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If you have sold or otherwise transferred all of your Ordinary Shares and/or your Class A Shares in the Company, please send this document (together with the accompanying documents but not any personalised Tender Form) at once to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into the United States, Australia, Canada, Japan or the Republic of South Africa or into any other jurisdiction if to do so would constitute a violation of the relevant laws and regulations in such other jurisdiction.

Panmure Gordon (UK) Limited (**Panmure Gordon**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority in the conduct of investment business, 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 Panmure Gordon nor for providing advice in relation to the Tender Offer, the contents of this document or any other matter referred to in this document.

ALPHA REAL TRUST LIMITED

(a closed-ended investment company incorporated in Guernsey and registered with number 44786)

Tender Offer for up to 5,000,000 Ordinary Shares at 138p per Ordinary Share

Applications by Qualifying Shareholders to tender Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares prior to the Record Date) for purchase under the Tender Offer may only be made on the Tender Form together with the relevant share certificate(s) and/or any other document(s) of title or, in the case of Ordinary Shares held in uncertificated form (that is, in CREST), by making an appropriate CREST instruction (a TTE Instruction). Enclosed with this document is a Tender Form for use by Qualifying Shareholders in connection with the Tender Offer. To be effective, such Tender Forms and 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 3.00 p.m. on 26 October 2018 by Computershare Investor Services PLC at Corporate Actions, The Pavilions, Bridgwater Road, Bristol, BS13 8AE. A first class reply-paid envelope is enclosed for use in the United Kingdom only.

Qualifying Class A Shareholders who wish to participate in the Tender Offer may do so, but only if they convert their Class A Shares into Ordinary Shares prior to the Record Date by completing and returning a Conversion Notice, together with the relevant share certificate(s) and/or other document(s) of title in respect of the Class A Shares to be converted so as to be received by no later than 5.00 p.m. on 16 October 2018 by post to Computershare Investor Services PLC at Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE. A first class reply paid envelope is enclosed for use in the United Kingdom. The Class A Shares in respect of which a Conversion Notice is duly given will convert into Ordinary Shares on 25 October 2018 and may be tendered in the Tender Offer on the same basis as the existing Ordinary Shares. Further details of the action to be taken by Class A Shareholders who wish to participate in the Tender Offer are set out under the paragraph headed "Action to be taken" in Part 1 of this document.

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 4 of this document.

This document does not constitute an offer to purchase, or solicitation of an offer to sell Ordinary Shares and/or Class A 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 Panmure Gordon (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, the Republic of South Africa or Japan and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Canada, Australia, the Republic of South Africa or Japan.

Your attention is drawn to the section headed "Part I – Letter from the Chairman" on page 4 of this document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2018

Latest time and date for receipt of Conversion Notices, accompanied by the relevant share certificate(s) or other document(s) of title, for Class A Shareholders wishing to participate in the Tender Offer	5.00 p.m. on 16 October
Conversion of Class A Shares into Ordinary Shares in respect of which a Conversion Notice has been given	25 October
Admission to the SFS of Ordinary Shares arising on conversion of Class A Shares in respect of which a Conversion Notice has been given	8.00 a.m. on 26 October
Latest time and date for receipt of Tender Forms or for settlement of TTE Instructions in respect of the Tender Offer	3.00 p.m. on 26 October
Record Date for participation in the Tender Offer	6.00 p.m. on 26 October
Results of the Tender Offer announced	29 October
Settlement date: cheques despatched and CREST accounts credited with proceeds in respect of successfully tendered Ordinary Shares (including Ordinary Shares arising on conversion of Class A Shares)	from 5 November
Balancing certificates despatched and CREST accounts credited in respect of unsold Ordinary Shares (including Ordinary Shares arising on conversion of Class A Shares)	week commencing 12 November 2018

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, 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.

PART 1

LETTER FROM THE CHAIRMAN

ALPHA REAL TRUST LIMITED

(a closed-ended investment company incorporated in Guernsey with registered number 44786)

Directors

David Jeffreys (*Chairman*)
Jeff Chowdhry
Phillip Rose
Melanie Torode
Serena Tremlett

Registered office

Old Bank Chambers
La Grande Rue
St Martin's
Guernsey
GY4 6RT

5 October 2018

Dear Shareholder,

**Tender Offer for up to 5,000,000 Ordinary Shares
at 138p per Ordinary Share**

1. Introduction

On 5 January 2018, Ordinary Shareholders and Class A Shareholders approved the Share Purchase Resolution to enable the Company to buy back up to 17,117,376 Ordinary Shares, representing a maximum of 24.99 per cent. of the Voting Share Capital as at the latest practicable date prior to the publication of the 2017 Circular, being 11 December 2017.

The Share Purchase Authority was expressed to be conditional on the approval given by the Panel Waiver Resolution which was also passed on 5 January 2018 and so therefore has the benefit of the Panel Waiver (see paragraph 2.4 below for further details).

Subsequent to 5 January 2018, whilst the Company has not realised any significant disposals, it has maintained a strong cash position and remains cautious in the deployment of funds in new investments. Since 5 January 2018, the Company has bought back a total of 10,000 Ordinary Shares under its share buyback programme. Given this position, the Board believes a return of capital by way of tender offer is appropriate.

The purpose of this document is to explain the mechanics of the Tender Offer, to provide Qualifying Shareholders with the terms and conditions applicable to the Tender Offer and to explain how Qualifying Shareholders (including Qualifying Class A Shareholders) may tender Ordinary Shares, should they wish to do so.

The Tender Offer will be conducted at a fixed price of 138 pence per Ordinary Share, being the Tender Offer Price which represents a premium of 5.2 per cent. to the average closing price of an Ordinary Share for the 30 days prior to the Latest Practicable Date and a discount of 21.1 per cent. to the unaudited NAV per Ordinary Share as at 30 June 2018 of 174.8 pence. The Tender Price is also equal to the highest closing price for the Company's Ordinary Shares in the past 12 months prior to the Latest Practicable Date (source: Datastream).

On 4 October 2018 the Company announced that additional planning consent had been obtained in respect of the Company's private rented sector development at Monk Bridge in Central Leeds (the **Monk Bridge Asset**) and consequently that it has been advised that this additional planning consent will result in a material increase in the carrying value of the Monk Bridge Asset. This updated valuation will be reflected in the NAV per Ordinary Share for the period ending 30 September 2018 which is expected to be announced on or around 16 November 2018.

This letter is not a recommendation for Qualifying Shareholders to tender any Ordinary Shares under the Tender Offer. Whether or not Qualifying Shareholders tender any Ordinary 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 proposed Tender Offer

2.1 Background

In light of the fact that the Company's Ordinary Shares are currently trading at a discount to the unaudited net asset value of the Company (such discount being approximately 22.8 per cent. as at the Latest Practicable Date, based on the unaudited NAV per Ordinary Share as at 30 June 2018 of 174.8 pence), the Board believes that it is in the Company's interests, and in the interest of Shareholders, to provide Qualifying Shareholders who wish to realise part or all of their investment in the Company with an opportunity to access liquidity which might otherwise not be available in the market.

The Board therefore wishes the Company to make a return of capital to Qualifying Shareholders by way of a tender offer for up to 5,000,000 Ordinary Shares, representing approximately 7.3 per cent. of the Voting Share Capital.

The Board has sought to ensure that as many Shareholders as possible can participate in the return of capital whilst allowing Shareholders individually to choose whether to participate in the Tender Offer or not (without incurring disproportionate costs in making the Tender Offer to persons other than Qualifying Shareholders). Qualifying Shareholders can decide whether to tender all or any of their Ordinary Shares under the Tender Offer or to continue to hold them.

The terms of the Share Purchase Authority permits the purchase by the Company of up to 17,117,376 Ordinary Shares pursuant to one or more market acquisitions (within the meaning of section 316 of the Companies Law). As the Class A Shares are unlisted and are not traded on a recognised investment exchange, it is not possible for the Class A Shares to be tendered under the Tender Offer and subsequently repurchased by the Company pursuant to the Repurchase Agreement.

However, Qualifying Class A Shareholders who wish to participate in the Tender Offer may do so if they convert all or any of their Class A Shares into Ordinary Shares prior to the Record Date. Ordinary Shares arising on conversion of any Class A Shares prior to the Record Date may be tendered by Qualifying Class A Shareholder under the Tender Offer on the same basis as the existing Ordinary Shares. Further details of the action to be taken by Qualifying Class A Shareholders who wish to participate in the Tender Offer are set out under the paragraph headed "Action to be taken" in Part 1 of this document.

Qualifying Shareholders tendering all of their Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) may be subject to scaling back (but not below their Basic Entitlement) and in this event they will still retain Ordinary Shares in the Company.

As referred to above, the Company is authorised to buy back up to 17,117,376 Ordinary Shares pursuant to the Share Purchase Authority which was approved by Shareholders on 5 January 2018 and any purchases made by the Company pursuant to that authority will benefit from the Panel Waiver which was also approved by the Independent Shareholders on 5 January 2018. Since 5 January 2018, the Company has bought back a total of 10,000 Ordinary Shares under its share buyback programme.

