

**THIS CIRCULAR AND THE ACCOMPANYING FORM OF PROXY AND FORM OF ELECTION ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

**If you sell or have sold or otherwise transferred all of your Ordinary Shares, please forward this Circular (but not any personalised Form of Proxy or Form of Election), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold part only of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, this Circular should not be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction.**

This Circular has been prepared for the purposes of complying with English law and the Listing Rules and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside the United Kingdom. The distribution of this Circular in certain jurisdictions may be restricted by law and therefore persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



## **SOCO INTERNATIONAL PLC**

*(incorporated in England and Wales with registered number 03300821)*

### **Proposed return of cash to Shareholders of**

**40 pence per Ordinary Share,**

**by way of**

**one B Share or one C Share for each Ordinary Share,**

**and**

### **Notice of General Meeting**

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**This Circular should be read as a whole. Your attention is drawn to the Letter from the Chairman which is set out in Part I of this Circular. The letter contains a recommendation that you vote in favour of the Resolution to be proposed at the General Meeting referred to below and sets out certain information relating to the Return of Cash.**

**Notice of the General Meeting of the Company to be held at Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ at 10.00 a.m. on 25 September 2013 is set out at the end of this Circular.** The Form of Proxy to be used in connection with the Resolution to be proposed at the General Meeting is enclosed. Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible by post using the reply-paid postcard provided (for use in the UK only). If Shareholders do not use the postcard provided, postage will be payable and the Proxy Form should be sent to or (during normal business hours only) delivered by hand but, in any event, so as to be received by the Company's Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than **10.00 a.m. on 23 September 2013**. If you have registered for electronic communication, you may complete the proxy form online via your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) or, if you have not registered for electronic communication, by completing it online at [www.sharevote.co.uk](http://www.sharevote.co.uk) so that, in each case, the proxy form is received by Equiniti no later than **10.00 a.m. on 23 September 2013**.

If you hold Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Company's Registrars, Equiniti, under CREST participant ID number RA19, so that it is received by no later than **10.00 a.m. on 23 September 2013**.

**Please read the whole of this Circular. A summary of the action to be taken by Shareholders in relation to the General Meeting is set out on paragraph 8 of Part I of this Circular and in the Notice of General Meeting at the end of this Circular. Completion and return of a Form of Proxy, the giving of a CREST Proxy Instruction, or the completion of a proxy form online will not preclude Shareholders from attending and voting in person at the General Meeting (in substitution for their proxy vote) if they wish to do so and are so entitled.**

No application will be made to the UK Listing Authority or to the London Stock Exchange for any of the B Shares, C Shares or Deferred Shares to be admitted to the Official List or to trading on the London Stock Exchange's main market for listed securities, nor will the B Shares, C Shares or the Deferred Shares be listed or admitted to trading on any other securities or investment exchange.

BofA Merrill Lynch is acting exclusively for the Company and no-one else in connection with the Return of Cash and will not be responsible to anyone other than the Company for providing the protections afforded to clients of BofA Merrill Lynch or for providing advice in relation to the Return of Cash or in relation to the contents of this Circular or any transaction or other matters referred to herein.

None of the B Shares, C Shares or Deferred Shares have been or will be registered under the US Securities Act or the state securities laws of the United States and none of them may be offered or sold in the United States or to any US persons unless pursuant to a transaction that has been registered under the US Securities Act and the relevant state securities laws or a transaction that is not subject to the registration requirements of the US Securities Act and the state securities laws, either due to an exemption therefrom or otherwise.

None of the B Shares, C Shares or Deferred Shares nor this Circular have been approved, disapproved or otherwise recommended by any US federal or state securities commission or other regulatory authority or any non US securities commission or regulatory authority nor have such authorities passed upon or endorsed the merits of the Return of Cash or confirmed the accuracy or determined the adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States.

The attention of Overseas Shareholders is drawn to paragraph 6 of Part IV of this Circular. Shareholders resident or with a registered address in the United States, Australia, Japan, Canada, the Republic of South Africa or New Zealand or any other Restricted Territory will be deemed to have elected for the Income Option and will automatically receive the C Share Dividend. The Capital Option is not being made available to Shareholders resident, or with a registered address, in any of these jurisdictions.

