

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about its contents, you should seek professional advice from an appropriately qualified independent financial adviser. Shareholders are advised to consult their professional advisers regarding their personal tax position.**

If you have sold or otherwise transferred all of your Ordinary Shares, you should forward this document (but not the accompanying Tender Form or Form of Proxy) to the purchaser, transferee or agent through whom the sale or transfer was effected. However, this document should not be sent to any Restricted Jurisdiction.

J.P. Morgan Cazenove is authorised and regulated by the UK Financial Services Authority and is acting for the Company and no one else 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 connection with the Tender Offer.

Apart from the responsibilities and liabilities, if any, which may be imposed on J.P. Morgan Cazenove by FSMA or the regulatory regime established thereunder, J.P. Morgan Cazenove accepts no responsibility whatsoever for the contents of this document and disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document.



## **LMS CAPITAL PLC**

*(Incorporated and registered in England with limited liability with registered number 05746555)*

### **Return of £40,000,000 to Shareholders Notice of General Meeting**

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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. Persons who are not resident in the United Kingdom should read the paragraph headed “**Overseas Shareholders**” set out in Part 3 of this Circular.

This document does not constitute an offer to purchase, or solicitation of an offer to sell, Ordinary 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 J.P. Morgan Cazenove 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 Jurisdiction, and persons receiving the Tender Form (including, without limitation, trustees, nominees or custodians) must not send it in, into or from such Restricted Jurisdiction, as to do so may invalidate any purported acceptance of the Tender Offer. Any person (including, without limitation, trustees, nominees or custodians) who would or otherwise intends to, or who may have a contractual or legal obligation to, forward the accompanying Tender Form to any jurisdiction outside the United Kingdom, should seek appropriate advice before taking any action.

The delivery of this Circular shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof, or that there has been no change in the information set forth herein or in the affairs of the Company since the date hereof. No dealer, salesperson or other person is authorised to give any information or to make any representations with respect to the Tender Offer other than such information or representations contained herein and, if given or made, such information or representations must not be relied upon as having been authorised by the Company.

This Circular is dated 2 November 2012.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Tender Offer .....	2 November 2012
Tender Offer opens .....	6 November 2012
Latest time and date for receipt of Tender Forms and share certificates in relation to the Tender Offer .....	1.00 p.m. on 22 November 2012
Tender Offer Record Date .....	6.00 p.m. on 22 November 2012
Latest time and date for receipt of TTE instructions in relation to the Tender Offer .....	1.00 p.m. on 22 November 2012
Latest time and date for receipt of Forms of Proxy and record date for General Meeting .....	11.30 a.m. on 27 November 2012
General Meeting .....	11.30 a.m. on 29 November 2012
Announcement of Tender Offer Price and Basic Entitlement .....	8.00 a.m. on 30 November 2012
Announcement of results of the General Meeting .....	8.00 a.m. on 30 November 2012
Announcement of results of the Tender Offer .....	8.00 a.m. on 30 November 2012
CREST accounts credited in respect of Tender Offer proceeds for uncertificated Ordinary Shares .....	4 December 2012
Cheques despatched in respect of Tender Offer proceeds for certificated Ordinary Shares .....	10 December 2012
Despatch of balancing share certificates for revised, certificated holdings of Ordinary Shares .....	10 December 2012

## DEFINITIONS

<b>“Act”</b>	has the meaning given on page 23 of this Circular;
<b>“Agent”</b>	has the meaning given on page 17 of this Circular;
<b>“Attorney”</b>	has the meaning given on page 16 of this Circular;
<b>“Band Limit”</b>	has the meaning given on page 21 of this Circular;
<b>“Basic Entitlement”</b>	has the meaning given on page 7 of this Circular;
<b>“Board” or “Directors”</b>	the board of directors of the Company;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business;
<b>“Capita Registrars”</b>	Capita Registrars Limited with registered office The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU;
<b>“certificated form” or “certificated”</b>	Ordinary Shares not recorded on the Register as being in uncertificated form in CREST;
<b>“CGT”</b>	has the meaning given on page 21 of this Circular;
<b>“Company”</b>	LMS Capital plc;
<b>“Concert Party”</b>	members of the extended Rayne family and associated trusts together holding 36.37 per cent of the Ordinary Shares and who are treated by the Panel as “acting in concert” for the purposes of the Takeover Code;
<b>“CREST”</b>	the relevant system (as defined in the Regulations) 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 Proxy Instruction”</b>	has the meaning given on page 24 of this Circular;
<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>“Electronic Tender”</b>	an electronic tender of Ordinary Shares in accordance with paragraphs 3.4 and 4.2 of Part 3 of this Circular;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“Financial Services Authority” or “FSA”</b>	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“Form of Proxy”</b>	the form of proxy for the General Meeting which accompanies this Circular;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000;
<b>“General Meeting”</b>	the general meeting of the Company to be held at Durrants Hotel, George Street, London W1H 5BJ at 11.30 a.m. on 29 November 2012, or any adjournment thereof;
<b>“Individual Excess Tender”</b>	has the meaning given on page 12 of this Circular;
<b>“J.P. Morgan Cazenove”</b>	J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove;
<b>“Listing Rules”</b>	the Listing Rules of the Financial Services Authority;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Nominated Person”</b>	has the meaning given on page 24 of this Circular;