The Tender Offer will be financed from the Company's existing cash resources. As at 3 October 2018, the Company had cash and units in Freehold Income Authorised Fund (which offers a monthly redemption facility) totalling £21 million. The Tender Offer is conditional upon the Directors being satisfied that the Company will satisfy the solvency test as prescribed by the Companies Law. The solvency test will be satisfied if, immediately after the completion of the Tender Offer:

- the Company will be able to pay its debts as they become due;
- the value of the Company's assets is greater than the value of its liabilities; and
- the Company satisfies any other requirements as to solvency imposed pursuant to its authorisation as an authorised closed-ended collective investment scheme.

Following the proposed Tender Offer, your Board believes that the Company will remain in a net cash position with a strong balance sheet.

2.2 **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 4 of this document and, in the case of Ordinary 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 (including the Ordinary Shares arising on conversion of the Class A Shares) held by them on the Record Date.

Qualifying Shareholders can choose whether they wish to tender all or any of their Ordinary Shares under the Tender Offer. Qualifying Shareholders are not obliged to tender any of their Ordinary Shares if they do not wish to do so. Qualifying Class A Shareholders who wish to participate in the Tender Offer may do so, if and to the extent that they convert some or all of their Class A Shares into Ordinary Shares prior to the Record Date. In accordance with the Articles, Class A Shares will convert into Ordinary Shares on a “one for one” basis.

The Tender Offer involves the following:

- Panmure Gordon, acting as principal, has irrevocably committed to purchase up to 5,000,000 Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) at the Tender Offer Price on and subject to the terms and conditions of the Tender Offer and to sell such tendered Ordinary Shares to the Company pursuant to the Repurchase Agreement.
- the Company will acquire all of the tendered Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) from Panmure Gordon pursuant to the existing Share Purchase Authority and such Ordinary Shares will then be cancelled.
- 5,000,000 Ordinary Shares represent approximately 7.3 per cent. of the current Voting Share Capital of the Company (excluding Ordinary Shares held in treasury).
- All Qualifying Shareholders (including Qualifying Class A Shareholders who choose to convert some or all of their Class A Shares into Ordinary Shares prior to the Record Date) are being given the opportunity to participate in the Tender Offer.
- Qualifying Shareholders may tender such number of Ordinary Shares (including Ordinary Shares arising on conversion of the Class A Shares) under the Tender Offer as they choose.
- Qualifying Shareholders do not have to tender any of their Ordinary Shares if they do not wish to do so.
- All Ordinary Shares (including any Ordinary Shares arising on conversion of Class A 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 Ordinary 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 4 of this document and, in the case of Ordinary 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 as at that date.
- If the number of Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) validly tendered is 5,000,000 or less, all such Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) will be purchased under the Tender Offer on and subject to the terms and conditions of the Tender Offer set out in Part 4 of this document.
- If the number of Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) validly tendered is more than 5,000,000, tenders will be accepted in the order set out below:

- (a) all Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) tendered by Qualifying Shareholders up to their Basic Entitlement will be accepted in full; and
 - (b) tenders of Ordinary Shares (including any Ordinary Shares arising on conversion of Class A 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 Ordinary Shares) or otherwise at the discretion of Panmure Gordon, in consultation with the Board.
- Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) will be purchased without commissions and dealing charges.
 - Qualifying Shareholders are able to tender their Ordinary Shares until 3.00 p.m. on the closing date of the Tender Offer, which is 26 October 2018. In order to participate in the Tender Offer:
 - Qualifying Class A Shareholders who wish to participate in the Tender Offer must convert some or all of their Class A Shares into Ordinary Shares prior to the Record Date by completing and returning a Conversion Notice, together with any share certificate(s) and/or other document(s) of title in respect of the Class A Shares to be converted in accordance with the instructions printed thereon by no later than 5.00 p.m. on 16 October 2018;
 - Qualifying Shareholders (including Qualifying Class A Shareholders who have submitted a Conversion Notice as described above) holding Ordinary Shares in certificated form as at the Record Date must return the accompanying personalised Tender Form together, except in the case of Qualifying Class A Shareholders who have submitted a Conversion Notice, with any share certificate(s) and/or other document(s) of title in accordance with the instructions set out on the Tender Form by 3.00 p.m. on 26 October 2018; and
 - Qualifying Shareholders holding Ordinary Shares in uncertificated form (that is, in CREST) are directed to paragraph 3.2 of Part 4 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 Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) will not receive any cash proceeds in respect of their Ordinary Shares under the Tender Offer but will benefit from owning a greater percentage of the Voting Share Capital as there will be fewer Shares in issue after completion of the Tender Offer and the subsequent repurchase of the tendered Ordinary Shares by the Company pursuant to the Repurchase Agreement.

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 Ordinary Shares (including any Ordinary Shares arising on conversion of Class A 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 Panmure Gordon, as principal, "On Exchange" in accordance with the Rules of the London Stock Exchange.

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

Any rights of Qualifying Shareholders who choose not to tender their Ordinary Shares, and Class A Shareholders who choose not to convert any of their Class A Shares in order to participate in the Tender Offer, will be unaffected by the Tender Offer.

The Directors reserve the right, at any time prior to the announcement that the Tender Offer has become unconditional in all respects, to decline from proceeding with the Tender Offer if they

conclude that its implementation is no longer in the interests of the Company and/or Shareholders as a whole.

Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in Part 4 of this document.

2.3 ***Status of the Class A Shares***

The Company's investment in Romulus High Income Trust plc (**Romulus**) was acquired as part of the Company's acquisition of the Property Investment Portfolio plc (**PIP**) portfolio in 2012. The Company ascribed no value to Romulus for the purposes of its acquisition of the PIP portfolio, with any realised value from Romulus being passed to former PIP shareholders by way of the Class A Shares. Romulus represents the final asset from the PIP portfolio in respect of which Class A Shareholders have separate rights to Ordinary Shareholders.

Romulus was put into liquidation on 12 February 2018 and the liquidation is ongoing. The Company expects to receive a further sum from the liquidators in respect of its investment in Romulus.

A further distribution is therefore currently anticipated. Based on the current number of Class A Shares this distribution is expected to be less than 1 pence per Class A Share.

In view of the above the Board does not intend to exercise its right to give a Compulsory Conversion Notice in accordance with the Articles, which would convert all the outstanding Class A Shares into Ordinary Shares on a "one for one" basis until such time as the liquidation of Romulus has been completed and a final distribution is made.

As all the Class A Shares are unlisted and do not trade on a recognised investment exchange, the acquisition of Class A Shares by the Company in connection with the Tender Offer and the subsequent repurchase of such shares pursuant to the Repurchase Agreement would not fall within the scope of the existing Share Purchase Authority as such acquisitions would not be "market acquisitions" as prescribed by the terms of the Share Purchase Authority. However, Qualifying Class A Shareholders who wish to participate in the Tender Offer may do so if they convert their Class A Shares into Ordinary Shares on a "one for one" basis prior to the Record Date. Qualifying Class A Shareholders who wish to do so should complete and return a Conversion Notice specifying the number of Class A Shares they wish to convert and submit a Tender Form in respect of some or all of the Ordinary Shares arising on such conversion. Further details of the action to be taken by Qualifying Class A Shareholders who wish to participate in the Tender Offer are set out under the paragraph headed "Action to be taken" in this Part 1.

2.4 ***The City Code and the Panel Rule 9 Waiver***

Under Rule 9 of the City Code (**Rule 9**) any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, such person shall extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of security whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

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.

Under the City Code, the partners in ARC are deemed to be acting in concert with ARC.

The aggregate shareholding of ARC and the ARC Concert Parties in the Company as at the Latest Practicable Date was 26,890,731 Ordinary Shares and nil Class A Shares, being approximately 39.26 per cent. of the Voting Share Capital as set out in the table below. The table

below also sets out details of the maximum number of Ordinary Shares and the percentage of Voting Share Capital of the Company which would be held by ARC and the ARC Concert Parties were the maximum number of Ordinary Shares to be tendered under the Tender Offer and subsequently repurchased by the Company from Panmure Gordon, assuming that neither ARC nor any of the ARC Concert Parties tender any of their Ordinary Shares under the Tender Offer:

<i>Shareholder</i>	<i>As at the Latest Practicable Date</i>		<i>In the event the Tender Offer is fully taken up</i>	
	<i>Number of Ordinary Shares</i>	<i>% of Voting Share Capital</i>	<i>Number of Ordinary Shares</i>	<i>% of Voting Share Capital of the Company</i>
ARC	22,550,000	32.93	22,550,000	35.52
ARC Concert Parties	4,340,731	6.34	4,340,731	6.84
Total	26,890,731	39.26	26,890,731	42.36

The Panel agreed in December 2017 to waive the obligation to make a general offer that would otherwise arise as a result of any exercise of the Share Purchase Authority, and this was approved by the Shareholders (other than ARC and the ARC Concert Parties who, in accordance with the City Code, did not vote on Panel Waiver Resolution) on 5 January 2018. Accordingly, any increase in the percentage of Voting Share Capital held by ARC and the ARC Concert Parties as a result of the implementation of the Tender Offer and the subsequent repurchase of the tendered Ordinary Shares by the Company will not require ARC and the ARC Concert Parties to make an Offer under Rule 9 in continuing reliance on the Panel Waiver.