This Circular does not constitute an invitation to participate in the B/C Share Scheme in or from any jurisdiction in or from which, or to or from whom, it is unlawful to make such offer or participate under applicable securities laws or otherwise.

This document is a circular relating to the proposed Return of Cash which has been prepared in accordance with the Listing Rules made under section 73A of FSMA. This Circular includes statements that are, or may be deemed to be, "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements include matters that are not facts. They appear in a number of places throughout this Circular and include statements regarding the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates. By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward looking statements, including, without limitation: conditions in the markets; the market position of the Group; earnings, financial position, cash flows, return on capital and operating margins of the Group; anticipated investments and capital expenditures of the Group; changing business or other market conditions; and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward looking statements contained in this Circular based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the Listing Rules or other applicable legislation or regulation, neither SOCO nor BofA Merrill Lynch undertakes any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on forward looking statements, which speak only as of the date of this Circular.

Dated 29 August 2013

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## WHERE TO FIND HELP

You will find answers to some of the questions most often asked by shareholders about the returns of cash and the procedure for participating in the B/C Share Scheme in Part II of this Circular. If you have further questions on the B/C Share Scheme, there is a Shareholder Helpline available between the hours of 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays). The Shareholder Helpline will remain open until 28 October 2013.

The Shareholder Helpline numbers are:

0871 384 2914 (from inside the UK); and

+44 121 415 7115 (from outside the UK).

Please note that calls to the Shareholder Helpline numbers may be monitored or recorded. Calls to 0871 384 2914 are charged at 8 pence per minute (excluding VAT) plus network extras. Calls to +44 121 415 7115 from outside the UK are chargeable at applicable international rates.

**Please note that for legal reasons the Shareholder Helpline will only be able to provide information contained in this Circular and the accompanying Form of Election and will be unable to give advice on the merits of the B/C Share Scheme, the Share Alternatives or to provide financial, investment, legal or taxation advice.**

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions for the General Meeting	10.00 a.m. on 23 September 2013
General Meeting	10.00 a.m. on 25 September 2013
Record Time for entitlement to B Shares and/or C Shares	6.00 p.m. on 25 September 2013
Ordinary Shares commence trading ex- B/C Shares Entitlement	26 September 2013
CREST accounts credited with “interim CREST entitlements” in respect of Ordinary Shares	8.00 a.m. on 26 September 2013
<b>Election Deadline: latest time and date for receipt of Forms of Election or TTE Instructions from CREST holders in relation to the Share Alternatives</b>	<b>4.30 p.m. on 2 October 2013</b>
B Shares and C Shares issued	3 October 2013
Redemption of B Shares issued pursuant to the Capital Option	8.00 a.m. on 3 October 2013
C Share Dividend becomes payable on C Shares issued pursuant to the Income Option and those C Shares automatically reclassified as Deferred Shares	8.00 a.m. on 3 October 2013
Despatch of cheques, or payment by BACS to mandated UK Sterling bank accounts, in respect of proceeds under the Income Option	14 October 2013
Despatch of cheques or, if held in CREST, CREST accounts credited in respect of proceeds under the Capital Option	14 October 2013

### Notes:

- (1) The dates and times given are indicative only and are based on the Company’s current expectations and may be subject to change. If any of the times and/or dates above change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service.
- (2) All events in the above timetable following the holding of the General Meeting are conditional on the passing of the Resolution at such meeting.
- (3) All references in this Circular are to London times unless otherwise stated.