<b>“Option Agreement”</b>	the agreement dated 31 October 2012 between the Company and J.P. Morgan Cazenove, further details of which are set out in Part 3 of this Circular;
<b>“Options”</b>	awards made under the Deferred Share Bonus Plan, the Executive Share Option Plan and the Performance Share Plan and any awards made under any other employees’ share scheme or long-term incentive scheme (as such terms are defined in the Listing Rules) made by the Company in respect of Ordinary Shares from time to time;
<b>“Ordinary Shares”</b>	the issued ordinary shares of 10 pence each in the share capital of the Company;
<b>“Overseas Shareholder”</b>	a Shareholder who is resident in, or a citizen of, a jurisdiction outside the United Kingdom;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant;
<b>“Qualifying Shareholders”</b>	Shareholders entitled to participate in the Tender Offer, being those who are on the Register on the Tender Offer Record Date and who are not Restricted Shareholders;
<b>“Receiving Agent”</b>	Capita Registrars;
<b>“Register”</b>	the Company’s register of members;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>“Regulatory Information Service”</b>	any of the services set out on the FSA’s list of regulated information services (as set out on the FSA’s website) from time to time;
<b>“Repurchase”</b>	the purchase by the Company of Ordinary Shares from J.P. Morgan Cazenove in connection with the Tender Offer pursuant to the authority granted under the Resolution and <b>“Repurchased”</b> shall be construed accordingly;
<b>“Resolution”</b>	the special resolution to be proposed at the General Meeting in relation to the Tender Offer and associated Repurchase;
<b>“Restricted Jurisdiction”</b>	each of Australia, Canada, Japan, New Zealand, the United States, South Africa and any other jurisdiction where the mailing of this Circular or the accompanying documents into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction;
<b>“Restricted Shareholder”</b>	a Shareholder subject to the securities laws of a Restricted Jurisdiction;
<b>“SDRT”</b>	stamp duty reserve tax;
<b>“Shareholders”</b>	holders of Ordinary Shares;
<b>“tender” or “tendered”</b>	refers to tenders by Qualifying Shareholders of Ordinary Shares pursuant to the Tender Offer;
<b>“Tender Conditions”</b>	has the meaning given on page 10 of this Circular;
<b>“Tender Form”</b>	the tender form issued with this Circular to Qualifying Shareholders for use in respect of Ordinary Shares held in certificated form;
<b>“Tender Offer”</b>	the invitation by J.P. Morgan Cazenove to Qualifying Shareholders to tender Ordinary Shares for sale to J.P. Morgan Cazenove on the terms and subject to the conditions set out in this Circular and, in the case of Ordinary Shares held in certificated form only, using the Tender Form;

<b>“Tender Offer Price”</b>	the price per Ordinary Share payable under the Tender Offer which will be set on 29 November 2012 by reference to the net asset value of the Company as at 30 September 2012 adjusted on the basis set out in paragraph 3 of Part 1 of this Circular;
<b>“Tender Offer Record Date”</b>	6.00 p.m. on 22 November 2012;
<b>“TFE instruction”</b>	a transfer from escrow instruction (as defined by the CREST manual issued by Euroclear);
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers as issued by the Panel, as amended from time to time;
<b>“Total Available Shares”</b>	has the meaning given on page 12 of this Circular;
<b>“Total Excess Tenders”</b>	has the meaning given on page 12 of this Circular;
<b>“Total Taxable Gains and Income”</b>	has the meaning given on page 21 of this Circular;
<b>“TTE instruction”</b>	a transfer to escrow instruction (as defined by the CREST manual issued by Euroclear);
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“uncertificated” or “in uncertificated form”</b>	Ordinary Shares which are recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>“United States”</b>	the United States of America; and
<b>“WTC”</b>	Withers Trust Corporation Limited and James McCarthy, in their capacity as trustees of The Lord Rayne Will Trust.

## Part 1

# LETTER FROM THE CHAIRMAN OF LMS CAPITAL PLC

*(Incorporated in England and Wales with registered number 05746555)*

*Directors:*

Richard Christou (*Chairman*)  
Bernard Duroc-Danner  
Nicholas Friedlos  
Martin Knight  
Neil Lerner  
Robert Rayne  
Mark Sebba  
Antony Sweet

*Registered Office:*

LMS Capital plc  
100 George Street  
London W1U 8NU

2 November 2012

Dear Shareholder,

### 1. Introduction

On 30 November 2011, Shareholders approved an orderly realisation of the assets of the Company in a manner that seeks to achieve a balance between an efficient return of cash to shareholders and maximising the value of the Company's investments.

The Company is now proposing to return up to £40,000,000 to Shareholders through a repurchase of up to 20 per cent of Ordinary Shares following a tender offer by J.P. Morgan Cazenove as detailed in Part 3 of this Circular.

The Repurchase requires the approval of Shareholders by special resolution. The purpose of this Circular is to set out the terms of the Tender Offer and to convene a general meeting of the Company to consider and, if thought fit, pass the Resolution as required by the Companies Act 2006.

### 2. Background

The Company's investment portfolio is being managed with a view to returning funds to shareholders over a period of time. Accordingly, no investments have been or will be made in new opportunities; follow-on investments will be made in existing assets to honour commitments made at the time of the initial investment and/or to which the Company is legally obligated, or where the investment is made to protect or enhance the value of an existing asset or to facilitate its orderly realisation.

At 30 September 2012 the Company's cash balances were £51.5 million compared to £30.6 million at 1 January 2012. This increase reflects the proceeds of the sale of the Company's investment in Method Products, Inc. (held via its position in San Francisco Equity Partners) and other net receipts, principally from the Company's fund portfolio.

The Company's outstanding undrawn commitment to funds reduced from £18.9 million at 1 January 2012 to £10.6 million at 30 September 2012.

In determining the size of the Tender Offer, the Board has had regard to the Company's overall cash position and availability of other liquid assets together with its outstanding commitments and other cash requirements.

The Board expects to see continued progress with the realisation of assets and aims to make a further return of cash during 2013.

### 3. Tender Offer

The return of cash is to take the form of a tender offer (to be implemented by J. P. Morgan Cazenove, acting as principal) and the subsequent repurchase of Ordinary Shares from J.P. Morgan Cazenove by the Company. Full details of the Tender Offer and subsequent Repurchase are set out in Part 3 of this Circular.

On 29 November 2012, the Company will calculate the Tender Offer Price based on the published unaudited net asset value of the Company of £232.8 million as at 30 September 2012 adjusted, in a manner consistent with the Company's accounting policies, to take into account price movements in quoted investments, changes in foreign currency rates of exchange and purchases and sales of investments (principally calls and distributions from funds) between 30 September 2012 and the close of business on 28 November 2012.

The Tender Offer Price will be calculated by dividing this adjusted net asset value by the number of Ordinary Shares in issue at the close of business on 28 November 2012.

The total amount the Company is proposing to return is £40,000,000 and therefore the number of Ordinary Shares subject to the Tender Offer and Repurchase will be £40,000,000 divided by the Tender Offer Price. Each Qualifying Shareholder is entitled to tender a percentage of his/her Ordinary Shares equal to the percentage of all Ordinary Shares subject to the Tender Offer (a Qualifying Shareholder's "**Basic Entitlement**").

By way of example, based on the net asset value of the Company of £232.8 million as at 30 September 2012, a Qualifying Shareholder with 100 Ordinary Shares would be entitled to tender 17 Ordinary Shares at a price of 85 pence per Ordinary Share.