Further information on ARC and the ARC Concert Parties can be found in paragraph 3 of Part 6 of this document.

3. Dividends

Successfully tendered Ordinary Shares will be cancelled and will not rank for any future dividends.

4. Tax

A guide to certain UK tax consequences of the Tender Offer for Shareholders (including in relation to the conversion of any Class A Shares into Ordinary Shares) under UK law and HMRC practice is set out in Part 5 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.

5. Overseas Shareholders

The attention of Shareholders who are not resident in the United Kingdom is drawn to paragraph 9 of Part 4 of this document headed "Restricted Shareholders and other Overseas Shareholders".

6. Action to be taken

By Qualifying Ordinary Shareholders who wish to participate in the Tender Offer

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

(a) Ordinary Shares held in certificated form

Qualifying Ordinary Shareholders who hold Ordinary Shares in certificated form and who wish to tender all or any of their existing holding of Ordinary Shares should complete the Tender Form in accordance with the instructions printed thereon (including a witnessed signature) and in Part 4 of this document and return it to Computershare Investor Services PLC. A prepaid envelope is enclosed for this purpose. Qualifying Ordinary Shareholders who hold their Ordinary Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in

respect of the Ordinary Shares tendered. Completed Tender Forms must be received by not later than 3.00 p.m. on 26 October 2018. Further details of the procedures for tendering and settlement are set out in Part 4 of this document and in the accompanying Tender Form.

(b) *Ordinary Shares held in uncertificated form*

Qualifying Ordinary Shareholders who hold their 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 3.00 p.m. on 26 October 2018. Further details of the procedures for tendering and settlement are set out in Part 4 of this document.

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

By Qualifying Class A Shareholders who wish to participate in the Tender Offer

Qualifying Class A Shareholders who wish to participate in the Tender Offer may do so, if and to the extent that they convert some or all of their Class A Shares into Ordinary Shares on a “one for one” basis, and by completing and returning a Tender Form in respect of Ordinary Shares arising on such conversion, as described below:

(a) *Conversion of Class A Shares into Ordinary Shares*

- **By Qualifying Class A Shareholders who are individuals**
Qualifying Class A Shareholders who wish to participate in the Tender Offer must complete the Conversion Notice which can be found on the reverse of their Class A share certificate(s) in accordance with the instructions printed thereon, including specifying the number of Class A Shares they wish to convert into Ordinary Shares and return it by post, together with their share certificate(s) and/or other document(s) of title in respect of the Class A Shares to be converted, to Computershare Investor Services PLC by not later than 5.00 p.m. on 16 October 2018. A prepaid envelope is enclosed for this purpose.

If you have lost your Class A share certificate(s) and wish to convert some or all of your Class A Shares into Ordinary Shares in order to participate in the Tender Offer you should write to the Registrars at Computershare Investor Services (Jersey) Limited, 2nd Floor, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES or call 0370 707 4040 for a separate Conversion Notice and a letter of indemnity for lost share certificate(s), both of which when completed in accordance with the instructions given should be returned by post to Computershare Investor Services PLC at Corporate Actions Projects, the Pavilions, Bridgewater Road, Bristol BS99 6AH or by hand (during normal business hours only to Computershare Investor Services PLC, the Pavilions, Bridgewater Road, Bristol BS13 8AE so as to be received by no later than 5.00 p.m. on 16 October 2018.

- **By Qualifying Class A Shareholders who are companies**
Qualifying Class A Shareholders who are companies who wish to participate in the Tender Offer should complete the accompanying Conversion Notice in accordance with the instructions printed thereon, including specifying the number of Class A Shares they wish to convert into Ordinary Shares, and return it by post, together with their share certificate(s) and/or other document(s) of title in respect of the Class A Shares to be converted, to Computershare Investor Services PLC by no later than 5.00 p.m. on 16 October 2018. A prepaid envelope is enclosed for this purpose.

(b) *Tender of Ordinary Shares arising on conversion of Class A Shares*

Qualifying Class A Shareholders who wish to tender all or any of the Ordinary Shares arising on conversion of their Class A Shares should also complete the Tender Form in accordance with the instructions printed thereon (including a witnessed signature) and in Part 4 of this document and return it by post to Computershare Investor Services PLC. A prepaid envelope is enclosed for this purpose. Such Tender Forms may, but do not need to be, submitted at the same time as the relevant Qualifying Class A Shareholders submit their completed Conversion Notice on the basis that the relevant Class A Shares will convert into Ordinary Shares on a “one for one” basis on 25 October 2018. As no share certificate(s) and/or other document(s) of title will have been issued

in respect of such new Ordinary Shares prior to the deadline for submission of Tender Forms, Qualifying Class A Shareholders who wish to participate in the Tender Offer will not be required to deliver such share certificate(s) and/or other document(s) of title in order for their tender to be validly made. Further details of the procedures for tendering and settlement are set out in Part 4 of this document and in the accompanying Tender Form.

Qualifying Class A Shareholders who choose to convert some or all of their Class A Shares into Ordinary Shares in order to participate in the Tender Offer should note that such tenders will be made on the same basis as Qualifying Ordinary Shareholders and accordingly any tenders of their new Ordinary Shares in excess of their Basic Entitlement may be subject to scaling back as described under paragraph 2.2 above headed "Summary information on the Tender Offer".

If you have any queries regarding the procedure for tendering Ordinary Shares and/or converting Class A Shares into Ordinary Shares in order to participate in the Tender Offer, please contact Computershare Investor Services PLC on +44 (0) 370 707 4040 or +44 370 707 4040 if calling from outside the UK. The helpline is open from 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

7. Recommendation

The Board is making no recommendation to Qualifying Shareholders in relation to participation in the Tender Offer itself or in relation to the conversion of any Class A Shares into Ordinary Shares in order to participate in the Tender Offer. Whether or not Qualifying Shareholders decide to tender all or any of their Ordinary Shares or, in the case of Qualifying Class A Shareholders, to convert all or any of the Class A Shares into Ordinary Shares in order to participate in the Tender Offer, will depend, among other things, on their view of the Company's prospects and their own individual circumstances, including their tax position. Qualifying Shareholders are recommended to consult their duly authorised independent advisers and make their own decision.

None of the Directors nor ARC nor any of the ARC Concert Parties intends to tender any of their Ordinary Shares pursuant to the Tender Offer.

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,

David Jeffreys
Chairman

PART 2

RISK FACTORS RELATING TO THE TENDER OFFER

Qualifying Shareholders should carefully consider the risks relating to the Tender Offer described below, together with all other information contained in this document, before deciding whether or not to participate in the Tender Offer.

1. **Risks relating to the Ordinary Shares if a Qualifying Shareholder chooses to retain all or some of his Ordinary Shares**

1.1 ***The Ordinary Shares are admitted to trading on SFS***

The Ordinary Shares have been admitted to trading on the Specialist Fund Segment (the **SFS**), a segment of the Main Market and is designed for highly specialised investment entities. An investment in shares quoted on SFS may carry a higher risk than an investment in shares quoted on the Official List of the UK Listing Authority.

The market price of the Ordinary Shares may be volatile and may go down as well as up and current and prospective Shareholders may therefore be unable to recover their original investment. The Company's operating results and prospects from time to time may be below the expectations of market analysts and investors.

At the same time, equity investment market conditions may affect the Ordinary Shares regardless of the operating performance of the Company. Share market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the supply and demand of capital.

Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Company's assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Company while others may be outside the Company's control. The Company does not have a fixed winding up date and therefore, unless Shareholders vote to wind up the Company, Shareholders will only be able to realise their investment through the market.

1.2 ***Limited regulatory control compared with the Official List***

The holders of the Ordinary Shares do not enjoy any protection or rights other than those reflected in the Articles and those rights conferred by law. The Listing Rules of the UK Listing Authority (the **Listing Rules**) do not apply to the SFS.

In particular, the SFS imposes no equivalent requirements to that under the Listing Rules for applicable companies with a listing on the London Stock Exchange who wish to cancel their listing to obtain shareholder approval for such cancellation from a majority of not less than 75 per cent. of the total votes cast.

As a Guernsey registered company traded on the Specialist Fund Segment, the Company is not required to comply with the UK Corporate Governance Code (the **UK Code**). However, as the Company is authorised by the Guernsey Financial Services Commission (the **GFSC**), it is required to follow the principles and guidance set out in the Finance Sector Code of Corporate Governance issued by the GFSC with effect from 1 January 2012 (as the same may be amended from time to time) (the **Guernsey Code**).

