their Basic Entitlement and such additional Shares may be purchased by Numis to the extent that other Qualifying Shareholders tender less than their Basic Entitlement. Any such excess tenders will be satisfied *pro rata* in proportion to the amount tendered in excess of the Basic Entitlement (rounded down to the nearest whole number of Shares) as determined in accordance with paragraph 2.12 of this Part III or otherwise at the discretion of Numis, in consultation with the Board.
- 1.4 A maximum number of 9,677,498 Shares (including Management Ordinary Shares), representing approximately 8.333 per cent. of the existing Shares (excluding Ordinary Shares held in treasury), will be acquired by Numis under the Tender Offer.

#### 2 Terms and Conditions of the Tender Offer

- 2.1 The Tender Offer is conditional upon the following:
  - (a) the passing as a special resolution, by no later than 30 June 2019, of Resolution 9 to be proposed at the 2019 AGM authorising the Company to make market purchases of the Tendered Shares from Numis pursuant to the Repurchase Agreement and such resolution remaining in full force and effect;
  - (b) Numis being satisfied that the Company has procured payment of an amount equal to the Aggregate Purchase Price into a client account of Numis in accordance with the Repurchase Agreement by no later than 12 noon on 28 May 2019;
  - (c) the Directors being satisfied that the Company will satisfy the solvency test as prescribed by the Companies Law immediately following the completion of the Tender Offer and the subsequent repurchase of the Tendered Shares by the Company pursuant to the Repurchase Agreement; and
  - (d) the Tender Offer not having been terminated in accordance with paragraph 2.17 of this Part III prior to the fulfilment of the conditions referred to in sub-paragraphs 2.1 (a) to (c) above.

Numis will not purchase any Shares pursuant to the Tender Offer unless the terms and conditions (**Conditions**) set out in this paragraph 2.1 have been satisfied. The Conditions, other than 2.1(b), may not be waived by Numis. If the Conditions are not satisfied by 10.00 a.m. on 30 June 2019, the Tender Offer will lapse.

- 2.2 Qualifying Shareholders may tender such number of Shares under the Tender Offer as they may choose. Qualifying Shareholders do not have to tender any Shares if they do not wish to do so.
- 2.3 The Tender Offer is only available to Qualifying Shareholders on the register of members of the Company on the Record Date in respect of the number of Ordinary Shares and/or Management Ordinary Shares registered in their names on that date.

- 2.4 Tenders are irrevocable once submitted and cannot be withdrawn unless otherwise determined by Numis at its absolute discretion. Tenders in respect of certificated Shares will be irrevocable upon receipt by Link Asset Services of duly completed Tender Forms and tenders of uncertificated Ordinary Shares will be irrevocable upon the input and settlement of the TTE Instruction and cannot be withdrawn unless otherwise determined by Numis at its absolute discretion.
- 2.5 The Tender Offer will close at 1.00 p.m. on the Tender Closing Date and no tenders received after that time will be accepted unless otherwise determined by Numis at its absolute discretion.
- 2.6 All or any part of a holding of Shares may be tendered. Shares successfully tendered will be sold to Numis, acting as principal, fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same. Successfully tendered Shares will then be repurchased from Numis by the Company and such Shares will subsequently be cancelled and will not rank for any future dividends.
- (a) Tenders in respect of Shares held in certificated form must be made on the Tender Form duly completed in accordance with the instructions set out below and on the Tender Form (which constitute part of the terms of the Tender Offer). Such tenders will only be valid when the procedures contained in this document and the Tender Form are complied with.
- (b) Tenders in respect of Ordinary Shares held in uncertificated form in CREST must be made by the input and settlement of a TTE Instruction in CREST in accordance with the instructions set out in this Part III and the relevant procedures in the CREST manual which together constitute part of the terms of the Tender Offer. Such tenders will only be valid when the procedures contained in this document and in the relevant parts of the CREST manual are complied with.
- (c) The Tender Offer and all tenders will be governed by and construed in accordance with English law.
- 2.7 Delivery of a Tender Form or the input of a TTE Instruction in CREST, as applicable, will constitute submission to the exclusive jurisdiction of the English courts.
- 2.8 The results of the Tender Offer and, if applicable, the extent to which tenders will be subject to scaling back, is expected to be announced on 28 May 2019.
- 2.9 All documents and remittances sent by or to Qualifying Shareholders and all instructions made by or on behalf of a Qualifying Shareholder in CREST will be sent or made (as the case may be) at the risk of the person entitled thereto. If the Tender Offer does not become unconditional and lapses or is terminated, in respect of Shares held in certificated form, Tender Forms, share certificates and other documents of title will be returned by post not later than ten Business Days after the date of such lapse or termination or, in respect of Ordinary Shares held in uncertificated form (that is, in CREST), the escrow agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow balances by TFE Instruction to the original available balances to which those Ordinary Shares relate.
- 2.10 If part only of a holding of Shares is successfully tendered pursuant to the Tender Offer, the relevant Qualifying Shareholder will be entitled to receive the following:
- (a) for Shares held in certificated form, a certificate in respect of the unsold Shares; or
- (b) for Ordinary Shares held in uncertificated form (that is, in CREST), the credit of the balance of the unsold Ordinary Shares by the Registrar by an ARAN message.
- 2.11 Further copies of the Tender Form may be obtained on request from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2.12 If:

- (a) any Qualifying Shareholder tenders a number of Shares in excess of his/her Basic Entitlement (each an **Individual Excess Tender** and, in aggregate, the **Total Excess Tenders**); and
- (b) any Qualifying Shareholder has validly tendered a number of Shares less than his/her Basic Entitlement which, upon aggregation of the unused portions of all Qualifying Shareholders' Basic Entitlements, results in a pool of Shares available to be allocated between the Individual Excess Tenders (the **Total Available Shares**),

then the Total Available Shares shall be allocated between the Individual Excess Tenders as follows:

- (i) if the Total Excess Tenders exceeds the Total Available Shares, all Individual Excess Tenders will be scaled-back by the application of the following ratio, provided that the total number of Shares purchased pursuant to the Tender Offer shall not exceed 9,677,498:

$$\frac{\text{Total Available Shares}}{\text{Total Excess Tenders}}$$

- (ii) if the Total Excess Tenders are less than or equal to the Total Available Shares, all Individual Excess Tenders will be satisfied in full (subject to the Tender Offer not being terminated or lapsing prior to its completion and satisfaction of the other terms and conditions set out in this Part III and (where relevant) the Tender Form.

2.13 All Shares successfully tendered will be purchased by Numis, as principal, at the Tender Price. Any recourse which a Qualifying Shareholder may have in connection with the acquisition of their Shares under the Tender Offer shall be to Numis and not to the Company.