Qualifying Shareholders can elect to tender fewer Ordinary Shares than their Basic Entitlement.

The Basic Entitlement and the Tender Offer Price will be announced on 30 November 2012.

In addition, Qualifying Shareholders can apply to tender Ordinary Shares above their Basic Entitlement and, to the extent other Qualifying Shareholders do not tender up to their Basic Entitlement, such applications will be satisfied proportionately to other excess applications, after taking into account the requirement to allocate any excess to WTC as described below.

If you do not wish to tender any of your Shares, you do not need to take any action.

The Board considers the Tender Offer (and the subsequent Repurchase) to be in the best interests of the Company and Shareholders as a whole and is therefore recommending that Shareholders vote in favour of the Resolution. However, the Board is not making any recommendation to Shareholders as to whether tendering Ordinary Shares pursuant to the Tender Offer is in their own individual best interests. Whether or not Qualifying Shareholders decide to tender all or any of their Ordinary Shares is a decision for individual Qualifying Shareholders.

Qualifying Shareholders should take into account their tax position when deciding whether or not to participate in the Tender Offer. A summary of material UK taxation considerations in connection with the Tender Offer is set out in Part 4 of this Circular. Qualifying Shareholders are advised to take independent advice in relation to the tax implications for them of selling Ordinary Shares pursuant to the Tender Offer.

The Board reserves the right to require that J.P. Morgan Cazenove does not proceed with the Tender Offer (and the subsequent Repurchase) if it concludes, at any time prior to the announcement of the results of the Tender Offer, that the implementation of the Tender Offer (and the associated Repurchase) is no longer in the interests of the Company and the Shareholders as a whole.

**You are recommended to read Part 3 of this Circular which sets out the full terms and conditions of the Tender Offer and how applications can be made under the Tender Offer.**

#### **4. Concert Party**

Under the provisions of the Takeover Code, if the Concert Party's aggregate percentage holding of Ordinary Shares increases as a result of the Tender Offer (and the associated Repurchase), it will be obliged to make an offer for all the Ordinary Shares in the Company which it does not own. This situation could come about, for example, if the Concert Party does not take up its Basic Entitlement in full in circumstances where all other Shareholders do so. In order to avoid this situation arising, the trustees of a member of the Concert Party, WTC, have today irrevocably undertaken to the Company that it will tender its Basic Entitlement and in addition apply to tender additional Ordinary Shares such that the aggregate percentage holding of the Concert Party does not exceed 36.37 per cent after the Tender Offer and Repurchase.

No fee is payable by the Company to WTC for this commitment. This commitment does not affect the entitlement of all Qualifying Shareholders to tender their Basic Entitlement. If WTC is required to tender Ordinary Shares above its Basic Entitlement, these additional shares will be accepted for



tender and repurchase before determining whether and to what extent other excess applications can be satisfied.

The arrangement with WTC described above is a smaller related party transaction under the Listing Rules. Therefore Shareholders are not required to vote in relation to this arrangement at the General Meeting.

## **5. General Meeting**

A General Meeting is being convened for 11.30 a.m. on 29 November 2012 to consider and, if thought fit, pass the resolution required by the Companies Act 2006 in order to implement the Tender Offer and the subsequent Repurchase. The Notice of Meeting is set out at the end of this document. The resolution being proposed is a special resolution and requires 75% of the votes cast at the General Meeting in order to be passed. As noted below, the Directors are recommending Shareholders vote in favour of the Resolution.

Shareholders will find enclosed a Form of Proxy for the General Meeting. Whether you propose to attend the General Meeting or not, please complete the Form of Proxy and return it to Capita Registrars at PXS, 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 11.30 a.m. on 27 November 2012. Completing and returning a Form of Proxy will not preclude you from attending and voting in person at the meeting should you wish to do so.

You may also submit your proxies electronically at [www.capitashareportal.com](http://www.capitashareportal.com) using the Voting ID, Task ID and Shareholder Reference Number on the Form of Proxy. If you hold Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars so that it is received no later than 11.30 a.m. on 27 November 2012.

## **6. Further information**

You are advised to read all of the information contained in this Circular before deciding on the course of action you will take in respect of the General Meeting and the Tender Offer.

## **7. Recommendation by the Board**

The Board considers the Tender Offer and the Repurchase to be in the best interests of Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the Resolution at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings of, in aggregate, 9,212,525 Ordinary Shares, representing approximately 3.4% of the Ordinary Shares currently in issue.

Yours faithfully,

Richard Christou  
**Chairman**



## Part 2

### POSSIBLE RISKS ASSOCIATED WITH THE TENDER OFFER AND FURTHER INFORMATION

#### A. Possible risks associated with the Tender Offer

- There is no assurance that the Tender Offer, which is conditional on, among other things, the passing of the Resolution, will take place. If the Tender Offer and associated Repurchase do not take place, the Company will have a larger cash balance and the return of cash as part of the realisation strategy approved by Shareholders on 30 November 2011 will be delayed.
- The Tender Offer will not proceed if any of the Tender Conditions is not satisfied or if it is terminated on the Company's instructions at any time prior to the announcement of the results of the Tender Offer.
- If the Company returns cash to Shareholders by applying funds to repurchase Ordinary Shares from J.P. Morgan Cazenove in connection with the Tender Offer, the Company's cash balances will be reduced. As a result, the funds so returned will no longer be available for application in the ordinary course of the Company's business or to meet contingencies.
- The impact on the liquidity and the market price of the Ordinary Shares as a result of the implementation of the Tender Offer (and the associated Repurchase) cannot be predicted.

#### B. Further information

##### *Announcement of results of Repurchase*

The Company will announce the results of the Repurchase through a Regulatory Information Service as soon as possible and, in any event, by no later than 8.00 a.m. on the Business Day following the date on which the Repurchase occurs.

##### *Options and treasury shares*

The table below sets out the total number of outstanding Options, the percentage of Ordinary Shares that they represent and the percentage of Ordinary Shares that they will represent if the maximum number of Ordinary Shares are Repurchased, at a price per Ordinary Share based on the net asset value of the Company as at 30 September 2012:

<i>Number of Options</i>	<i>Percentage of issued Ordinary Shares as at 31 October</i>	<i>Percentage of issued Ordinary Shares if the maximum number of Ordinary Shares is Repurchased</i>
2,794,451	1.02%	1.28%

(Note: Information in the table above provided as at 31 October 2012, being the latest practicable date prior to the publication of this Circular)

As at 31 October 2012 (being the latest practicable date prior to the publication of this Circular), there were no outstanding warrants to subscribe for Ordinary Shares.