1.3 ***There is no guarantee that dividends will be paid***

There can be no assurance that projects in which the Company invests will increase in value or provide increased dividends over time, or that future investments will increase the Company's cash available for distributions. Accordingly, there can be no assurance that the Company will be able to pay or maintain distributions or that distributions will increase over time. If the Company determines that it will pay dividends, there can be no assurance that it will be able to pay dividends in the future.

1.4 *Potential impact of the Tender Offer on secondary market liquidity*

The lower number of Ordinary Shares in issue following completion of the Tender Offer and the subsequent repurchase of any tendered Ordinary Shares may reduce the secondary market liquidity in the Ordinary Shares which could adversely affect a Shareholder's ability to sell their Ordinary Shares in the market.

1.5 *Reduction of the Company's available funds*

If any Ordinary Shares are tendered under the Tender Offer, the issued ordinary share capital of the Company will be reduced as a result of the Tender Offer and the subsequent repurchase and cancellation of the tendered Ordinary Shares and consequently the Company will be smaller. As a result, the funds used by the Company to repurchase the Ordinary Shares acquired by Panmure Gordon 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 will be spread over fewer Shares.

2. *Risks relating to the Ordinary Shares if a Qualifying Shareholder chooses to participate in the Tender Offer*

2.1 *Past performance not necessarily indicative of likely future performance*

Shareholders should be aware that past performance is not necessarily indicative of likely future performance. The price of the Ordinary Shares may increase going forward and a Shareholder, to the extent a Shareholder participates in the Tender Offer, will lose the benefit of such gains.

Qualifying Shareholders tendering Ordinary Shares for sale under the Tender Offer will receive the Tender Offer Price per Ordinary Share which may be less than the price at which they bought such Ordinary Shares or the price or value at which they might ultimately realise their Ordinary Shares should they continue to hold them.

2.2 *Changes in tax laws affecting Shareholders*

The levels of, and reliefs from, taxation may change. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Investors should have regard to the information in relation to the terms and conditions of the Tender Offer set out in Part 4 of this document and the information in relation to taxation set out in Part 5 of this document and should seek their own advice on their tax position.

2.3 *Exchange rate fluctuations*

Qualifying Shareholders who successfully tender their Ordinary Shares pursuant to the Tender Offer will be paid in Sterling. Overseas Shareholders will therefore bear any associated exchange rate risks.

2.4 *Shareholders tendering Ordinary Shares will not benefit from any future increases in the NAV per Ordinary Share*

Shareholders tendering Ordinary Shares in the Tender Offer will not benefit from any future increases in the NAV per Ordinary Share which may arise as a result of the increase in the carrying value of the Monk Bridge Asset.

3. *Risks for Class A Shareholders who choose to convert their Class A Shares into Ordinary Shares in order to participate in the Tender Offer*

3.1 *No further right to participate in any further distributions received from Romulus*

As previously announced and explained in Part 1 of this document it is currently anticipated that the Company will receive a further sum in respect of its investment in Romulus and the Board does not intend to exercise its right to give a Compulsory Conversion Notice in accordance with the Articles, which would convert all the outstanding Class A Shares into Ordinary Shares on a "one for one" basis until such time as the liquidation of Romulus has been completed and it is certain that no further distributions will be received from the liquidators of Romulus. If, as currently anticipated, the Company receives any further distributions in respect of its investment in Romulus, Class Shareholders who have converted some or all of their Class A Shares into

Ordinary Shares will not be entitled to receive any further special dividends in respect of such distribution to the extent that they have converted their Class A Shares into Ordinary Shares.

3.2 *No assurance that a tender of all the Ordinary Shares arising on conversion will be accepted in full*

Qualifying Class A Shareholders who choose to convert some or all of their Class A Shares into Ordinary Shares in order to participate in the Tender Offer should note that such tenders will be made on the same basis as Qualifying Ordinary Shareholders and accordingly any tenders of their new Ordinary Shares in excess of their Basic Entitlement may be subject to scaling back as described under paragraph 2.2 headed “Summary information on the Tender Offer” in Part 1 of this document. If scaling back is applied, a Qualifying Class A Shareholder will continue to hold the relevant Ordinary Shares arising on conversion which are not successfully tendered under the Tender Offer and will not be entitled to convert such Ordinary Shares back into Class A Shares.

3.3 *No assurance that the Tender Offer will be completed in accordance with its terms*

Completion of the Tender Offer is subject to the Tender Offer not being terminated in accordance with its terms and to the satisfaction of the conditions set out in paragraph 2.1 of Part 4 of this document and there can be no assurance that the Tender Offer will not be terminated or that it will become unconditional and completed in accordance with its terms. A Qualifying Class A Shareholder who has converted all or some of their Class A Shares into Ordinary Shares in order to participate in the Tender Offer will not be entitled to convert such Ordinary Shares back into Class A Share if the Tender Offer is terminated or does not become unconditional and lapses.

PART 3

LETTER FROM PANMURE GORDON

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

To: Qualifying Shareholders of Alpha Real Trust Limited

5 October 2018

Dear Sir or Madam,

Conditional Tender Offer

As explained in the letter from your Chairman in Part I of this document, Shareholders (other than Restricted Shareholders) on the Register on the Record Date are being given the opportunity to tender up to approximately 7.3 per cent. of their Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares as described in Part 1 of this document) for purchase in the Tender Offer in accordance with the terms and conditions of the Tender Offer as set out below and in Part 4 of this document. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer being made by Panmure Gordon to Qualifying Shareholders.

Panmure Gordon hereby invites Qualifying Shareholders (but not Restricted Shareholders) on the Register on the Record Date to tender up to approximately 7.3 per cent. of their Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) for purchase for cash at the Tender Offer Price. Each Qualifying Shareholder will be entitled to have accepted in the Tender Offer valid tenders of Ordinary Shares to Panmure Gordon in respect of their Basic Entitlement. Such Shareholders may tender fewer Ordinary Shares than their Basic Entitlement, or they may tender Ordinary Shares in excess of their Basic Entitlement. If the aggregate number of Ordinary 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 Ordinary Shares) as determined in accordance with paragraph 2.12 of Part 4 of this document or otherwise at the discretion of Panmure Gordon, in consultation with the Board.

The Tender Offer is made on the terms and subject to the conditions set out in Part 4 of this document and, for Qualifying Shareholders holding their Ordinary Shares (including any Ordinary Shares arising on conversion of Class A Shares) in certificated form, the Tender Form, the terms of which will be deemed to be incorporated in this document and form part of the Tender Offer.

Panmure Gordon 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 Panmure Gordon nor for providing advice in relation to the Tender Offer, the contents of this document or any other matter referred to in this document.

Procedure for tendering Ordinary Shares

Qualifying Shareholders who hold their Ordinary Shares (including any Ordinary Shares arising on conversion of any Class A Shares) in certificated form and who wish to tender Ordinary Shares should complete the Tender Form in accordance with the instructions set out therein and in Part 4 of this document and return the completed Tender Form by post to Computershare Investor Services PLC at Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE to arrive as soon as possible and by no later than 3.00 p.m. on 26 October 2018.

Qualifying Class A Shareholders who choose to submit a Conversion Notice in respect of some or all of their Class A Shares in order to participate in the Tender Offer will not be required to submit any share certificate(s) and/or other document(s) of title in respect of the new Ordinary Shares arising on conversion that are tendered under the Tender Offer in order for their tender to be valid.

Qualifying Ordinary Shareholders who hold their Ordinary Shares in certificated form should also return the share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered with their Tender Form.

Qualifying Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) will not receive a Tender Form as described above and should, therefore, arrange for their Ordinary Shares to be transferred to escrow by way of TTE Instruction as soon as possible and in any event so that the TTE Instruction settles by no later than 3.00 p.m. on 26 October 2018 as described in paragraph 3.2 of Part 4 of this document.

Qualifying Shareholders should note that, once tendered, Ordinary 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 Ordinary Shares are set out in Part 4 of this document and, for Qualifying Shareholders who hold their Ordinary Shares in certificated form, on the Tender Form.

If you have any queries regarding the procedure for tendering, please contact Computershare Investor Services PLC on +44 (0)370 707 4040 or +44 370 707 4040 if calling from outside the UK. The helpline is open from 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Validity of tenders

The Tender Offer will close at 3.00 p.m. on 26 October 2018. Tender Forms and TTE Instructions which are received after 3.00 p.m. on 26 October 2018 may be rejected in Panmure Gordon's absolute discretion. Tender Forms or TTE Instructions which are received before that time but are incorrectly completed or are not accompanied by all the relevant documents or instructions may be rejected in Panmure Gordon's absolute discretion.

Tender Forms which are received by Computershare Investor Services PLC after 3.00 p.m. on 26 October 2018 or which at that time are incorrectly completed or not accompanied by all relevant documents may be rejected and returned to Qualifying Shareholders or their appointed agent, together with any accompanying share certificate(s) and/or other document(s) of title.

Panmure Gordon reserves the right to treat as valid Tender Forms 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.