2.14 All questions as to the number of Shares tendered, the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Shares will be determined by Numis at its sole discretion, which determination shall be final and binding on all of the parties (except as otherwise required under applicable law). Numis reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance or payment for which may, in the opinion of Numis, be unlawful. Numis also reserves the absolute right to waive any defect or irregularity in the tender of any particular Shares or any particular holder thereof. No tender of Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be despatched (in respect of certificated Shares) or made by way of a CREST payment (in respect of uncertificated Ordinary Shares), until after (in the case of certificated Shares) the Tender Form is complete in all respects and the share certificate(s) and/or other document(s) of title or satisfactory indemnity in lieu thereof to Numis have been received or (in the case of uncertificated Ordinary Shares), the relevant TTE Instruction has settled. None of the Company, Numis, Link Asset Services and the Registrars, nor any other person is or will be obliged to give notice of any defects or irregularities in tenders, and none of them will incur any liability for failure to give any such notice.

2.15 Shares will be purchased pursuant to the Tender Offer free of commissions and dealing charges.

2.16 The failure of any person to receive a copy of this document or the Tender Form shall not invalidate any aspect of the Tender Offer.

2.17 The Directors reserve the right to require that Numis does not proceed with the Tender Offer if they conclude, at any time prior to completion of the Tender Offer, that its implementation is no longer in the best interests of the Company and/or the Shareholders as a whole.

### **3 Procedure for tendering Shares**

#### **3.1 Shares held in certificated form (that is, not in CREST)**

- 3.1.1 To tender Shares held in certificated form, you must complete, sign and return the accompanying personalised Tender Form, together with the relevant share certificate (s) and/or other document(s) of title in accordance with the instructions printed on the Tender Form (which shall be deemed to form part of the Tender Offer) by post, or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to be received by no later than 1.00 p.m. on 24 May 2019.
- 3.1.2 If you hold Shares in certificated form but under different designations, you should send a separate Tender Form for each holding.
- 3.1.3 Tender Forms received after 1.00 p.m. on 24 May 2019 may be rejected. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked from a Restricted Territory or otherwise appearing to Numis, the Company or any of their respective agents to have been sent from any Restricted Territory may be rejected as an invalid tender. Further provisions relating to Restricted Shareholders are contained in paragraph 9 of this Part III.
- 3.1.4 The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent), the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event by no later than 1.00 p.m. on 24 May 2019, together with any share certificate(s) and/or other document(s) of title you may have available, accompanied by a letter stating that the (remaining) share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than 1.00 p.m. on 24 May 2019.
- 3.1.5 If you have lost your share certificate(s) and/or other document(s) of title, you should write to the Registrars at Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU for a letter of indemnity in respect of the lost share certificate(s) which, when completed in accordance with the instructions given, should be returned by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to be received by no later than 1.00 p.m. on 24 May 2019.

#### **3.2 Ordinary Shares held in uncertificated form (that is, in CREST)**

- 3.2.1 If the Ordinary Shares which you wish to tender are held in uncertificated form you should not complete a Tender Form. You should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which you wish to tender in the Tender Offer to an escrow balance, specifying Link Asset Services in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the TTE Instruction settles not later than 1.00 p.m. on 24 May 2019.
- 3.2.2 If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Ordinary Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Ordinary Shares which you wish to tender.
- 3.2.3 You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in

addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the ISIN number of the Ordinary Shares which is GG00B6686L20;
- the number of uncertificated Ordinary Shares to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, Link Asset Services in its capacity as a CREST receiving agent, which is RA10;
- the member account ID of the escrow agent, Link Asset Services in its capacity as a CREST receiving agent, which is 20167BAK;
- the Corporate Action Number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the TTE Instruction. This should be as soon as possible and in any event by no later than 1.00 p.m. on 24 May 2019;
- input with the standard delivery instruction, priority 80; and
- a contact telephone number to be inserted in the shared note field.

3.2.4 After settlement of the TTE Instruction, you will not be able to access the Ordinary Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Link Asset Services as your escrow agent until completion, termination or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, Link Asset Services will transfer the Ordinary Shares which are accepted for purchase by Numis to Numis for onward sale to the Company pursuant to the Repurchase Agreement.

3.2.5 You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined above.

In addition, you should arrange separate TTE Instructions for Ordinary Shares held in uncertificated form but under different member account IDs.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 24 May 2019.

In connection with this, you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

### **3.3 Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST**

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Qualifying Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfer to an escrow balance as described above) prior to 1.00 p.m. on 24 May 2019.



### 3.4 **Validity of tenders**

Notwithstanding the powers in paragraph 8.5 below, Numis reserves the right to treat as valid only Tender Forms which are received entirely in order by 1.00 p.m. on 24 May 2019, and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

Notwithstanding the completion of a valid Tender Form, the Tender Offer may be terminated or lapse in accordance with the terms and conditions of the Tender Offer set out in this Part III.

The decision of Numis as to which Shares have been validly tendered shall be conclusive and binding on Qualifying Shareholders who participate in the Tender Offer.

### 3.5 **Information on procedure for tendering**

If you have any queries regarding the procedure for tendering your Shares, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Link Asset Services are open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice in respect of the Tender Offer and calls may be recorded and monitored for security and training purposes.

## 4 **Announcement of the results of the Tender Offer and settlement**

4.1 Unless terminated in accordance with the provisions of this Part III, the Tender Offer will close for Qualifying Shareholders at 1.00 p.m. on 24 May 2019 and it is expected that on 28 May 2019 the Company will make a public announcement of the total number of Shares tendered and any scaling back which may be required in respect of excess tenders.

4.2 Delivery of cash to Qualifying Shareholders for the Shares to be purchased pursuant to the Tender Offer will be made by Link Asset Services (on behalf of Numis who will act as agent for tendering Qualifying Shareholders for the purpose of receiving the cash and transmitting such cash to tendering Qualifying Shareholders). Interest will not be paid on the cash to be paid by Numis regardless of any delay in making such payment.

4.3 If any tendered Shares are not purchased because of an invalid tender, the lapse or termination of the Tender Offer or otherwise, relevant certificate(s) evidencing any such Shares and other document(s) of title, if any, will be returned or sent by post as promptly as practicable, to the tendering Qualifying Shareholder, or, in the case of Ordinary Shares held in uncertificated form (that is, in CREST), Link Asset Services will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow balances by TFE Instruction to the original available balances to which those Ordinary Shares relates.

4.4 Settlement of the consideration to which any Qualifying Shareholder is entitled pursuant to valid tenders accepted by Numis is expected to be effected by the crediting of CREST accounts or the despatch of cheques (as appropriate) on 5 June 2019, as set out below. The payment of any consideration to Qualifying Shareholders for Shares pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or timely receipt by Link Asset Services of share certificate(s) and/or other requisite document(s) evidencing such Shares, a properly completed and duly executed Tender Form and any other documents required by the Tender Form.