As at 31 October 2012 (being the latest practicable date prior to the publication of this Circular), the Company held no Ordinary Shares in treasury.

## Part 3

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### 1. Introduction

Qualifying Shareholders on the Register on the Tender Offer Record Date are being invited to tender some, all or none of their Ordinary Shares for purchase by J.P. Morgan Cazenove on the terms and subject to the conditions set out in this Circular and, in the case of certificated Ordinary Shares, in the Tender Form. Shareholders who do not wish to participate in the Tender Offer need take no action. The rights of Shareholders who choose not to tender their Ordinary Shares will be unaffected.

#### 2. Terms of the Tender Offer

2.1 The Tender Offer is conditional upon the following (together, the “**Tender Conditions**”):

- (a) the passing of the Resolution;
- (b) the Tender Offer not having been terminated in accordance with paragraph 2.22 of this Part 3;
- (c) the Board being satisfied that it is in the best interests of the Company to proceed with the Tender Offer (and the subsequent Repurchase); and
- (d) J.P. Morgan Cazenove being satisfied, acting reasonably, that, at all times up to immediately prior to the announcement of the results of the Tender Offer, the Company has complied with its obligations, and is not in breach of any of the representations and warranties given by it, under the Option Agreement in connection with the Tender Offer.

J.P. Morgan Cazenove will not purchase the Ordinary Shares pursuant to the Tender Offer unless the Tender Conditions have been satisfied. The Tender Conditions may not be waived by J.P. Morgan Cazenove or the Company. If any of the above conditions are not satisfied by 7.00 a.m. on 30 November 2012 (or such later time and date as the Company and J.P. Morgan Cazenove may agree), the Tender Offer will lapse.

- 2.2 All Ordinary Shares tendered by Qualifying Shareholders under the Tender Offer will be tendered at the Tender Offer Price. Ordinary Shares may not be tendered at any other price.
- 2.3 The total number of Ordinary Shares that could be purchased under the Tender Offer will be equivalent to 20% of the issued share capital of the Company which, as at 31 October 2012 (being the latest applicable date prior to the publication of this Circular), was 54,759,857 Ordinary Shares.
- 2.4 The Tender Offer is available only to Qualifying Shareholders on the Register on the Tender Offer Record Date and in respect of the number of Ordinary Shares registered in those Shareholders' names at such time.
- 2.5 Tender Forms once duly completed (for Ordinary Shares held in certificated form) and submitted to the Receiving Agent and TTE instructions which have settled (for Ordinary Shares held in uncertificated form) are irrevocable and cannot be withdrawn. All questions as to the validity (including time of receipt) of tenders will be determined by J.P. Morgan Cazenove, in its sole discretion, which determination shall be final and binding (except as otherwise required under applicable law). None of the Company, J.P. Morgan Cazenove, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities and none of them will incur any liability for failure to give such notice.
- 2.6 The Tender Offer will close at 1.00 p.m. on 22 November 2012 and no tenders received after that time will be accepted unless otherwise approved by J.P. Morgan Cazenove (with the consent of the Company).
- 2.7 All or any part of a holding of Ordinary Shares may be tendered. Only whole numbers of Ordinary Shares may be tendered and, in the event of scaling-back, successful tenders will be rounded down to the nearest whole number of Ordinary Shares in accordance with paragraph 2.16 of this Part 3.
- 2.8 Ordinary Shares successfully tendered under the Tender Offer will be sold to J.P. Morgan Cazenove fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same. Upon the exercise by J.P. Morgan Cazenove of the

put option, or the exercise by the Company of the call option, in each case in accordance with the terms and subject to the conditions of the Option Agreement, Ordinary Shares successfully tendered under the Tender Offer (or a corresponding number of Ordinary Shares) will be sold by J.P. Morgan Cazenove to the Company through the facilities of the London Stock Exchange and will subsequently be cancelled and will not rank for any dividends, distribution or other equity-related rights declared by the Company after that date.

- 2.9 All tenders of Ordinary Shares held in certificated form must be made on the accompanying Tender Form, duly completed in accordance with the instructions set out below and on the Tender Form, as applicable (which constitute part of the terms of the Tender Offer). Such tenders will be valid only when the procedures contained in this Circular and in the Tender Form are complied with.
- 2.10 All tenders of Ordinary Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of an appropriate TTE instruction in CREST in accordance with the instructions set out below and the relevant procedures in the CREST manual which together constitute part of the terms of the Tender Offer. Such tenders will be valid only when the procedures contained in this Circular and in the relevant parts of the CREST manual are complied with.
- 2.11 The Tender Offer and all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Tender Offer and the Tender Form or the input of a TTE instruction in CREST, whether contractual or non-contractual, will be governed by, and construed in accordance with, the laws of England and Wales and the delivery of a Tender Form or the input of a TTE instruction in CREST, as applicable, will constitute submission to the jurisdiction of the courts of England and Wales.
- 2.12 The results of the Tender Offer and, if applicable, any entitlement to tender more than Basic Entitlements are expected to be announced on 30 November 2012.
- 2.13 All documents and remittances sent by or to Shareholders and all instructions made by or on behalf of a Qualifying Shareholder in CREST relating to the Tender Offer will be sent or made (as the case may be) at the risk of the sender or maker. If the Tender Offer does not become unconditional, or does not proceed, and lapses, in respect of Ordinary Shares held in certificated form, Tender Forms, share certificates and other documents of title will be returned by post to Qualifying Shareholders not later than ten Business Days after the date of such lapse, or, in respect of Ordinary Shares held in uncertificated form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow by TFE instruction to the original available balances to which those Ordinary Shares relate.
- 2.14 If only part of the number of Ordinary Shares that are validly tendered is successfully tendered pursuant to the Tender Offer, the relevant Qualifying Shareholder will be entitled to receive the following:
- (a) if Ordinary Shares are held in certificated form, a certificate in respect of the unsold Ordinary Shares; or
  - (b) if Ordinary Shares are held in uncertificated form (that is, in CREST), the transfer by the Receiving Agent to the original available balances of those unsold Ordinary Shares or the credit of the balance of the unsold Ordinary Shares by the Receiving Agent by a TFE instruction.
- 2.15 Further copies of the Tender Form may be obtained on request from the Receiving Agent, or by telephone from 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Tender Offer nor give any financial, legal or tax advice.