Overseas Shareholders

The Tender Offer is not available to Shareholders with registered or mailing addresses in Restricted Territories, or who are citizens or nationals of, or resident in, any of the Restricted Territories and such Restricted Shareholders should read paragraph 9 of Part 4 of this document and the relevant provisions of the Tender Form.

Overseas Shareholders (not being Restricted Shareholders) who wish to accept the Tender Offer should also read paragraph 9 of Part 4 of this document and satisfy themselves that they have fully observed any applicable requirements under the laws and regulations of the relevant jurisdiction.

Conditions

The Tender Offer is conditional on the terms specified in paragraph 2 of Part 4 of this document.

Termination of Tender Offer

The Tender Offer may be terminated in the circumstances described in paragraph 2 of Part 4 of this document.

Settlement

Subject to the Tender Offer becoming unconditional, payment of the Tender Offer Price due to Qualifying Shareholders whose tenders under the Tender Offer have been accepted will be effected in

Sterling by the despatch of cheques drawn on account of a branch of a United Kingdom clearing bank or the crediting of CREST accounts as appropriate as soon as practicable after 5 November 2018.

The City Code

Shareholders should note the important information in paragraph 2.4 of Part 1 of this document relating to certain provisions of the City Code.

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 4 of this document.

Yours faithfully,

Panmure Gordon (UK) Limited

PART 4

TERMS AND CONDITIONS OF THE TENDER OFFER

1. Tenders

- 1.1 All Shareholders (other than Restricted Shareholders) may tender Ordinary Shares (including Ordinary Shares arising on conversion of any Class A Shares prior to the Record Date) for purchase by Panmure Gordon as principal, subject to the terms and conditions set out in this document and, in respect of Shareholders holding their Ordinary 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 Ordinary Shares.
- 1.2 The Tender Offer will be made at the Tender Offer Price. The consideration for each tendered Ordinary Share acquired by Panmure Gordon pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 4 of this Part 4.
- 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 4, Panmure Gordon will accept the offers of Qualifying Shareholders validly made in accordance with this Part 4. Each Qualifying Shareholder will be entitled to sell to Panmure Gordon any number of Ordinary Shares (including Ordinary Shares arising on conversion of Class A Shares prior to the Record Date) up to their Basic Entitlement. Qualifying Shareholders may also tender additional Ordinary Shares in excess of their Basic Entitlement and such additional Ordinary Shares may be purchased by Panmure Gordon 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 Ordinary Shares) as determined in accordance with paragraph 2.12 of this Part 4 or otherwise at the discretion of Panmure Gordon, in consultation with the Board.
- 1.4 Subject to paragraph 2.18 of this Part, a maximum number of 5,000,000 Ordinary Shares (including Ordinary Shares arising on conversion of any Class A Shares prior to the Record Date), representing approximately 7.3 per cent. of the existing Voting Share Capital (excluding Ordinary Shares held in treasury) as at the Latest Practicable Date), will be acquired by Panmure Gordon under the Tender Offer.
- 1.5 All references in this Part 4 to Ordinary Shares shall be deemed to include any Ordinary Shares arising on conversion of any Class A Shares prior to the Record Date, as described in Part 1 of this document. Qualifying Class A Shareholders who choose to convert any of their Class A Shares into Ordinary Shares on a "one for one" basis prior to the Record Date will be entitled to participate in the Tender Offer in respect of any Ordinary Shares arising on such conversion that are held by them as at the Record Date and may submit a Tender Form in respect of the Ordinary Shares which will arise on such conversion prior to the date on which such conversion will occur (being 25 October 2018). Qualifying Class A Shareholders who wish to tender any Ordinary Shares arising on conversion of their Class A Shares should follow the same procedure as Qualifying Ordinary Shareholders who hold their shares in certificated form set out in paragraph 3.1 of this Part 4 except that such Qualifying Class A Shareholders will not be required to lodge any share certificate(s) and/or other document(s) of title in respect of the new Ordinary Shares arising on such conversion in order for their tender to be valid and all references in this Part 4 to Qualifying Shareholders having to deliver such certificate(s) and/or other document(s) of title or an indemnity in lieu thereof should be construed accordingly.

2. Terms and Conditions of the Tender Offer

- 2.1 The Tender Offer is conditional upon the following:
 - (a) Panmure Gordon being satisfied that the Company has procured payment of an amount equal to the Tender Offer Price multiplied by the number of Ordinary Shares successfully tendered into a client account of Panmure Gordon in accordance with the Repurchase Agreement by no later than 5.00 p.m. on 30 October 2018;

- (b) 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 Ordinary Shares by the Company pursuant to the Repurchase Agreement; and
- (c) the Tender Offer not having been terminated in accordance with paragraph 2 of this Part 4 prior to the fulfilment of the conditions referred to in sub-paragraphs 2.1(a) to (c) above.

Panmure Gordon will not purchase any Ordinary 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(a), may not be waived by Panmure Gordon. If the Conditions are not satisfied by 10.00 a.m. on 31 October 2018, the Tender Offer will lapse.

- 2.2 Qualifying Shareholders may tender such number of Ordinary Shares under the Tender Offer as they may choose. Qualifying Shareholders do not have to tender any Ordinary 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 registered in their names on that date.
- 2.4 Tenders are irrevocable once submitted and cannot be withdrawn. Tenders in respect of certificated Ordinary Shares will be irrevocable upon receipt by the Registrars 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.
- 2.5 The Tender Offer will close at 3.00 p.m. on the Closing Date and no tenders received after that time will be accepted unless otherwise determined by Panmure Gordon at its absolute discretion.
- 2.6 All or any part of a holding of Ordinary Shares may be tendered. Ordinary Shares successfully tendered will be sold to Panmure Gordon, 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 Ordinary Shares will then be repurchased from Panmure Gordon by the Company and such Ordinary Shares will subsequently be cancelled and will not rank for any future dividends.
 - (a) Tenders in respect of Ordinary Shares held in certificated form must be made on the Tender Form duly completed in accordance with the instructions set out below and in 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 in 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 4 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 29 October 2018.
- 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, in respect of Ordinary 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, 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 Ordinary Shares is successfully tendered pursuant to the Tender Offer, the relevant Qualifying Shareholder will be entitled to receive the following:

- (a) for Ordinary Shares held in certificated form, a certificate in respect of the unsold Ordinary 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 Computershare Investor Services PLC or 0370 707 4040 or +44 370 707 4040 if calling from outside the UK.

2.12 If:

- (a) 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
- (b) 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 Qualifying Shareholders' Basic Entitlements, results in a pool of Ordinary 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 Ordinary Shares purchased pursuant to the Tender Offer shall not exceed 5,000,000:

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

- (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 4 and (where relevant) the Tender Form.

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

2.14 All questions as to the number of Ordinary Shares tendered, the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares will be determined by Panmure Gordon at its sole discretion, which determination shall be final and binding on all of the parties (except as otherwise required under applicable law). Panmure Gordon 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 Panmure Gordon, be unlawful. Panmure Gordon also reserves the absolute right to waive any defect or irregularity in the tender of any particular Ordinary Shares or any particular holder thereof. 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 certificated Ordinary Shares) or made by way of a CREST payment (in respect of uncertificated Ordinary Shares), until after (in the case of certificated Ordinary Shares) the Tender Form is complete in all respects and, subject to paragraph 1.5 above, the share certificate(s) and/or other document(s) of title satisfactory to Panmure Gordon have been

received or (in the case of uncertificated Ordinary Shares), the relevant TTE Instruction has settled. None of the Company, Panmure Gordon 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 Ordinary 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 Panmure Gordon 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.
- 2.18 The Directors reserve the right, with the prior consent of Panmure Gordon, to increase the maximum size of the Tender Offer, based on market conditions and/or other factors, subject to compliance with applicable legal and regulatory requirements and provided that the maximum number of Ordinary Shares which may be tendered shall not in any circumstances exceed 17,107,376. Any such increase may require, *inter alia*, that new tender forms are dispatched to Qualifying Shareholders and, in certain circumstances, that the period during which the Tender Offer is capable of being accepted be extended.

3. Procedure for tendering Ordinary Shares

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

- 3.1.1 To tender your Ordinary Shares held in certificated form, you must complete, sign and return the accompanying personalised Tender Form, subject to paragraph 1.5 above, 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 to Computershare Investor Services PLC at Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE as soon as possible and in any event by no later than 3.00 p.m. on 26 October 2018.
- 3.1.2 If you hold Ordinary Shares in certificated form but under different designations, you should send a separate Tender Form for each holding.
- 3.1.3 The completed and signed Tender Form should be sent either by post to Computershare Investor Services PLC at Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive as soon as possible and in any event by no later than 3.00 p.m. on 26 October 2018. Tender Forms received after this time 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 Panmure Gordon, the Company or any 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 4.
- 3.1.4 Subject to paragraph 1.5 above, 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 to Computershare Investor Services PLC at Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE not later than 3.00 p.m. on 26 October 2018 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 3.00 p.m. on 26 October 2018.