#### 4.4.1 *Shares held in certificated form (that is, not in CREST)*

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by Link Asset Services by first class post to the person or agent whose name and address is set out above Box 1 (or, if relevant, Box 2 or 3 of the Tender Form), or if none is set out, to the registered address of the tendering Qualifying Shareholder or, in the case of joint holders, the address of the first named. All cash payments will be made in pounds sterling by cheque drawn on a UK clearing bank.

#### 4.4.2 *Ordinary Shares held in uncertificated form (that is, in CREST)*

Where an accepted tender relates to Ordinary Shares held in uncertificated form, the consideration due will be paid through CREST by Link Asset Services (on behalf of Numis) procuring the creation of a CREST payment in favour of the tendering Qualifying Shareholder's payment bank in accordance with the CREST payment arrangements.

- 4.5 Where the Shares are held in certificated form (that is, not in CREST), the relevant Qualifying Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares.
- 4.6 Where the Ordinary Shares are held in uncertificated form (that is, in CREST) unsold Ordinary Shares will be transferred by Link Asset Services by the credit of the balance of the unsold Ordinary Shares by the Registrar by means of an ARAN message to the original available balance from which those Ordinary Shares came.

## 5 **Tenders by means of a Tender Form**

- 5.1 Each Qualifying Shareholder by whom, or on whose behalf, a Tender Form is executed irrevocably undertakes, represents, warrants and agrees to and with Numis (for itself and for the benefit of the Company) (so as to bind itself and its personal representatives, heirs, successors and assigns) that:
- 5.1.1 the execution of the Tender Form shall constitute an offer to sell to Numis, as principal, the number of such Qualifying Shareholder's Shares inserted or deemed to be inserted in Box 1 of the Tender Form, on and subject to the terms and conditions set out or referred to in this document and the Tender Form and that, once lodged, such offer shall be irrevocable;
- 5.1.2 if in Numis's determination, in its absolute discretion, an entry has been made in Box 1 which is greater than the number of Shares held by the Qualifying Shareholder to whom the Tender Form relates as at the Record Date, then, provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, the tender will be deemed to be a tender in respect of all the Shares held by that Qualifying Shareholder as stated above in Box 1. Such tender in excess of the relevant Qualifying Shareholder's Basic Entitlement will be satisfied only to the extent that other Qualifying Shareholders have not tendered all or any part of their Basic Entitlement. Tenders in excess of the Basic Entitlement will be satisfied *pro rata* in proportion to the excess over the Basic Entitlement tendered (rounded down to the nearest whole number of Shares) as determined in accordance with paragraph 2.12 of this Part III or otherwise at the discretion of Numis, in consultation with the Board;
- 5.1.3 such Qualifying Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Numis, it will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Tender Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
- 5.1.4 the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Numis as such Qualifying Shareholder's attorney and/or agent (**attorney**), and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in paragraph 5.1.1 above in favour of Numis or such other person or persons as Numis may direct and to deliver such instrument(s) of transfer and/or other document(s) at the discretion of the attorney, together with the share certificate (s) and/or other document(s) of title relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the

purpose of, or in connection with, the Tender Offer and to vest in Numis or its nominee(s) or such other person(s) as Numis may direct such Shares;

- 5.1.5 such Qualifying Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Numis or any of its directors or officers or any person nominated by Numis in the proper exercise of its or his or her powers and/or authorities hereunder;
  - 5.1.6 such Qualifying Shareholder will deliver to Link Asset Services his/her share certificate(s) and/or other document(s) of title in respect of the Shares referred to in paragraph 5.1.1 above, or an indemnity acceptable to Numis in lieu thereof, or will procure the delivery of such document(s) to Link Asset Services as soon as possible thereafter and, in any event, so as to be received by no later than 1.00 p.m.;
  - 5.1.7 such Qualifying Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Numis to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
  - 5.1.8 if such Qualifying Shareholder is an Overseas Shareholder, (a) he/she is not in a Restricted Territory or in any territory in which it is unlawful to make or accept the Tender Offer, (b) he/she has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located, and (c) the invitation under the Tender Offer may be made to and accepted by him/her under the laws of the relevant jurisdiction;
  - 5.1.9 such Qualifying Shareholder has not received or sent copies or originals of this document or the Tender Form or any related documents to a Restricted Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, that the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Territory and that such Qualifying Shareholder is not tendering any Shares pursuant to the Tender Offer from any Restricted Territory;
  - 5.1.10 the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
  - 5.1.11 the despatch of a cheque in respect of the Tender Price to a Qualifying Shareholder at his registered address or such other address as is specified in the Tender Form will constitute a complete discharge by Numis of its obligations to make such payment to such Qualifying Shareholder;
  - 5.1.12 on execution the Tender Form takes effect as a deed; and
  - 5.1.13 the execution of the Tender Form constitutes such Qualifying Shareholder's submission to the exclusive jurisdiction of the High Court of England and Wales (the **Court**) in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form.
- 5.2 A reference in this paragraph 5 to a Qualifying Shareholder includes a reference to the person or persons executing the Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

## **6 Tenders through CREST**

- 6.1 Each Qualifying Shareholder by whom, or on whose behalf, a tender through CREST is made irrevocably undertakes, represents, warrants and agrees to and with Numis (for itself and for the benefit of the Company) (so as to bind itself and its personal representatives, heirs, successors and assigns) that:
  - 6.1.1 the input of the TTE Instruction shall constitute an offer to sell to Numis, as principal, such number of Ordinary Shares as are specified in the TTE Instruction or deemed to be tendered, on and subject to the terms and conditions set out or referred to in this

document and that once the TTE Instruction has settled, such offer shall be irrevocable;