## PART I

### LETTER FROM THE CHAIRMAN

#### SOCO International plc

(incorporated in England and Wales with registered number 03300821)

##### **Directors**

Rui de Sousa (*Non-Executive Chairman*)  
Edward Story (*President and Chief Executive Officer*)  
Roger Cagle (*Executive Vice President, Deputy Chief Executive Officer  
and Chief Financial Officer*)  
Cynthia Cagle (*Executive Director, Vice President- Finance and Company Secretary*)  
Michael Johns (*Non-Executive Director and Senior Independent Director*)  
Olivier Barbaroux (*Non-Executive Director*)  
Robert Cathery (*Non-Executive Director*)  
Ettore Contini (*Non-Executive Director*)  
António Monteiro (*Non-Executive Director*)  
John Norton (*Non-Executive Director*)  
Michael Watts (*Non-Executive Director*)

##### **Registered Address**

48 Dover Street  
London  
W1S 4FF

29 August 2013

To: *SOCO International plc Shareholders, persons with information rights and, for information only, to participants in the SOCO Share Plans*

Dear Shareholder,

#### **PROPOSED RETURN OF CASH TO SHAREHOLDERS OF 40 PENCE PER ORDINARY SHARE AND NOTICE OF GENERAL MEETING**

##### **1. Introduction**

The Company announced earlier today that it proposed, subject to Shareholder approval, to return approximately £133 million to its Shareholders and I am writing to you to provide further details of such proposed return of cash (the “**Return of Cash**”). The Board has decided to effect the Return of Cash through a structure involving an issue of B Shares and/or C Shares which may enable all Shareholders, subject to applicable overseas restrictions and tax laws, to elect to receive their cash proceeds as income or capital or any combination of the two.

Under this proposal, referred to as the “**B/C Share Scheme**”, for every 1 Ordinary Share held at the Record Time, 40 pence per Ordinary Share would be returned to Shareholders through the issue to them of either one B Share, which will be redeemed by the Company for 40 pence, or one C Share, on which a dividend of 40 pence will be payable. It is currently expected that the cash proceeds under the Return of Cash will be sent to Shareholders on 14 October 2013.

Eligible Shareholders (being all Shareholders on the register of members of the Company at the Record Time other than Overseas Shareholders resident, or with a registered address, in the United States, Australia, Japan, Canada, the Republic of South Africa, New Zealand or any other Restricted Territory) will be able to elect for either the Income Option or the Capital Option as described in paragraph 3 below.

Shareholders who do not make a valid election for the Capital Option will be deemed to have elected for the Income Option in respect of all of their B/C Share Entitlement.

This structure has been chosen to complete the Return of Cash because:

- it gives all Eligible Shareholders a choice as to how they receive their cash, which is intended to afford UK tax resident Shareholders flexibility in the tax treatment of their proceeds; and
- it treats all Shareholders equally relative to the size of their existing shareholdings in the Company.

This Circular sets out details of the B/C Share Scheme and explains why the Directors consider the B/C Share Scheme to be in the best interests of the Company and Shareholders as a whole.

In order to comply with applicable companies legislation, the B/C Share Scheme and certain related matters require the approval of Shareholders at a general meeting of the Company. Such general meeting is to be held at Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ at 10.00 a.m. on 25 September 2013 (the “**General Meeting**”). A notice convening the General Meeting is set out at the end of this Circular. The Board is recommending to Shareholders that they vote in favour of the Resolution to be proposed at the General Meeting, as the Directors intend to do for their respective individual beneficial holdings of, in aggregate 31,396,978 Ordinary Shares, representing approximately 9.5 per cent. of the current issued share capital of the Company (excluding treasury shares).

The terms of the B/C Share Scheme are summarised in paragraph 3 of this Part I.

## **2. Background to the proposed Return of Cash**

The Company remains focused on maximising shareholder value and will continue to examine all avenues of achieving this priority. Accordingly, we will continue our active exploration and appraisal programme across our current portfolio and may complement this organic growth with selective acquisitions which are consistent with our risk appetite and financial discipline.

Going forward, it is also the Company’s intent to provide annual cash returns in a manner which is tax efficient to shareholders. The distribution policy will target a return of approximately fifty per cent (50 per cent.) of annual free cash flow, taking into consideration the Company’s prospects, existing cash position and significant known or expected capital requirements.

We believe that this offers a uniquely attractive combination of growth and returns for shareholders.