- 3.1.5 Subject to paragraph 1.5 above, if you have lost your share certificate(s) and/or other document(s) of title, you should write to the Registrars at Computershare Investor Services (Jersey) Limited, 2nd Floor, Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES 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 to Computershare Investor Services PLC at Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received no later than 3.00 p.m. on 26 October 2018.

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 Computershare Investor Services PLC 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 3.00 p.m. on 26 October 2018.

- 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 GB00B13VDP26;
- 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, Computershare Investor Services PLC in its capacity as a CREST receiving agent, which is 3RA54;
- the member account ID of the escrow agent, Computershare Investor Services PLC in its capacity as a CREST receiving agent, which is ARTTEN01;
- 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 3.00 p.m. on 26 October 2018;
- 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 Computershare Investor Services PLC as your escrow agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional,

Computershare Investor Services PLC will transfer the Ordinary Shares which are accepted for purchase by Panmure Gordon to Panmure Gordon 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 3.00 p.m. on 26 October 2018.

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 3.00 p.m. on 26 October 2018.

3.4 ***Validity of tenders***

Notwithstanding the powers in paragraph 8.5 below, Panmure Gordon reserves the right to treat as valid only Tender Forms which are received entirely in order by 3.00 p.m. on 26 October 2018, and which, subject to paragraph 1.5 above, 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 4.

The decision of Panmure Gordon as to which Ordinary 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, please contact Computershare Investor Services PLC on +44 (0)370 707 4040 or +44 370 707 4040 if calling from outside the UK. The helpline is open from 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice 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 4 the Tender Offer will close for Qualifying Shareholders at 3.00 p.m. on 26 October 2018 and it is expected that on 29 October 2018 the Company will make a public announcement of the total number of Ordinary 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 Ordinary Shares to be purchased pursuant to the Tender Offer will be made by Computershare Investor Services PLC (on behalf of Panmure

Gordon 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 Panmure Gordon regardless of any delay in making such payment, unless Panmure Gordon determines otherwise in its absolute discretion.

- 4.3 If any tendered Ordinary Shares are not purchased because of an invalid tender, the lapse or termination of the Tender Offer or otherwise, relevant certificates evidencing any such Ordinary Shares and other documents 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), Computershare Investor Services PLC 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.
- 4.4 Settlement of the consideration to which any Qualifying Shareholder is entitled pursuant to valid tenders accepted by Panmure Gordon is expected to be effected by the despatch of cheques or the crediting of CREST accounts as soon as practicable after 5 November 2018 as set out below. The payment of any consideration to Qualifying Shareholders for Ordinary Shares pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be and subject to paragraph 1.5 above) timely receipt by Computershare Investor Services PLC of share certificate(s) and/or other requisite document(s) evidencing such Ordinary Shares, a properly completed and duly executed Tender Form and any other documents required by the Tender Form.

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

Where an accepted tender relates to Ordinary Shares held in certificated form, cheques for the consideration due will be despatched by Computershare Investor Services PLC 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 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 Computershare Investor Services PLC (on behalf of Panmure Gordon) 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 Ordinary 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 Ordinary Shares.
- 4.6 Where the Ordinary Shares are held in uncertificated form (that is, in CREST) unsold Ordinary Shares will be transferred by Computershare Investor Services PLC 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 Panmure Gordon (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 Panmure Gordon such Qualifying Shareholder's the number of Ordinary 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 Panmure Gordon's determination, in its absolute discretion, an entry has been made in Box 1 which is greater than the number of Ordinary 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 Ordinary Shares held by that Shareholder as stated above in Box 1. The figures stated above Box 1 shows the number of Ordinary Shares which each Qualifying Shareholder would hold if it converted all of its Class A Shares into Ordinary Shares prior to the Record Date and their Basic Entitlement based on such number of Ordinary Shares. 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 Ordinary Shares and/or Class A Shares) as determined in accordance with paragraph 2.12 of this Part 4 or otherwise at the discretion of Panmure Gordon, in consultation with the Board;
- 5.1.3 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 Panmure Gordon, 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 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 Panmure Gordon 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 Ordinary Shares referred to in paragraph 5.1.1 above in favour of Panmure Gordon or such other person or persons as Panmure Gordon 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) 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 Panmure Gordon or its nominee(s) or such other person(s) as Panmure Gordon may direct such Ordinary 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 Panmure Gordon or any of its directors or officers or any person nominated by Panmure Gordon in the proper exercise of its or his or her powers and/or authorities hereunder;
- 5.1.6 subject to paragraph 1.5 above, such Qualifying Shareholder will deliver to Computershare Investor Services PLC his/her share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares referred to in paragraph 5.1.1 above, or an indemnity acceptable to Panmure Gordon in lieu thereof, or will procure the delivery of such document(s) to Computershare Investor Services PLC as soon as possible thereafter and, in any event, by no later than 3.00 p.m. on 26 October 2018;
- 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 Panmure Gordon to be desirable, in each case to complete the purchase of the Ordinary 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 Ordinary 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 Offer 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 Panmure Gordon 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 Panmure Gordon (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 Panmure Gordon 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 Panmure Gordon, 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 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 Computershare Investor Services PLC as the escrow agent for the Tender Offer and an irrevocable instruction and authority to Computershare Investor Services PLC: (i) subject to the Tender Offer becoming unconditional, to transfer to itself by means of CREST and then to transfer to Panmure Gordon (or to such person or persons as Panmure Gordon 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 Panmure Gordon or any of its directors or any person nominated by Panmure Gordon or Computershare Investor Services PLC 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 Panmure Gordon 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 of 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 Offer 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 4 will constitute a complete discharge by Panmure Gordon 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 Computershare Investor Services PLC 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 Computershare Investor Services PLC 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 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 Ordinary Shares in certificated form as set out in this Part 4 in respect of the Ordinary Shares so converted, if he/she wishes to make a valid tender of such Ordinary Shares pursuant to the Tender Offer.

7. Additional provisions

- 7.1 Each Qualifying Shareholder may tender by the Closing Date some of their holding of Ordinary Shares on the Record Date up to their Basic Entitlement. In respect of Ordinary Shares held in certificated form, if (i) Box 1 of the Tender Form is not completed, or (ii) in Panmure Gordon'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 Ordinary Shares acquired by Panmure Gordon 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).
- 7.3 Ordinary 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 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 Ordinary Shares will thereby be deemed to have agreed that, in consideration of Panmure Gordon agreeing to process its tender, such Qualifying Shareholder, will not revoke its tender or withdraw its Ordinary Shares. Shareholders should note that once tendered, Ordinary 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 4 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 Ordinary 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 in 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, Computershare Investor Services PLC 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 4.
- 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 held by them on the Record Date and will close at 3.00 p.m. on 26 October 2018. 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 Panmure Gordon in its absolute discretion.

- 7.12 Further copies of this document and copies of the Tender Form may be obtained on request from Computershare Investor Services PLC on +44 370 707 4040 or +44 370 707 4040 if calling from outside the UK. The helpline is open from 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- 7.13 Each Qualifying Shareholder tendering Ordinary Shares in the Tender Offer represents, warrants and confirms to Panmure Gordon (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 Ordinary 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 Ordinary Shares in the Tender Offer acknowledges that, due to money laundering prevention requirements operating within their respective jurisdictions, the Company, Panmure Gordon, the Administrator, the Registrars, and Computershare Investor Services PLC may require proof of addresses and identity or corporate existence, as applicable, before an offer to tender Ordinary Shares can be processed and that each of the Company, Panmure Gordon, the Administrator, the Registrars and Computershare Investor Services PLC 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 Ordinary 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 no later than 8.00 a.m. on the Business Day following the date of such changes. Such an announcement will be released to a Regulatory Information Service of the London Stock Exchange. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company by Panmure Gordon to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to a Regulatory Information Service of the London Stock Exchange.
- 8.2 Ordinary Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from Panmure Gordon, as principal, by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and such Ordinary 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 Panmure Gordon of Ordinary 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 Panmure Gordon 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 Panmure Gordon 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 Panmure Gordon's sole judgement (acting reasonably) meet the requirements of the Tender Offer. Panmure Gordon also reserves the absolute right to waive any defect or irregularity in the tender of any Ordinary Shares, including any Tender Form and/or TTE Instruction (in whole or in part) which is not entirely in order or which, subject to paragraph 1.5 above, is not accompanied

by the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to Panmure Gordon 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, subject to paragraph 1.5 above, the related share certificate(s) or other document(s) of title or indemnities satisfactory to Panmure Gordon has/have been received. None of Panmure Gordon, the Company, Computershare Investor Services PLC 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 Panmure Gordon in consultation with the Company but only if Panmure Gordon 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 Ordinary 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 Panmure Gordon 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 in order to avoid offending applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of this document, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed into any Restricted Territory, including to Shareholders with registered addresses in Restricted Territories, or to persons who Panmure Gordon knows to be custodians, nominees or trustees holding Ordinary Shares or Class A Shares for persons 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 4 or paragraph 6.1.6 (if relevant) and 6.1.7 of this Part 4, 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 Panmure Gordon or its agents to have been sent from, a Restricted Territory. Panmure Gordon 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 4 or in paragraph 6.1.6 (if relevant) and 6.1.7 of this Part 4 given by any Shareholder is correct and, if such investigation is undertaken

and as a result Panmure Gordon 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, the Tender Form or any related documents 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 Panmure Gordon 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 Panmure Gordon.