- 6.1.2 such Qualifying Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Numis, it will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after the Tender Closing Date including the right to receive all dividends and other distributions declared, paid or made after that date;
- 6.1.3 the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of Link Asset Services as the escrow agent for the Tender Offer and an irrevocable instruction and authority to Link Asset Services: (i) subject to the Tender Offer becoming unconditional, to transfer to itself by means of CREST and then to transfer to Numis (or to such person or persons as Numis may direct) by means of CREST all of the Relevant Shares (as defined below) in respect of which the Tender Offer is accepted or deemed to be accepted (but not exceeding the number of Ordinary Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer is terminated or does not become unconditional and lapses, or there are Ordinary Shares which have not been successfully tendered under the Tender Offer, to give instructions to Euroclear, as promptly as practicable after such lapse, termination or unsuccessful tender, to transfer the Relevant Shares to the original available balances from which those Relevant Shares came. For the purposes of this paragraph, "Relevant Shares" means Ordinary Shares in uncertificated form in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this paragraph;
- 6.1.4 such Qualifying Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Numis or any of its directors or any person nominated by Numis or Link Asset Services in the proper exercise of its powers and/or authorities hereunder;
- 6.1.5 such Qualifying Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Numis to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to given hereunder;
- 6.1.6 if such Qualifying Shareholder is an Overseas Shareholder, (a) he/she is not in the Restricted Territories or in any territory in which it is unlawful to make or accept the Tender Offer, (b) he/she has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located, and (c) the Overseas Shareholder has ensured that the invitation under the Tender Offer may be made to and accepted by him/her under the laws and regulations of the relevant jurisdiction;
- 6.1.7 such Qualifying Shareholder has not received or sent copies or originals of this document or any related documents to a Restricted Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex or telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, and that such Qualifying Shareholder is not tendering any Ordinary Shares pursuant to the Tender Offer from any Restricted Territory;
- 6.1.8 the creation of a CREST payment in respect of the Tender Price in favour of such Qualifying Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4 of this Part III will constitute a complete discharge by Numis of its obligations to make such payment to such Qualifying Shareholder; and

- 6.1.9 the input of the TTE Instruction constitutes such Qualifying Shareholder's submission to the exclusive jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer or the TTE Instruction.
- 6.2 If the appointment of Link Asset Services as escrow agent for the Tender Offer under paragraph 6.1.3 above shall be unenforceable or invalid or shall not operate so as to afford the benefit or authority expressed to be given in paragraph 6.1.3, the Qualifying Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Link Asset Services to secure the full benefits of paragraph 6.1.3 above.
- 6.3 If, for any reason, any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to the Tender Closing Date, converted into certificated form, the tender through CREST in respect of such Ordinary Shares shall cease to be valid and the Qualifying Shareholder will need to comply with the procedures for tendering Shares in certificated form as set out in this Part III in respect of the Ordinary Shares so converted, if he/she wishes to make a valid tender of such Shares pursuant to the Tender Offer.

## **7 Additional provisions**

- 7.1 Each Qualifying Shareholder may tender by the Tender Closing Date some of their holding of Shares on the Record Date up to their Basic Entitlement. In respect of Shares held in certificated form, if (i) Box 1 of the Tender Form is not completed, or (ii) in Numis's determination (in its absolute discretion) Box 1 of the Tender Form has not been validly completed, provided that the Tender Form is otherwise in order and accompanied by all other relevant document(s), the tender may be accepted as a valid tender in respect of the whole of the tendering Qualifying Shareholder's Basic Entitlement.
- 7.2 Shares acquired by Numis in the Tender Offer will be acquired "On Exchange" in accordance with the Rules of the London Stock Exchange and will be a "market acquisition" (within the meaning of section 316 of the Companies Law) except for the Management Ordinary Shares which will be purchased by Numis, as principal, off-market, as the Management Ordinary Share are not admitted to trading on the London Stock Exchange.
- 7.3 Shares sold by Qualifying Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Tender Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date.
- 7.4 Each Qualifying Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of Numis agreeing to process its tender, such Qualifying Shareholder will not revoke its tender or withdraw its Shares. Shareholders should note that once tendered, Shares may not be sold, transferred, charged or otherwise disposed of pending completion of the Tender Offer.
- 7.5 Any omission to despatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 7.6 No acknowledgement of receipt of any Tender Form, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Qualifying Shareholders (or their designated agents) will be delivered by or sent to or from such Qualifying Shareholders (or their designated agents) at their own risk.
- 7.7 All powers of attorney and authorities on the terms conferred by or referred to in this Part III or in the Tender Form are given by way of security for the performance of the obligations of the Qualifying Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 7.8 Subject to paragraphs 8 and 9 below, all tenders by Qualifying Shareholders holding their Shares in certificated form must be made on the accompanying personalised Tender Form,

fully completed in accordance with the instructions set out thereon which constitute part of the terms of the Tender Offer. A Tender Form will only be valid when the procedures contained in these terms and conditions and on the Tender Form are complied with. The Tender Offer will be governed by and construed in accordance with English law.

- 7.9 If the Tender Offer is terminated or lapses, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out above Box 1 or, if relevant, Box 2 or 3 of the Tender Form or, if none is set out, to the tendering Qualifying Shareholder or, in the case of joint holders, the first named at his or her registered address as shown above Box 1 of the Tender Form. In these circumstances, Tender Forms will cease to have any effect. In the case of Ordinary Shares held in uncertificated form, Link Asset Services in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer being terminated or lapsing, give instructions to Euroclear to transfer all Ordinary Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Ordinary Shares came.
- 7.10 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the terms of the Tender Offer. The definitions set out in this document apply to the terms and conditions set out in this Part III.
- 7.11 Subject to paragraphs 8 and 9 below, the Tender Offer is open to Shareholders (other than Restricted Shareholders) on the Register on the Record Date in respect of the Ordinary Shares and/or Management Ordinary Shares held by them on the Record Date and will close at 1.00 p.m. on 24 May 2019. Tender Forms, share certificate(s) and/or other document(s) of title or indemnities or TTE Instructions received after that time may be accepted or rejected by Numis in its absolute discretion.
- 7.12 Further copies of this document and copies of the Tender Form may be obtained on request from Link Asset Services on 0370 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Link Asset Services are open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice in respect of the Tender Offer and calls may be recorded and monitored for security and training purposes.
- 7.13 Each Qualifying Shareholder tendering Shares in the Tender Offer represents, warrants and confirms to Numis (for itself and for the benefit of the Company) that it has observed all relevant legislation and regulations, in particular (but without limitation) that relate to anti-money laundering (the **Anti-Money Laundering Legislation**); and, in all such cases, its offer to tender Shares in the Tender Offer is made on the basis that it accepts full responsibility for any and all such requirements under the Anti-Money Laundering Legislation and warrants and represents that such requirements have been satisfied; and each Qualifying Shareholder tendering Shares in the Tender Offer acknowledges that, due to money laundering prevention requirements operating within their respective jurisdictions, the Company, Numis, the Administrator, the Registrars and Link Asset Services may require proof of addresses and identity or corporate existence, as applicable, before an offer to tender Shares can be processed and that each of the Company, Numis, the Administrator, the Registrars and Link Asset Services shall be held harmless and indemnified by each such Qualifying Shareholder against any loss ensuing due to the failure to process a Qualifying Shareholder's offer to tender Shares if such information as has been required, has not been provided by it.

## **8 Miscellaneous**

- 8.1 Any changes to the terms, or any extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof by no later than 8.00 a.m. on the Business Day following the date of such changes. Such an announcement will be released via a Regulatory Information Service. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company by Numis to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement via a Regulatory Information Service.