2.16 Under the Tender Offer and subject to the terms and conditions set out in this Part 3, and (where relevant) the Tender Form, Qualifying Shareholders will be entitled to sell to J.P. Morgan Cazenove their Basic Entitlement. They may tender a number of Ordinary Shares representing more or less than their Basic Entitlement.

If a Qualifying Shareholder validly tenders a number of Ordinary Shares less than or equal to his/her Basic Entitlement, the tender will be satisfied in full (subject to the Tender Offer not being withdrawn prior to its completion and satisfaction of the other terms and conditions set out in this Part 3 and (where relevant) the Tender Form).

If:

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

any such Individual Excess Tender will be scaled-back by application of the following ratio, such that, subject to any adjustment referred to in paragraph 2.17 below, the Total Available Shares may be allocated between the Individual Excess Tenders and the total percentage of Ordinary Shares purchased pursuant to the Tender Offer does not exceed the Basic Entitlement:

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

2.17 The number of Total Available Shares will be reallocated to the extent that J.P. Morgan Cazenove acquires (and the Company Repurchases) Ordinary Shares from WTC in excess of WTC’s Basic Entitlement pursuant to the commitment referred to in paragraph 4 of Part 1 of this Circular.

2.18 All Ordinary Shares successfully tendered will be purchased by J.P. Morgan Cazenove, as principal, at the Tender Offer Price.

2.19 All questions as to the number of Ordinary Shares tendered and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares under the Tender Offer will be determined by J.P. Morgan Cazenove in its sole discretion, which determination shall be final and binding on all parties except as otherwise required under applicable law. J.P. Morgan Cazenove reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance of payment for which may, in the opinion of J.P. Morgan Cazenove, be unlawful. J.P. Morgan Cazenove also reserves the absolute right to waive any of the terms or conditions of the Tender Offer (other than the Tender Conditions) and any defect or irregularity in the tender of any particular Ordinary Shares or any particular holder thereof. Unless J.P. Morgan Cazenove determines otherwise, no tender of Ordinary 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 Ordinary Shares in certificated form) or made by way of CREST payment (in respect of Ordinary Shares in uncertificated form) to the relevant Qualifying Shareholder until after (in the case of Ordinary Shares in certificated form) the Tender Form is complete in all respects and the share certificate(s) and/or other document(s) of title satisfactory to J.P. Morgan Cazenove have been received or (in the case of Ordinary Shares in uncertificated form) the relevant TTE instruction has settled. None of the Receiving Agent, J.P. Morgan Cazenove, the Company or any other person is or will be obliged to give notice of any defects or irregularities in any tender and none of them will incur any liability for failure to give any such notice.

2.20 Ordinary Shares will be purchased under the Tender Offer free of all commissions and dealing charges.

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

- 2.22 The Board reserves the right to compel J.P. Morgan Cazenove to terminate the Tender Offer at any time prior to announcement of the results of the Tender Offer if it concludes that the implementation of the Tender Offer and the subsequent Repurchase is no longer in the best interests of the Company and the Shareholders as a whole or if the purchase of Ordinary Shares by J.P. Morgan Cazenove and the subsequent Repurchase may have adverse fiscal consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company or Shareholders as a whole which were previously unexpected. If the Tender Offer is terminated, the Company will make an announcement through a Regulatory Information Service that such is the case.
- 2.23 The terms of the Tender Offer shall have effect subject to such non-material modifications as the Company and J.P. Morgan Cazenove may from time to time approve in writing. The times and dates referred to in this Circular may be amended by agreement in writing between the Company and J.P. Morgan Cazenove.

### **3. Procedure for tendering**

#### **3.1 *Different procedures for certificated and uncertificated Ordinary Shares***

If you hold Ordinary Shares in certificated form, you may tender such Ordinary Shares only by completing and returning the Tender Form in accordance with the instructions printed thereon and set out in paragraph 3.2 below. If you hold Ordinary Shares in certificated form, but under different designations, you should complete a separate Tender Form for each designation. Additional copies of the Tender Form can be obtained from the Receiving Agent or by calling the Shareholder Helpline.

If you hold Ordinary Shares in uncertificated form (that is, in CREST) you may tender such Ordinary Shares only by TTE instruction in accordance with the procedure set out in paragraph 3.4 below and, if those Ordinary Shares are held under different member account IDs, you should send a separate TTE instruction for each member account ID.

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

To participate in the Tender Offer, Qualifying Shareholders holding Ordinary Shares in certificated form must complete, sign, have witnessed and return the Tender Form in accordance with these instructions and the instructions on the Tender Form.

Completed, signed and witnessed Tender Forms, together with the relevant valid share certificate(s) and/or other document(s) of title, should be sent either by post in the accompanying reply-paid envelope (for use in the UK only) or (during normal business hours only) delivered by hand to the Receiving Agent at Capita Registrars, Corporate Actions, 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 22 November 2012. Tenders received after that time will be accepted only at the sole discretion of J.P. Morgan Cazenove (with the consent of the Company).

Duly completed Tender Forms sent by any of the means set out above and received signed and complete in all respects by the prescribed time will be treated as tenders of Ordinary Shares in accordance with the terms and conditions of the Tender Offer. No acknowledgement of receipt of documents will be given.

The completed and signed Tender Form should be accompanied, where possible, 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) or are lost, the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent, at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 1.00 p.m. on 22 November 2012 together with any share certificate(s) and/or document(s) of title that you may have available.

In respect of those Ordinary Shares for which your share certificate(s) is/are unavailable and you have been sent a Tender Form, a letter of indemnity can be obtained by writing to Capita Registrars or contacting them on the Shareholder Helpline. If a separate letter of indemnity is completed, this should be returned with the Tender Form as described above so as to be received by the Receiving Agent at Capita Registrars, Corporate Actions, The Registry,



34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 1.00 p.m. on 22 November 2012. A fee may be payable by the Qualifying Shareholder in respect of each letter of indemnity.

Where you have completed and returned a letter of indemnity in respect of unavailable share certificates and you subsequently find or obtain the relevant share certificates, you should immediately send the certificates by post or (during normal business hours only) by hand to the Receiving Agent at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

- 3.3 If you are in any doubt as to the procedure for acceptance, please telephone the Shareholder Helpline on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Tender Offer nor give any financial, legal or tax advice.