PART 5

TAXATION IN THE UNITED KINGDOM

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 Ordinary Shares (including any Ordinary Shares arising on conversion of any Class A Shares) or Class A 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 or the conversion of Class A Shares into Ordinary Shares 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 Ordinary Shares by a Shareholder to Panmure Gordon 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 Ordinary 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 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**) (£34,500 for 2018/2019) 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 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 10 per cent. 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 20 per cent. 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 (£11,700 for 2018/2019).

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 Ordinary 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 Ordinary 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 Ordinary Shares realised by a Shareholder may be taxable as income and not as capital gains.

Conversion of Class A Shares into Ordinary Shares

For chargeable gains purposes the conversion of Class A Shares into Ordinary Shares should not be treated as a disposal of the Shareholder's existing shares or an acquisition of any new shares, so no tax charge arises on account of the conversion itself. Given that no payment to or from the holders of Class A Shares is due on conversion, it will not be necessary to adjust the consideration originally paid for acquiring the Class A Shares in computing the capital gains on the sale of the Ordinary Shares.

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 Ordinary Shares pursuant to the Tender Offer.

No stamp duty or stamp duty reserve tax should be payable by any Shareholder that elects to convert Class A Shares into Ordinary Shares.

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 6

GENERAL INFORMATION

1. Repurchase Agreement

The Repurchase Agreement between the Company and Panmure Gordon is dated 5 October 2018. Under this agreement, the parties agree that, subject to the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms and an amount equal to the Tender Offer Price multiplied by the number of Ordinary Shares (including any Ordinary Shares arising on conversion of any Class A Shares) successfully tendered to Panmure Gordon being deposited into a client account of Panmure Gordon by no later than 5.00 p.m. on the Business Day immediately preceding the date on which Panmure Gordon is to effect purchases of Ordinary Shares, Panmure Gordon shall, as principal, purchase, "On Exchange", at the Tender Offer Price, Ordinary Shares successfully tendered to it up to a maximum of 5,000,000 Ordinary Shares (representing approximately 7.3 per cent of the Voting Share Capital as at the Latest Practicable Date).

The Company has agreed that, immediately following the purchase by Panmure Gordon of all Ordinary Shares which it has agreed to purchase as principal under the terms of the Tender Offer, the Company will purchase from Panmure Gordon all such Ordinary Shares at a price per Ordinary Share equal to the Tender Offer Price. All transactions will be carried out on the London Stock Exchange.

The Repurchase Agreement contains certain representations, warranties and undertakings from Panmure Gordon in favour of the Company concerning its authority to enter into the Repurchase Agreement and to make the purchase of Ordinary Shares pursuant thereto.

The Repurchase Agreement also contains representations, warranties and undertakings from the Company in favour of Panmure Gordon and incorporates an indemnity in favour of Panmure Gordon in respect of any liability which it may suffer in relation to its performance under the Tender Offer which is not due to its own neglect or default.

2. General

- 2.1 Panmure Gordon 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.
- 2.2 Assuming the Tender Offer is taken up in full, the costs in connection with the Tender Offer are estimated to be approximately £70,000 (excluding VAT).

3. ARC and the ARC Concert Parties

Under the City Code, the partners in ARC are deemed to be acting in concert with ARC.

As at the Latest Practicable Date, the interests of ARC and the ARC Concert Parties, all of which are beneficial unless otherwise stated, in the Voting Share Capital were as follows:

<i>Shareholder/partner (as applicable)</i>	<i>Shareholding in ARTL</i>		<i>Partnership interest in ARC</i>
	<i>Number</i>	<i>%</i>	<i>%</i>
ARC ¹	22,550,000	32.93	
<i>ARC partners</i>			
Rockmount	2,257,575	3.30	18.88
Arrco	10,930	0.02	56.01
Phillip Rose	892,220	1.30	20.15
Brad Bauman	55,006	0.08	2.71
IPGL Limited	0	—	—
IPGL Property Funds Limited	0	—	1.42
Brian Frith	1,125,000	1.64	0.75
Karl Devon Lowe	0	—	0.01
Mark Rattigan	0	—	0.01
Hugo James	0	—	0.01
Nicholas Friedlos	0	—	0.01
Nigel Ashfield	0	—	0.01
Patrick Grant	0	—	0.01
Scott Gardner	0	—	0.01
Total	26,890,731	39.26	100

1 Note: All Ordinary Shares are held by ARC's wholly-owned subsidiary, Alpha Global.

As at the Latest Practicable Date, ARC holds approximately 32.93 per cent. of the Voting Share Capital of the Company and the ARC Concert Parties hold approximately 6.34 per cent. of the Voting Share Capital, bringing the total holding of ARC and the ARC Concert Parties to approximately 39.26 per cent. of the Voting Share Capital of ARTL.

Antler/Rockmount

Antler acquired 22,075,000 Ordinary Shares in ARTL through a series of on market purchases, principally in September 2008.

On 7 October 2010, pursuant to a group restructuring, Antler transferred its entire shareholding in ARTL (being 22,075,000 Ordinary Shares) to Rockmount. Antler is in the same corporate/trust holding structure as Rockmount.

On 23 December 2010:

- (a) Rockmount exchanged its 39.1 per cent. shareholding in ARTL (being 22,075,000 Ordinary Shares) with ARC in consideration for Rockmount receiving a 19.0 per cent. partnership interest in ARC; and
- (b) Phillip Rose exchanged a 0.2 per cent. shareholding in ARTL (being 100,000 Ordinary Shares) with ARC in consideration for receiving a 0.2 per cent. partnership interest in ARC,

the “**Share Exchange**”.

As a result of the Share Exchange, ARC held 39.3 per cent. of the issued Ordinary Share capital of ARTL as at 23 February 2011, and Rockmount and Arrco controlled (in aggregate) a 75.3 per cent. partnership interest in ARC. Antler does not hold any Ordinary Shares in ARTL and does not have any partnership interests in ARC.

On 13 July 2018, Rockmount acquired 2,257,575 Ordinary Shares from IPGL Limited at 133 pence per Ordinary Share.

ARC

As described above, in conjunction with the Share Exchange, ARC received 22,075,000 Ordinary Shares in ARTL in consideration for Rockmount receiving a 19.0 per cent. partnership interest in ARC.

On 27 November 2012 the Company announced that ARC had purchased 375,000 Ordinary Shares from Brian Frith at a price of 105.8 pence per Ordinary Share. Between 3 December 2013 and 23 July 2014, ARC transferred 22,550,000 Ordinary Shares off-market to its wholly-owned subsidiary, Alpha Global. As at the Latest Practicable Date, ARC, through Alpha Global, holds 22,550,000 Ordinary Shares, representing 32.9 per cent. of the Voting Share Capital of ARTL.

Arrco

Rockmount is the parent company of Arrco. Arrco was a partner in ARC prior to the Share Exchange and controlled a 56.3 per cent. partnership interest in ARC. Syd Taylor (a director of Arrco) holds 10,930 Ordinary Shares in ARTL. For the avoidance of doubt, Steve Thomas, who was previously a member of the ARC Concert Parties, is no longer an employee of Arrco and as such is no longer a member of the ARC Concert Parties.

Phillip Rose

In conjunction with ARTL's admission to the AIM market of the London Stock Exchange on 21 December 2006, Phillip Rose acquired 200,000 Ordinary Shares in ARTL. On 30 September 2009, following an internal restructuring, Alpha Global transferred 39,695 Ordinary Shares to Phillip Rose. As described above, Phillip Rose exchanged 100,000 Ordinary Shares in ARTL with ARC in consideration for receiving a 0.2 per cent. partnership interest in ARC.

Phillip Rose, a director of ARTL and an existing partner in ARC, controlled a 35.74 per cent. partnership interest in ARC prior to the Share Exchange. However, following the Share Exchange, Phillip Rose's partnership interest in ARC was reduced to 20.1 per cent. as a result of the partnership interests received by Rockmount.

On 13 July 2018, Phillip Rose acquired 752,525 Ordinary Shares from IPGL Limited at 133 pence per Ordinary Share.

Brad Bauman

In conjunction with ARTL's admission to the AIM market of the London Stock Exchange on 21 December 2006, Brad Bauman acquired 50,000 Ordinary Shares in ARTL. On 30 September 2009, following an internal restructuring, Alpha Global transferred 5,006 Ordinary Shares to Brad Bauman.

IPGL Limited/IPGL Property Funds Limited

In conjunction with ARTL's admission to the AIM market of the London Stock Exchange on 21 December 2006, IPGL Limited acquired 3,000,000 Ordinary Shares in ARTL. On 25 September 2009, following an internal restructuring, IPGL Property Funds Limited acquired 10,100 Ordinary Shares.