- 8.2 Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from Numis, as principal, by the Company, in the case of Ordinary Shares on the London Stock Exchange and in the case of Management Ordinary Shares off-market, in each case pursuant to the Repurchase Agreement and such Shares will subsequently be cancelled.
- 8.3 Tendering Qualifying Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes, stamp duty or stamp duty reserve tax in the UK or Guernsey on the purchase by Numis of Shares pursuant to the Tender Offer.
- 8.4 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Numis or the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 8.5 Numis reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and TTE Instructions and may consider void and reject any tender that does not in Numis's sole judgement (acting reasonably) meet the requirements of the Tender Offer. Numis also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form and/or TTE Instruction (in whole or in part) which is not entirely in order or which is not accompanied by the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to Numis in lieu thereof. In that event, however, the consideration in the Tender Offer will only be despatched when the Tender Form is entirely in order and the related share certificate(s) or other document(s) of title or indemnities satisfactory to Numis has/have been received. None of Numis, the Company, Link Asset Services or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 8.6 The provisions of the UK Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.

## **9 Restricted Shareholders and other Overseas Shareholders**

- 9.1 The provisions of this paragraph and any other terms of the Tender Offer relating to Restricted Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Numis in consultation with the Company but only if Numis and the Company are satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other law.
- 9.2 Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Shares to satisfy himself/herself as to the full observance of the laws of the relevant jurisdiction in connection herewith, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholder will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Numis and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Forms in any territory outside the United Kingdom.
- 9.3 The Tender Offer is not being made to Restricted Shareholders. Restricted Shareholders are being excluded from the Tender Offer to avoid offending applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of this document and the Tender Form are not being and must not be mailed or otherwise distributed into any Restricted Territory, including to Shareholders with registered addresses in Restricted Territories. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, as so

doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms postmarked from a Restricted Territory or otherwise despatched from a Restricted Territory or Tender Forms which provide Restricted Territory addresses for the remittance of cash or return of Tender Forms will be rendered void.

- 9.4 A Shareholder will be deemed not to have made a valid tender if (i) such Shareholder is unable to make the representations and warranties set out in paragraph 5.1.8 (if relevant) and 5.1.9 of this Part III or paragraph 6.1.6 (if relevant) and 6.1.7 of this Part III, or (ii) such Shareholder inserts in Box 2 or 3 of the Tender Form the name and address of a person or agent in a Restricted Territory to whom he/she wishes the consideration to which such Shareholder is entitled in the Tender Offer to be sent; or (iii) the Tender Form received from him/her is in an envelope postmarked in, or which otherwise appears to Numis or its agents to have been sent from, a Restricted Territory. Numis reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraph 5.1.8 (if relevant) and 5.1.9 of this Part III or in paragraph 6.1.6 (if relevant) and 6.1.7 of this Part III given by any Shareholder is correct and, if such investigation is undertaken and as a result Numis determines (for any reason) that such representations and warranties are not correct, such acceptance shall not be valid.
- 9.5 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document and/or the Tender Form in or into a Restricted Territory or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in, a Restricted Territory in connection with such forwarding, such person should (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance of the Tender Offer by the recipient; and (iii) draw the attention of the recipient to this paragraph.
- 9.6 Overseas Shareholders (who are not Restricted Shareholders) should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

## **10 Modifications**

The terms of the Tender Offer shall have effect subject to such non-material modifications or additions as the Company and Numis may from time to time approve in writing. The times and dates referred to in this document may be amended by agreement between the Company and Numis.



## PART IV

### RISK FACTORS RELATING TO THE TENDER OFFER

The Board believes that the following risk factors should be considered by Qualifying Shareholders prior to deciding whether or not to participate in the Tender Offer.

The risks and uncertainties described below are not intended to be exhaustive and additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also be relevant to Shareholders in their consideration of the Tender Offer.

**Qualifying Shareholders in any doubt about the action they should take should consult a suitably qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 without delay.**

- If Qualifying Shareholders take up the Tender Offer, the Company will have fewer Shares in issue. The funds used by the Company to repurchase the Shares acquired by Numis pursuant to the Tender Offer will no longer be available for application in the ordinary course of the Company's business or to meet contingencies and the fixed costs of the Company would be spread over fewer Shares and the Company's total ongoing charges ratio may increase.
- The lower number of Shares in issue following completion of the Tender Offer may result in lower liquidity in the secondary market for the Shares. This may, in turn, negatively impact continuing Shareholders' ability to sell Shares in the market, and may result in an increase in volatility of the price of the Shares.
- A request to tender Shares, once served on the Company, may not be withdrawn without the consent of the Company.
- Although the UK taxation consequences of the Tender Offer are expected to be as set out in Part V of this document, such tax treatment may change as a result of changes in law or HMRC custom and practice.
- Ordinary Shares in uncertificated form for which a TTE Instruction have been validly submitted will be transferred to escrow in CREST. It will not, therefore be possible to access or otherwise deal in such Ordinary Shares and such Ordinary Shares will be held in escrow pending purchase under the Tender Offer. Shareholders with Shares in certificated form should note that they will be unable to deal in their Shares without their share certificate(s).
- The share price of Shares may increase following completion of the Tender Offer and Qualifying Shareholders who have their Shares repurchased under the Tender Offer will not benefit from such increase.
- NAV could either increase or decrease between the date of this document and the Tender Purchase Date, meaning that tendering Shareholders might have their Shares purchased at a greater or lesser (as the case may be) discount to NAV than envisaged when the tender was made.
- The Tender Offer is conditional, among other things, on the Company being satisfied that it will, immediately following repurchase of all the Tendered Shares pursuant to the Repurchase Agreement that have been validly tendered, satisfy the solvency test prescribed by the Companies Law. There can be no guarantee that the Company will satisfy the statutory solvency test, in which case the Tender Offer (and, therefore, the repurchase of the Tendered Shares and payment of the Tender Price therefor) may be postponed or terminated.
- There is no guarantee that the Company will implement any further tender offers.

## PART V

### TAXATION

The following comments are intended only as a general guide to certain aspects of current UK law and HM Revenue & Customs (HMRC) published practice and do not constitute tax advice. They are of a general nature and apply only to Shareholders who, for UK tax purposes, are resident in the UK (except where indicated) and who hold their Shares beneficially as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities, persons who are exempt from taxation or persons who acquired their Shares by virtue of any office or employment. Shareholders who are subject to tax in a jurisdiction other than the UK or who are in any doubt as to the tax consequences of the Tender Offer should consult their own independent adviser.

The attention of UK resident Shareholders is drawn to the paragraph "Offshore Funds" below. The following paragraphs are subject to the provisions referred to in that paragraph.