By signing and returning a Tender Form, you will be deemed to have appointed J.P. Morgan Cazenove as your agent in respect of the tender process. J.P. Morgan Cazenove will therefore issue a contract note on behalf of all Qualifying Shareholders whose Ordinary Shares are so purchased under the Tender Offer and will remit the cash consideration to Capita Registrars with instructions that such consideration be remitted to Qualifying Shareholders in accordance with the instructions set out on the Tender Form.

- 3.4 *Ordinary Shares in uncertificated form (that is, in CREST)*

If your Ordinary Shares are in uncertificated form, to tender such shares under the Tender Offer you should take (or procure the taking of) the action set out below to transfer (by means of a TTE instruction) the number of Ordinary Shares you wish to tender under the Tender Offer to the relevant escrow account specifying Capita Registrars (in its capacity as a CREST Participant under the relevant Participant ID(s) and member account ID(s) referred to below) as the escrow agent, as soon as possible and in any event so that the TTE instruction settles by no later than 1.00 p.m. on 22 November 2012. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE instructions accordingly.

The input and settlement of a TTE instruction in accordance with this paragraph shall constitute an offer to J.P. Morgan Cazenove to sell to it the number of Ordinary Shares at the price indicated on the terms of the Tender Offer by transferring such Ordinary Shares to the relevant escrow account as detailed below.

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. The Corporate Action Number is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

After settlement of the TTE instruction, you will not be able to access in CREST the Ordinary Shares concerned for any transaction or charging purposes, notwithstanding that they will be held by Capita Registrars as the escrow agent until completion or lapse of the Tender Offer. If the Tender Offer becomes unconditional by 7.00 a.m. on 30 November 2012, or such later time and date as the Company and J.P. Morgan Cazenove may agree, Capita Registrars will transfer the successfully tendered Ordinary Shares to itself as the agent of J.P. Morgan Cazenove, returning any Ordinary Shares not successfully tendered to you.

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

**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 22 November 2012. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.**

#### *Electronic Tenders*

To tender Ordinary Shares in uncertificated form you should send (or, if you are a CREST Sponsored Member, procure that your CREST Sponsor sends) a TTE instruction to Euroclear in relation to such Ordinary Shares.

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

- (i) the number of Ordinary Shares in respect of which you wish to tender and be transferred to the relevant escrow account;
- (ii) your member account ID;
- (iii) your Participant ID;
- (iv) the Participant ID of Capita Registrars, in its capacity as a CREST receiving agent, which is RA10;
- (v) the member account ID of the Receiving Agent in its capacity as escrow agent, which is 27792LMS;
- (vi) the corporate action ISIN in respect of the Ordinary Shares, which is GB00B12MHD28;
- (vii) the intended settlement date. This should be as soon as possible and, in any event, no later than 1.00 p.m. on 22 November 2012;
- (viii) the contact name and telephone number inserted in the shared note field;
- (ix) the corporate action number for the Tender Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- (x) input with a standard delivery instruction priority of 80.

The Company and/or J.P. Morgan Cazenove will make an appropriate announcement if any of the details contained in this paragraph relating to settlement in CREST are materially altered.

### **3.5 *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 vice versa during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Shareholders who are proposing to convert any 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 certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 22 November 2012.

### **3.6 *Validity of tenders***

#### **(a) *Tender Forms***

J.P. Morgan Cazenove reserves the right to treat as valid only Tender Forms which are received entirely in order by 1.00 p.m. on 22 November 2012 and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof in respect of the entire number of Ordinary Shares tendered.



(b) *Validity of Electronic Tenders*

A Tender Form which is received in respect of Ordinary Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Shareholders holding Ordinary Shares in uncertificated form who wish to tender such shares should note that a TTE instruction will be a valid tender as at 22 November 2012, only if it has settled on or before 1.00 p.m. on that date.

An appropriate announcement will be made if any of the details contained in this paragraph 3.6 are altered.

(c) *General*

Notwithstanding the completion of a valid Tender Form or settlement of a TTE instruction, as applicable, the Tender Offer may lapse in accordance with the conditions set out above.

The decision of J.P. Morgan Cazenove as to which Ordinary Shares have been validly tendered shall be conclusive and binding on all Shareholders.

If you are in any doubt as to how to complete the Tender Form or as to the procedure for making an Electronic Tender please contact the Receiving Agent at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or on the Shareholder Helpline. You are reminded that, if you are a CREST Sponsored Member, you should contact your CREST Sponsor before taking any action.

Shareholders should note that, once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of.

3.7 *Helpline details*

Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Tender Offer nor give any financial, legal or tax advice.

**4. Effect of Tender**

4.1 *Tender Forms*

Each Qualifying Shareholder by whom or, as applicable, on whose behalf, a Tender Form is executed and lodged, including a Tender Form which is treated by J.P. Morgan Cazenove as valid, irrevocably undertakes, represents, warrants and agrees to and with J.P. Morgan Cazenove (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) the execution of the Tender Form shall constitute an offer to J.P. Morgan Cazenove to sell to it such number of certificated Ordinary Shares as are inserted in either Box 1 A (being the Basic Entitlement) or Box 1 B of the Tender Form or deemed to be tendered, in each case on and subject to the terms and conditions set out or referred to in this Circular and the Tender Form and that, once lodged, such tender shall be irrevocable;
- (b) such execution and lodgement, shall, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of J.P. Morgan Cazenove as such Qualifying Shareholder's attorney and/or agent ("**Attorney**"), and an irrevocable instruction to the Attorney to:
  - (i) complete and execute any and all instruments of transfer and/or other documents or forms and take any and all actions which are necessary or, in such Attorney's absolute discretion, in relation to the Ordinary Shares referred to in sub-paragraph (a) above in favour of J.P. Morgan Cazenove or such other person or persons as J.P. Morgan Cazenove may direct; and
  - (ii) deliver such instrument(s) of transfer and/or other documents or forms at the discretion of the Attorney, together with the share certificates and/or other documents of title relating to such Ordinary 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 J.P. Morgan Cazenove or its nominee(s) or such other person(s) as J.P. Morgan Cazenove may direct such Ordinary Shares;

- (c) such Qualifying Shareholder holding Ordinary Shares in certificated form will deliver to the Receiving Agent his share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares referred to in sub-paragraph (a) above, or an indemnity acceptable to J.P. Morgan Cazenove in lieu thereof, or will procure the delivery of such document(s) to such person(s) as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 22 November 2012;
- (d) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (e) the despatch of a cheque to a Qualifying Shareholder as referred to in paragraph 5 of this Part 3 headed "Settlement", will discharge fully any obligation of J.P. Morgan Cazenove to pay such Qualifying Shareholder the consideration to which he is entitled under the Tender Offer;
- (f) on execution a Tender Form takes effect as a deed; and
- (g) the execution of the Tender Offer shall constitute a submission by the Qualifying Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Tender Offer and the Tender Form, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the delivery of a Tender Form will constitute submission to the jurisdiction of the courts of England and Wales.