On 31 March 2012, IPGL Property Funds Limited transferred its 10,100 Ordinary Shares to IPGL Limited, for a consideration of 75.25 pence per Ordinary Share. IPGL Limited is the ultimate parent company of IPGL Property Funds Limited.

On 13 July 2018, IPGL Limited sold its entire shareholding in the Company to Rockmount and Phillip Rose at a price of 133 pence per Ordinary Share.

Brian Frith

Prior to becoming a partner in ARC on 10 September 2012, Brian Frith held a beneficial interest in 1,500,000 Ordinary Shares in the Company that had been acquired through a series of on market purchases. On 27 November 2012 the Company announced that ARC had purchased 375,000 Ordinary Shares from Mr Frith, reducing his shareholding in ARTL to 1,125,000 Ordinary Shares.

Other members of the ARC Concert Party

None of Karl Devon-Lowe, Mark Rattigan, Hugo James, Nicholas Friedlos, Patrick Grant, Nigel Ashfield or Scott Gardner, all of who are partners in ARC, holds any Ordinary Shares in ARTL.

4. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of ARC at 338 Euston Road, London NW1 3BG during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) from the date of this document until the completion, lapse or termination of the Tender Offer:

- 4.1 the Articles;
- 4.2 the Repurchase Agreement;
- 4.3 the consent letter referred to in paragraph 2.1 of this Part 6; and
- 4.4 this document.

DEFINITIONS

Administrator	Estera Administration (Guernsey) Limited
Alpha Global	Alpha Global Properties Securities Fund Pte. Limited, a company incorporated in Singapore whose registered office is at 3 Phillip Street #18-00, Commerce Point, Singapore 048693
Antler	Antler Investment Holdings Limited, a company incorporated in the British Virgin Islands whose registered office is Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands
ARC	Alpha Real Capital LLP, a limited liability partnership incorporated under the laws of England and Wales whose registered office is at 338 Euston Road, London, United Kingdom NW1 3BG
ARC Concert Parties	the persons deemed to be acting in concert with ARC as set out in paragraph 3 of Part 6 of this document, and ARC Concert Party means any one of them
Articles	the articles of incorporation of the Company, as amended from time to time
ARTL or the Company	Alpha Real Trust Limited, a Guernsey authorised closed-ended collective investment scheme registered as a company limited by shares with registered number 44786
Arrco	Arrco Limited, a company incorporated in England and Wales whose registered office is at Portland House, Park Street, Bagshot, Surrey, GU19 5AQ
Basic Entitlement	in the case of each Qualifying Shareholder, the entitlement to tender in the Tender Offer up to 7.3 per cent. of the Ordinary Shares (including any Ordinary Shares arising on conversion of the Class A Shares) registered in such person's name on the Register as at the Record Date in each case rounded down to the nearest whole number
Board or your Board	the Directors
Business Day	any day other than a Saturday, Sunday or public holiday in England and Wales and Guernsey
certificated or in certificated form	Ordinary Shares not recorded on the Register as being in uncertificated form in CREST
City Code	the City Code on Takeovers and Mergers
Class A Shareholders	holders of Class A Shares
Class A Shares	convertible class A ordinary shares of no par value in the capital of the Company
Closing Date	26 October 2018
Companies Law	The Companies (Guernsey) Law, 2008, as amended
Compulsory Conversion Notice	has the meaning given to it in the Articles
Conditions	the conditions precedent to the Tender Offer as set out in paragraph 2 of Part 4 of this document

Conversion Notice	in the case of Class A Shareholders who are individuals, the conversion Notice which can be found on the reverse of the Class A share certificates and in the case of Class A Shareholders that are companies, the conversion notice accompanying this document for use by Class A Shareholders who wish to convert some or all of their Class A Shares into Ordinary Shares in order to participate in the Tender Offer
Court	The High Court of Justice in England and Wales
CREST	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)
CREST member	a person who has been admitted by Euroclear as a system member (as defined in the Regulations)
CREST participant	a person who is, in relation to CREST, a system participant (as defined in the Regulations)
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	a CREST member admitted to CREST as a CREST sponsored member
Directors	the directors of ARTL
Euroclear	Euroclear UK & Ireland Limited
Guernsey	the Island of Guernsey
HMRC	H.M. Revenue & Customs
Independent Shareholders	Shareholders other than ARC and the ARC Concert Parties
Latest Practicable Date	the latest practicable date prior to the publication of this document, being 3 October 2018
London Stock Exchange	London Stock Exchange plc
Main Market	the London Stock Exchange's main market for listed securities
2017 Circular	the circular published by the Company dated 12 December 2017 in connection with the convening of an extraordinary general meeting on 5 January 2018 to consider, <i>inter alia</i> , resolutions to approve the Share Purchase Authority and the Panel Waiver
NAV or Net Asset Value	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 accounting policies
NAV per Ordinary Share	the Net Asset Value divided by the number of Ordinary Shares then in issue
Ordinary Shares	ordinary shares of no par value in the capital of the Company (and shall include any Ordinary Shares arising on the conversion of any Class A Shares as described in Part I of this document)
Ordinary Shareholders	the holders of Ordinary Shares
Panel	the Panel on Takeovers and Mergers

Panel Waiver	the waiver granted by the Panel, conditional on the approval of the Panel Waiver Resolution, of any obligation which would otherwise be imposed on ARC or any of the ARC Concert Parties, either individually or collectively, to make a general offer to all Shareholders under Rule 9 of the City Code, as a result of market purchases made pursuant to the exercise of the Share Purchase Authority (and which for the avoidance of doubt will include the purchase by the Company of all the Ordinary Shares successfully tendered pursuant to the Tender Offer in accordance with the Repurchase Agreement)
Panel Waiver Resolution	the resolution of the Independent Shareholders passed on 5 January 2018 which approved the Panel Waiver
Panmure Gordon	Panmure Gordon (UK) Limited
Qualifying Class A Shareholders	Class A Shareholders who are not Restricted Shareholders
Qualifying Ordinary Shareholders	Ordinary Shareholders who are on the Register on the Record Date and who are not Restricted Shareholders
Qualifying Shareholders	Qualifying Ordinary Shareholders and for the avoidance of doubt will include Qualifying Class A Shareholders who choose to convert some or all of their Class A Shares into Ordinary Shares and who are on the Register in respect of such Ordinary Shares on the Record Date
Receiving Agent	Computershare Investor Services PLC
Record Date	6.00 p.m. on 26 October 2018
Register	the register of Shareholders of the Company
Registrars	Computershare Investor Services (Jersey) Limited
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
Regulatory Information Service	any of the services set out in the Financial Conduct Authority's list of regulated information services from time to time
Restricted Shareholders	Shareholders who are resident in, or citizens of, a Restricted Territory
Restricted Territory	each of the United States, Australia, Canada, the Republic of South Africa, Japan and any other jurisdiction where the mailing of the Tender Form or other documents relating to the Tender Offer into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction
Repurchase Agreement	the agreement dated 5 October 2018 entered into between the Company and Panmure Gordon (acting as principal) for the repurchase by the Company on the London Stock Exchange of those Ordinary Shares purchased by Panmure Gordon pursuant to the Tender Offer, summary details of which are set out in paragraph 1 of Part 6 of this document
Rockmount	Rockmount Ventures Limited, a company incorporated in Guernsey whose registered office is at 13 North Esplanade, St Peter Port, Guernsey GY1 2LQ
Specialist Fund Segment or the SFS	the Specialist Fund Segment of the Main Market of the London Stock Exchange
Shares	Ordinary Shares and/or Class A Shares

Shareholders	holders of Shares
Share Purchase Authority	the general authority for the Company to make market acquisitions (within the meaning of section 316 of the Companies Law) of up to 17,117,376 Ordinary Shares (representing 24.99 per cent. of the Voting Share Capital as at 11 December 2017), whether such purchases be implemented by way of a share buyback or pursuant to any tender offer effected by (or on behalf) of the Company, which was approved on 5 January 2018
Sterling	the lawful currency for the time being of the United Kingdom
Tender Form	a tender form for use by Qualifying Shareholders who hold their Ordinary Shares (including any Ordinary Shares arising on conversion of any Class A Share) in certificated form in connection with the Tender Offer
Tender Offer	the invitation by Panmure Gordon (acting as principal) to Qualifying Shareholders to tender Ordinary Shares (including any Ordinary Shares arising on conversion of any Class A Share) on the terms and subject to the conditions set out in this document and, in the case of Ordinary Shares held in certificated form, on the Tender Form
Tender Offer Price	138 pence per Ordinary Share
TFE Instruction	a Transfer from Escrow instruction under CREST
TTE Instruction	a Transfer to Escrow instruction under CREST
UK Listing Authority	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part V of the Financial Services and Markets Act 2000
Voting Share Capital or Voting Shares	the Ordinary Shares and the Class A Shares, in total 68,486,906 ordinary voting shares in the capital of the Company