#### *Tender Offer*

The sale of Shares by a Shareholder to Numis pursuant to the Tender Offer should be treated as a disposal of those shares for United Kingdom tax purposes. This may, subject to the Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains (**CGT**).

The amount of CGT, if any, payable by a Shareholder who is an individual as a consequence of the sale of Shares will depend on his or her own personal tax position. Broadly, a Shareholder whose total taxable gains and income in a given tax year, including any gains made on the sale of Shares (**Total Taxable Gains and Income**), are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the **Band Limit**) (£50,000 for 2019/2020) will normally be subject to CGT at a rate of 10 per cent. in respect of any gain arising on the sale of his or her Shares. A Shareholder whose Total Taxable Gains and Income are more than the Band Limit will normally be subject to CGT at a rate of 10 per cent. in respect of any gain arising on the sale of his or her Shares (to the extent that, when added to the Shareholder's other taxable gains and income, the gain is less than or equal to the Band Limit) and at a rate of 20 per cent. in respect of the remainder of the gain arising on the sale of his or her Shares. However, no tax will be payable on any gain arising on the sale of Shares if the amount of the chargeable gain realised by a Shareholder in respect of the sale, when aggregated with other chargeable gains realised by that Shareholder in the year of assessment (and after taking into account aggregate losses), does not exceed the annual exemption (£12,000 for 2019/2020).

A corporate Shareholder is normally taxable on all of its chargeable gains, subject to any reliefs and exemptions. Corporate Shareholders should be entitled to indexation allowance up to December 2017.

#### *Transactions in Securities*

If a corporate Shareholder obtains a corporation tax advantage as a result of the sale of Shares it may be subject to counteraction by HMRC. However, this will not be the case if it can be shown that the transaction in question was entered into for genuine commercial reasons or in the ordinary course of making or managing investments and did not involve as one of its main objects the obtaining of a corporation tax advantage. No application has been made to HMRC for clearance in respect of the application of the Transactions in Securities rules contained in Part 15 of the Corporation Tax Act 2010 to the Tender Offer. Shareholders who are within the charge to corporation tax are advised to take independent advice as to the potential application of the above provisions in light of their own particular motives and circumstances.

Similar rules apply to individual Shareholders pursuant to which HMRC can, in certain circumstances, counteract income tax advantages arising in relation to transactions in securities. Were those provisions to be successfully invoked against any Shareholder, that individual Shareholder would be likely to be taxed as though the consideration for the sale of their Shares was dividend income rather than a capital receipt. The Transactions in Securities rules for income tax only apply in connection with certain transactions involving "close companies" (as defined in Chapter 2 of Part 10 of the Corporation Tax Act 2010). No application has been made to HMRC for clearance in respect of the application of the Transaction in Securities rules contained in Part 13 of

the Income Tax Act 2007 to the Tender Offer. The provisions do not result in any self-assessment obligations for individual Shareholders; they are entitled to file their self-assessment tax returns on the basis that the provisions do not apply to the Tender Offer. Individual Shareholders are advised to take independent advice as to the potential application of the above provisions.

*Offshore Funds*

The Directors do not consider that the Company constitutes an “offshore fund” for the purposes of current UK tax legislation. If the Company were to be treated for UK tax purposes as an “offshore fund”, gains on disposals of Shares realised by a Shareholder may be taxable as income and not as capital gains.

*Stamp duty and stamp duty reserve tax*

No stamp duty or stamp duty reserve tax should be payable by the Shareholders as a result of the sale of Shares pursuant to the Tender Offer.

**The information relating to taxation set out above is a general guide and is not exhaustive. It is based on law and published practice currently in force in the United Kingdom and is subject to changes therein (potentially with retrospective effect). If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay.**

## PART VI

### GENERAL INFORMATION

#### 1 Directors' and other interests

1.1 The Directors of the Company are as follows:

Howard Myles  
 Charles Hansard  
 Clive Newall  
 Christopher Sherwell

all of Arnold House, St Julian's Avenue, St Peter Port, Guernsey GY1 3NF.

1.2 The interests of the Directors, including any connected persons, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company at as the date of this document, all of which are beneficial, were as follows:

<i>Director</i>	<b><i>Number of Ordinary Shares</i></b>	<b><i>Percentage of issued ordinary share capital</i></b>
Howard Myles	Nil	—
Charles Hansard	Nil	—
Clive Newall	25,000	0.02
Christopher Sherwell	104,198	0.09

Each of Clive Newall and Christopher Sherwell have indicated that he does not intend to tender any of his Ordinary Shares under the Tender Offer.

1.3 The Companies Law imposes no requirement on Shareholders in the Company to disclose holdings of 3 per cent. (or any greater limit) or more of any class of the share capital of the Company. However, the Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) are obliged to notify the Company if the proportion of the Company's voting rights which they then own reaches, exceeds or falls below thresholds of 5 per cent., 10 per cent., 15 per cent., 20 per cent., 30 per cent., 50 per cent., and 75 per cent.

1.4 As at the Latest Practicable Date, the only persons known to the Company who, directly or indirectly, are interested in five per cent. or more of the Company's issued share capital are as set out in the following table:

<i>Shareholder</i>	<b><i>Number of Ordinary Shares (‘000)</i></b>	<b><i>Percentage of issued ordinary share capital</i></b>
Vidacos Nominees Limited*	22,745	19.47
Bank of New York Nominees Limited*	22,659	19.40
Citibank Nominees Limited*	14,353	12.29
Harewood Nominees Limited*	14,171	12.13
Nortrust Nominees Limited*	12,781	10.94
BNY Nominees Limited*	7,750	6.63

\* Custodian accounts held on behalf of individual shareholders, the majority of whom retain the associated voting rights. These holdings are aggregated.

- 1.5 As at the date of this document, Baker Steel Precious Metals Fund has an interest in 7,469,609 Ordinary Shares. These Ordinary Shares are included in the holding of Vidacos Nominees Limited set out in paragraph 1.4 above. The Baker Steel Precious Metals Fund has the same investment manager as the Company.
- 1.6 As at the date of this document, the Investment Manager has an interest in 10,000 Management Ordinary Shares.

## 2 Repurchase Agreement

The Company and Numis entered into a repurchase agreement on 9 May 2019 pursuant to which the Company has agreed to purchase from Numis, on the London Stock Exchange in the case of Ordinary Shares, and off-market in the case of the Management Ordinary Shares, such number of Shares as Numis shall purchase pursuant to the Tender Offer (the **Tendered Shares**), at an aggregate price equal to the amount paid by Numis for the Shares (the **“Repurchase Agreement”**). Numis will terminate the Tender Offer if it receives notice from the Company that, in the Company’s reasonable opinion, one or more of the conditions set out in paragraph 2.1 of Part III has not been satisfied.