A reference in this paragraph to a Qualifying Shareholder includes a reference to the person or persons executing a 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 severally.

#### 4.2 *Electronic Tenders*

Each Qualifying Shareholder by whom, or on whose behalf, a TTE instruction which is treated by J.P. Morgan Cazenove as valid is made irrevocably undertakes, represents, warrants and agrees to and with J.P. Morgan Cazenove (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) the input of the TTE instruction shall constitute an offer to sell to J.P. Morgan Cazenove such number of Ordinary Shares as are specified in the TTE instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this Circular and the TTE instruction and that, once the TTE instruction has settled, such tender shall be irrevocable;
- (b) the input of the TTE instruction, will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of J.P. Morgan Cazenove as such Qualifying Shareholder's agent ("**Agent**"), and an irrevocable instruction and authority to the Agent to complete and execute all or any instruments of transfer and/or other documents or input any instructions into Euroclear at the Agent's discretion in relation to the Ordinary Shares referred to in sub-paragraph (a) above in favour of J.P. Morgan Cazenove or such other person or persons as J.P. Morgan Cazenove may direct and to deliver any documents or input any instructions into Euroclear relating to such Ordinary 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 Agent be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in J.P. Morgan Cazenove of its nominee(s) or such other person(s) as J.P. Morgan Cazenove may direct, such Ordinary Shares;
- (c) if, for any reason, any Ordinary Shares in respect of which a TTE instruction has been made are prior to 1.00 p.m. on 22 November 2012, converted into certificated form, the Electronic Tender in respect of such Ordinary Shares shall cease to be valid and the Shareholder will need to comply with the procedures for tendering Ordinary Shares in certificated form as set out in this Part 3 in respect of the Ordinary Shares so converted, if he wishes to make a valid tender of such Ordinary Shares pursuant to the Tender Offer;

- (d) the creation of a payment obligation in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part 3 headed "Settlement" will discharge fully any obligation of J.P. Morgan Cazenove to pay to such Shareholder the consideration to which he is entitled under the Tender Offer; and
- (e) the input of a TTE instruction in CREST shall constitute a submission by the Qualifying Shareholder to all matters in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Tender Offer and the Tender Form, whether contractual or non-contractual, being governed by, and construed in accordance with, the laws of England and Wales and the input of a TTE instruction in CREST will constitute submission to the jurisdiction of the courts of England and Wales.

#### 4.3 *General tendering provisions*

Each Shareholder who submits a tender irrevocably undertakes, represents, warrants and agrees to and with J.P. Morgan Cazenove (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) such Shareholder has observed the laws of all relevant jurisdictions, obtained any requisite consents and complied with all applicable formalities, that the invitation under the Tender Offer may be made to him under the laws of the relevant jurisdictions, and has not taken or omitted to take any action which would otherwise result in J.P. Morgan Cazenove or the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase by J.P. Morgan Cazenove of the Ordinary Shares tendered by him under the Tender Offer and the associated Repurchase;
- (b) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by J.P. Morgan Cazenove to be desirable, in each case in order to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (c) if the appointment of agent provision under sub-paragraph 4.1(b) or 4.2(b) (as applicable) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of J.P. Morgan Cazenove the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable J.P. Morgan Cazenove to secure the full benefits of sub-paragraph 4.1(b) or 4.2(b) (as applicable) above;
- (d) such 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 J.P. Morgan Cazenove, J.P. Morgan Cazenove 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, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (e) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by J.P. Morgan Cazenove and/or the Receiving Agent or any of their respective directors or officers or any person nominated by J.P. Morgan Cazenove or the Receiving Agent of any of their respective directors or officers in the proper exercise of their respective powers and/or authorities hereunder;
- (f) such Shareholder has not received or sent copies or originals of the Tender Form in, into or from a Restricted Jurisdiction 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, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of a Restricted Jurisdiction at the time of the input of and settlement of the relevant TTE instruction, that the TTE instruction has not been sent from a Restricted Jurisdiction and such Shareholder is accepting the Tender Offer from outside a Restricted Jurisdiction;

Each Shareholder to which paragraphs 4.1 or 4.2 apply hereby consents to the assignment by J.P. Morgan Cazenove of all such benefit as J.P. Morgan Cazenove may have in any covenants, representations and warranties in respect of the Ordinary Shares which are successfully tendered under the Tender Offer.

## **5. Settlement**

Settlement of the consideration to which any Qualifying Shareholder is entitled pursuant to valid tenders accepted by J.P. Morgan Cazenove will be made by the dispatch of cheques or CREST messages as follows:

### **5.1 *Ordinary Shares in certificated form***

Where an accepted tender relates to Ordinary Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent (on behalf of J.P. Morgan Cazenove) by or on 10 December 2012 by first class post to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in section 1 or section 3 on page 3 of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the registered address of the first named Shareholder. All payments will be made in pounds sterling by cheque, drawn on a branch of a UK clearing bank.

### **5.2 *Ordinary Shares in uncertificated form (that is in CREST)***

Where an accepted tender relates to Ordinary Shares held by Shareholders in uncertificated form, the consideration due will be paid by or on 4 December 2012 through CREST by the Receiving Agent (on behalf of J.P. Morgan Cazenove) procuring the creation of a payment obligation in favour of the payment banks of accepting Shareholders in accordance with the CREST payment arrangements.

## **6. Overseas Shareholders**

- 6.1 Overseas Shareholders should inform themselves about and observe any applicable or legal regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.
- 6.2 The making of the Tender Offer in, or to persons resident in, jurisdictions outside the United Kingdom or to persons who are citizens, residents or nationals of other countries may be affected by the laws of the relevant jurisdiction. Shareholders who are not resident in the United Kingdom, or who are citizens, residents or nationals of countries outside the United Kingdom should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to take up the Tender Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any Overseas Shareholder will be responsible for any such transfer or other taxes or other requisite payments by whomsoever payable and the Company, Capita Registrars and J.P. Morgan Cazenove and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder on an after-tax basis 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 Form in any territory outside the United Kingdom.
- 6.3 In particular, the Tender Offer is not being made directly or indirectly in, into or from or by use of the mail or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of a Restricted Jurisdiction and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction.
- 6.4 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 the Tender Form in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including,

without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction in connection with such forwarding, such persons should:

- (a) inform the recipient of such fact;
- (b) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
- (c) draw the attention of the recipient to this section of this Circular.