The Company will, by 12 noon on the Business Day before Numis will purchase the Tendered Shares, pay an amount equal to the Tender Price multiplied by the number of Tendered Shares (the **Aggregate Purchase Price**) into a non-interest bearing segregated client money account, such money to be held in such account by Link Asset Services acting for the Company until actual payment is required to be made by the Company to Numis following the closing of the Tender Offer. In acquiring Shares pursuant to valid tenders made in the Tender Offer, Numis will act as principal.

The Repurchase Agreement contains certain warranties and representations and an indemnity from the Company in favour of Numis, which are customary for an agreement of this nature. Under the terms of the engagement letter between Numis and the Company, the Company will pay to Numis a fixed fee of £43,500 and a commission of 0.35 per cent. of the Aggregate Purchase Price in consideration for Numis acting as broker and financial adviser to the Company and as principal in respect of the Tender Offer.

The Repurchase Agreement is governed by and construed in accordance with English law.

## 3 The Takeover Code

As a Guernsey registered company which has its registered office and place of central management and control in Guernsey, the Company is subject to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

## 4 Details of the Deemed Concert Party

Baker Steel Capital Managers LLP which acts as the Company’s Investment Manager was co-founded by Trevor Steel and David Baker in 2001. David Baker and Trevor Steel exercise majority management control over Baker Steel Capital Managers LLP. Both Trevor Steel and David Baker are considered to be acting in concert for the purposes of the Takeover Code. Certain Shareholders of the Company are also considered to be acting in concert as a result of their relationships with Trevor Steel, David Baker and/or the Investment Manager as more particularly described below.

The Deemed Concert Party comprises the following:

### *David Baker*

David Baker is a Managing Partner and Portfolio Manager of the Investment Manager and heads the company’s Sydney office. Prior to founding Baker Steel in 2001, David was part of the award-winning Merrill Lynch Investment Management (**MLIM**), formerly Mercury Asset Management natural resources team, successfully managing the Mercury Gold Metal Open

Fund, the largest precious metals fund in Japan, from its launch in 1995 until his departure in 2001. Prior to joining MLIM in 1992, David was a gold and mining analyst for James Capel Stockbrokers in London from 1988 and held a similar role at Capel Court Powell in Sydney from 1986 to 1988. David started his career in 1981 as a metallurgist at CRA Broken Hill, Australia. He holds a degree in Mineral Processing and a Masters in Mineral Production Management from Imperial College, London.

#### *Trevor Steel*

Trevor Steel is a Managing Partner, Portfolio Manager and the Chief Investment Officer at the Investment Manager, which he co-founded in 2001. From 1992 until 2001, Trevor was a senior portfolio manager at MLIM where he specialised in the natural resources sector and worked alongside David Baker within MLIM's award-winning natural resources team. Prior to joining the natural resources team, Trevor worked with various teams at MLIM, having joined in 1991 as a graduate trainee. He holds a degree in Geology from the Royal School of Mines, Imperial College, London. He is a regular member of the CFA Institute and CFA UK Society. Trevor often participates as a panel member and is a keynote speaker at international gold and mining conferences.

#### *Baker Steel Capital Manager LLP*

Baker Steel Capital Managers LLP has extensive experience in the management of funds, investing in the natural resources, gold and precious metals sectors. Its investment management team is underpinned by strong technical backgrounds in the geo-sciences, mining, geology and engineering.

#### *Baker Steel Precious Metals Fund and Baker Steel Gold Fund*

This fund retains Baker Steel Capital Managers LLP as its investment manager. Baker Steel Capital Managers LLP exercises full discretionary control over all of the investments of such funds.

#### *The Sonya Trust*

The Sonya Trust is a Jersey discretionary trust, the discretionary beneficiaries of which include Trevor Steel and persons connected to him.

#### *Northcliffe Holdings Pty Limited*

Northcliffe Holdings Pty Limited is a discretionary trust which is controlled by David Baker.

#### *Andrew Lampert*

Andrew Lampert is the Chairman of Baker Steel Capital Managers (Cayman) Limited

#### *Member and consultants of Baker Steel Capital Managers LLP*

Certain members and consultants of Baker Steel Capital Managers LLP, together with persons connected to them, are included in the Deemed Concert Party, as more particularly described below.

Full details of the Deemed Concert Party's aggregate shareholding in the Company as at the date of this document, is as follows:

	<b>Address</b>	<b>Number of Shares</b>	<b>Percentage of issued ordinary share capital</b>
Baker Steel Capital Managers LLP (Management Ordinary Shares)	34 Dover Street, London W1S 4NG, United Kingdom	10,000	0.01
Baker Steel Precious Metals Fund	34 Dover Street, London W1S 4NG, United Kingdom	7,469,609	6.43
The Sonya Trust	ATO Link Asset Services, 12 Castle Street, St Helier, Jersey JE2 3RT, Channel Islands	14,307,552	12.32
Northcliffe Holdings Pty Limited	C/o Haywards Accountants, Level 8, 19-31 Pitt Street, Sydney NSW 2000, Australia	14,097,399	12.14
Thedal Limited	C/o Alliance Investments SAM, Le Panorama AB, 57 Rue Grimaldi, Monaco, MC98000	239,545	0.21
Andrew Lampert	C/o 34 Dover Street, London W1S 4NG, United Kingdom	473,349	0.41
Persons connected to David Baker	C/o 34 Dover Street, London W1S 4NG, United Kingdom	3,891	0.00
Persons connected to Trevor Steel	C/o 34 Dover Street, London W1S 4NG, United Kingdom	18,500	0.02
Members of Baker Steel Capital Managers LLP and consultants*	34 Dover Street, London W1S 4NG, United Kingdom	290,651	0.25
<b>Total</b>		<u>36,910,436</u>	<u>31.78</u>

\* The following members and consultants of Baker Steel Capital Managers LLP are included in the Deemed Concert Party: Francis Johnstone, Constantino Isnardi, Priya Mukherjee and James Hayter.

All the members of the Deemed Concert Party have given irrevocable undertakings to the Company to take up at least their Basic Entitlement under the Tender Offer. Accordingly, following the completion of the Tender Offer, the Deemed Concert Party's percentage interest in the voting rights of the Company will either remain the same as set out in the above table or be less, depending on the extent to which other Qualifying Shareholders tender their Shares under the Tender Offer

## 5 General

Numis has given and not withdrawn its written consent to the issue of this document with the inclusion of its letter and with the references to its name in the form and context in which they are included.