6.5 The provisions of this paragraph and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by J.P. Morgan Cazenove in its absolute discretion, but only if J.P. Morgan Cazenove is satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law. Subject to this, the provisions of this paragraph headed "Overseas Shareholders" supersede any terms of the Tender Offer inconsistent therewith.

6.6 References to a Shareholder shall include references to the persons executing a Tender Form and in the event of more than one person executing Tender Forms, the provisions of this paragraph shall apply to them jointly and severally.

## Part 4

### TAXATION IN RELATION TO THE TENDER OFFER

#### A. United Kingdom

The following comments do not constitute tax advice and are intended only as a guide to current United Kingdom law and H.M. Revenue & Customs' published practice (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the United Kingdom taxation treatment of Shareholders who are resident or, if individuals, ordinarily resident in the United Kingdom for United Kingdom tax purposes, who are, and will be, the beneficial owners of their Ordinary Shares and who hold, and will hold, their Ordinary Shares as investments (and not as assets to be realised in the course of a trade, profession or vocation). They may not relate to certain Shareholders, such as dealers in securities or Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Shareholders are advised to take independent advice in relation to the tax implications for them of selling Ordinary Shares pursuant to the Tender Offer.

#### 1. Taxation of chargeable gains

The sale of Ordinary Shares by a Shareholder to J.P. Morgan Cazenove 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 payable by a Shareholder who is an individual as a consequence of the sale of Ordinary Shares, if any, 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 Ordinary 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**") (£34,370 for 2012/2013) will normally be subject to CGT at a rate of 18% in respect of any gain arising on the sale of his or her Ordinary 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 18% in respect of any gain arising on the sale of his or her Ordinary 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 28% in respect of the remainder of the gain arising on the sale of his or her Ordinary Shares. However, no tax will be payable on any gain arising on the sale of Ordinary 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 (£10,600 for 2012/2013).

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 the date the chargeable gain is realised.

#### 2. Transactions in Securities

Under the provisions of Part 15 of the Corporation Tax Act 2010, H.M. Revenue & Customs can in certain circumstances counteract corporation tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by H.M. Revenue & Customs to the Tender Offer, Shareholders who are subject to corporation tax might be liable to corporation tax as if they had received an income amount rather than a capital amount.

These rules apply only in certain circumstances and do not apply where 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 corporation tax advantage. In view of these restrictions on the application of the anti-avoidance provisions, no application has been made to H.M. Revenue & Customs for clearance in respect of the application of 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.**



### **3. Stamp duty and stamp duty reserve tax (“SDRT”)**

The sale of Ordinary Shares pursuant to the Tender Offer will not give rise to any liability to stamp duty or SDRT for the selling Shareholder.

Stamp duty at a rate of 0.5% on the Ordinary Shares repurchased, rounded up to the nearest £5 if necessary, will be payable by the Company on its purchase of Ordinary Shares from J.P. Morgan Cazenove.



## Part 5

### LMS CAPITAL PLC

#### NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of LMS Capital plc (the “**Company**”) will be held at 11.30 a.m. on 29 November 2012 at Durrants Hotel, George Street, London W1H 5BJ to consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

THAT the Company be and is hereby generally authorised for the purposes of section 701 of the Companies Act 2006 (the “**Act**”) to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company (“**Ordinary Shares**”), in connection with a tender offer for Ordinary Shares, provided that:

- (A) the maximum number of Ordinary Shares that may be purchased under this authority is 54,759,857;
- (B) the minimum price which may be paid for any Ordinary Shares is the nominal amount of that Ordinary Share and the maximum price which may be paid for any Ordinary Share is the Tender Offer Price (as defined in the circular dated 2 November 2012 of which this notice forms part); and
- (C) this authority will expire at the conclusion of the Company’s annual general meeting held in 2013.

2 November 2012

By order of the Board

Jon Edis-Bates  
Company Secretary

Registered office:  
LMS Capital plc  
100 George Street  
London W1U 8NU

Registered in England and Wales No. 05746555

## Notes

1. Members or their duly appointed representatives are entitled to attend, speak and vote at the General Meeting. Members are entitled to appoint a proxy to exercise on their behalf all or any of their rights to attend and to speak and vote at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies the Circular of which this Notice forms part. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Capita Registrars on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday.
2. To be valid, Forms of Proxy must be completed and returned by post or (during normal business hours only) by hand at Capita Registrars no later than 11.30 a.m. on 27 November 2012. Proxy appointments may also be made at [www.capitashareportal.com](http://www.capitashareportal.com), again no later than 11.30 a.m. on 27 November 2012.
3. The return of a completed Form of Proxy, the appointment of a proxy at [www.capitashareportal.com](http://www.capitashareportal.com) or any CREST Proxy Instruction (as described in paragraphs 8 to 11 below) will not preclude a Shareholder from attending the General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person holds no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
5. The statement of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by Shareholders of the Company.
6. To be entitled to attend and vote at the General Meeting (and for the purpose of determination by the Company of the votes they may cast), Shareholders must be registered in the register of members of the Company at 6.00 p.m. on 27 November 2012 (or, in the event of any adjournment, 6.00 p.m. on the date which is two working days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
7. As at 31 October 2012 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consisted of 273,799,285 Ordinary Shares, carrying one vote each. No Ordinary Shares were held in treasury. Therefore, the total voting rights of the Company as at 31 October 2012 were 273,799,285.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual which can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting services provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent Capita Registrars by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. In the case of joint holders of an Ordinary Share, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names appear in the register of members. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Ordinary Shares.
12. If a Shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for receipt of proxies will take precedence.
13. Any member attending the General Meeting has a right to ask questions.
14. A copy of this Notice and other information required by section 311A of the Companies Act 2006 can be found at [www.lmscapital.com](http://www.lmscapital.com).
15. You may not use any electronic address provided in this Notice, in the Circular of which it forms part or any related documents (including the Form of Proxy) to communicate with the Company about proceedings at the General Meeting or the contents of this Notice or for any purpose other than those expressly stated.