## 6 Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company at Arnold House, St Julian's Avenue, St Peter Port, Guernsey GY1 3NF and at the offices of Baker Steel Capital Managers LLP at 86 Jermyn Street, London SW1Y 6JD, United Kingdom during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) from the date of this document until completion, lapse or termination of the Tender Offer:

- (a) the Articles;
- (b) the Repurchase Agreement;
- (c) the consent letter referred to in paragraph 5.1 of this Part VI; and
- (d) this document.

9 May 2019

## DEFINITIONS

<b>2019 AGM</b>	the annual general meeting of the Company to be held at 12 noon on 28 May 2019 at Arnold House, St. Julian's Avenue, St Peter Port, Guernsey, GY1 3NF (or any adjournment thereof)
<b>2019 AGM Notice</b>	the notice convening the 2019 AGM which accompanies this document
<b>Administrator</b>	HSBC Securities Services (Guernsey) Limited
<b>Aggregate Purchase Price</b>	the Tender Price multiplied by the number of Tendered Shares
<b>Articles</b>	the articles of incorporation of the Company, as amended from time to time
<b>Baker Steel Precious Metals Fund</b>	Baker Steel Global Funds SICAV – Precious Metals Fund
<b>Basic Entitlement</b>	in the case of each Qualifying Shareholder, the entitlement to tender in the Tender Offer one Share for every 12 Shares registered in such person's name on the Register as at the Record Date (equating to 8.333 per cent. of such Qualifying Shareholder's holding of Shares as at the Record Date), in each case rounded down to the nearest whole number
<b>Board or your Board</b>	the Directors
<b>Business Day</b>	any day other than a Saturday, Sunday or public holiday in England and Wales and Guernsey
<b>certificated or in certificated form</b>	Shares not recorded on the Register as being in uncertificated form in CREST
<b>Companies Law</b>	The Companies (Guernsey) Law, 2008, as amended
<b>Company</b>	Baker Steel Resources Trust Limited, a company incorporated in Guernsey under the Companies Law with registered number 51576
<b>Conditions</b>	the conditions precedent to the Tender Offer as set out in paragraph 2.1 of Part III of this document
<b>Court</b>	The High Court of Justice in England and Wales
<b>CREST</b>	the relevant system (as defined in the Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the Operator (as defined in the Regulations)
<b>CREST member</b>	a person who has been admitted by Euroclear as a system member (as defined in the Regulations)
<b>CREST participant</b>	a person who is, in relation to CREST, a system participant (as defined in the Regulations)
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a CREST sponsored member
<b>Deemed Concert Party</b>	the deemed concert party for the purposes of the Takeover Code as more particularly described in paragraph 4 of Part VI of this document
<b>Directors or the Board</b>	the directors of the Company from time to time and any duly appointed committee thereof



<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules made by the UK Financial Conduct Authority under Part VII of the Financial Services and Markets Act 2000, as amended from time to time
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>Form of Proxy</b>	the form of proxy for use by Shareholders at the 2019 AGM
<b>Guernsey</b>	the Island of Guernsey
<b>HMRC</b>	H.M. Revenue & Customs
<b>Investment Manager</b>	Baker Steel Capital Managers LLP
<b>Latest Practicable Date</b>	7 May 2019, being the latest practicable date prior to the publication of this document
<b>Link Asset Services</b>	a trading name of Link Market Services Limited
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Management Ordinary Shares</b>	the ordinary shares of no par value in the capital of the Company designated as management sterling participating ordinary shares by the Directors in accordance with the Companies Law and the Articles
<b>NAV or Net Asset Value</b>	net asset value of the Company which shall be the total value of all the assets of the Company less its liabilities as determined by the Board and calculated in accordance with the Company's valuation policies and principles
<b>NAV per Share</b>	the Net Asset Value divided by the number of Shares then in issue
<b>Numis</b>	Numis Securities Limited
<b>Ordinary Shares</b>	ordinary shares of no par value in the capital of the Company designated as sterling participating ordinary shares by the Directors in accordance with the Companies Law and the Articles
<b>Overseas Shareholders</b>	Shareholders who are resident in, or citizens of, territories outside the United Kingdom, the Channel Islands and the Isle of Man and not resident in, or citizens of, any of the Restricted Jurisdictions
<b>Qualifying Shareholders</b>	Shareholders who are on the Register on the Record Date and who are not Restricted Shareholders
<b>Record Date</b>	5.00 p.m. on 24 May 2019
<b>Register</b>	the register of Shareholders of the Company
<b>Registrars</b>	Link Market Services (Guernsey) Limited
<b>Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
<b>Regulatory Information Service</b>	any of the services set out in the Financial Conduct Authority's list of regulated information services from time to time
<b>Restricted Shareholders</b>	Shareholders who are resident in, or citizens of, a Restricted Territory
<b>Restricted Territory</b>	each of the United States, Australia, Canada, Japan, the Republic of South Africa and any other jurisdiction where the mailing of the Tender Form into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction
<b>Repurchase Agreement</b>	the agreement dated 9 May 2019 entered into between the Company and Numis (acting as principal) for the repurchase by the Company on the London Stock Exchange of the Tendered Shares, summary details of which are set out in paragraph 2 of Part VI of this document

<b>Shares</b>	Ordinary Shares and/or Management Ordinary Shares, as the context may require
<b>Shareholders</b>	holders of Shares
<b>Takeover Code</b>	the UK City Code on Takeovers and Mergers
<b>Tender Closing Date</b>	the date on which the Tender Offer closes, expected to be 24 May 2019
<b>Tendered Shares</b>	Shares successfully tendered for purchase by Numis under the Tender Offer
<b>Tender Form</b>	a personalised tender form for use by Qualifying Shareholders who hold their Shares in certificated form in connection with the Tender Offer
<b>Tender NAV per Share</b>	the NAV per Share as at 30 April 2019
<b>Tender Offer</b>	the invitation by Numis (acting as principal) to Qualifying Shareholders to tender Shares on the terms and subject to the conditions set out in this document and, in the case of Shares held in certificated form, on the Tender Form
<b>Tender Offer Authority</b>	the authority to be conferred on the Company by the passing of Resolution 9 as set out in the 2019 AGM Notice which will authorise the purchase of up to 30,000,000 Ordinary Shares and Management Ordinary Shares (representing approximately 25.8 per cent of the Company's ordinary share capital as the date of this document) in connection with one or more tender offers for the Shares
<b>Tender Price</b>	51 pence per Share, being a 10.2 per cent. discount to the Tender NAV per Share
<b>Tender Purchase Date</b>	the date on which Numis will make on-market purchases of Ordinary Shares and an off-market purchase of Management Ordinary Shares pursuant to the Tender Offer in accordance with paragraph 2 of Part III of this document
<b>TFE Instruction</b>	a Transfer from escrow instruction under CREST
<b>TTE Instruction</b>	a Transfer to escrow instruction under CREST