## **3. The Return of Cash and the Share Alternatives**

Each Eligible Shareholder will be able to choose between the Share Alternatives described below as to how they receive their cash proceeds under the B/C Share Scheme. This is intended to give UK resident Shareholders the flexibility to receive their cash proceeds as income or capital, or any combination of the two. It is also possible that equivalent treatment may be available in certain other jurisdictions (but Shareholders should take their own professional advice in this regard). Each Share Alternative is expected to return 40 pence of cash per B Share or C Share.

**Shareholders should read Part VIII of this Circular which outlines the different tax consequences of the Share Alternatives in the UK. Shareholders who are in any doubt as to their tax position, or who are subject to taxation in a jurisdiction other than the UK, should consult an appropriate professional adviser.**

**Eligible Shareholders who do not make a valid election, and all Overseas Shareholders resident, or with a registered address, in a Restricted Territory, will be deemed to have elected for the Income Option in respect of ALL of their B/C Share Entitlement.**

### *Alternative 1 (Income Option)*

For shares that are deemed elected to the Income Option, a Shareholder will receive one C Share for each corresponding Ordinary Share held at the Record Time. It is expected that the C Share Dividend of 40 pence will become payable in respect of each such C Share by 8.00 a.m. on 3 October 2013 and that the cash proceeds of the C Share Dividend will be sent to relevant Shareholders by the Payment Date. The cash



received under Alternative 1 (Income Option) should be taxed as income for UK individual shareholders. Part VIII of this Circular provides further details on the UK taxation in relation to the Return of Cash.

Once the C Share Dividend has been paid, each relevant C Share will be reclassified as a Deferred Share having negligible value and carrying extremely limited rights. The Company will in due course take steps to purchase the Deferred Shares for an aggregate consideration of one penny and then cancel the Deferred Shares. In view of the negligible amount of the aggregate consideration, Shareholders will not be entitled to have any part of the aggregate consideration paid to them.

### ***Alternative 2 (Capital Option)***

For shares validly elected to the Capital Option, an Eligible Shareholder will receive one B Share for each corresponding Ordinary Share held at the Record Time.

Where B Shares are issued to satisfy valid elections for the Capital Option, it is expected that each such B Share will be redeemed by the Company for 40 pence by 8.00 a.m. on 3 October 2013 and cancelled by the Company on redemption. It is expected that the redemption proceeds will be sent to relevant Shareholders by the Payment Date. The cash received under Alternative 2 (Capital Option) should be taxed as capital for UK individual shareholders. Part VIII of this Circular provides further details on the UK taxation in relation to the Return of Cash.

Overseas Shareholders resident, or with a registered address, in a Restricted Territory will not be eligible for the Capital Option and so will be deemed to have elected for the Income Option in respect of all of their B/C Share Entitlement.

### ***Information relating to the B Shares, C Shares and Deferred Shares***

None of the B Shares, C Shares or the Deferred Shares will be admitted to the Official List or to trading on the London Stock Exchange's main market for listed securities, nor will the B Shares, C Shares or Deferred Shares be listed or admitted to trading on any other recognised investment exchange.

The B Shares, C Shares and Deferred Shares will have limited rights. The rights and restrictions attached to the B Shares, C Shares and the Deferred Shares are set out more fully in Part V, Part VI and Part VII of this Circular respectively.

### ***Further information***

The Share Alternatives summarised above are explained in further detail in paragraph 4 of Part IV of this Circular. In addition, Part II of this Circular sets out some frequently asked questions to help Shareholders understand what is involved in the B/C Share Scheme. Shareholders should also read Part VIII of this Circular in full.

## **4. Tax**

A guide to certain UK tax consequences of the B/C Share Scheme under current UK law and HM Revenue & Customs' practice is set out in Part VIII of this Circular.

Shareholders who are subject to tax in a jurisdiction other than the UK, or who are in any doubt as to the potential tax consequences of the B/C Share Scheme, should consult an appropriate professional adviser.

## **5. Overseas Shareholders**

Overseas Shareholders' attention is drawn to paragraph 6 of Part IV of this Circular. In particular, Overseas Shareholders (other than those in Restricted Territories) should note that, by making a valid election for the Capital Option, such Shareholders will be deemed to represent, warrant and undertake and/or agree (as applicable) to the terms set out in paragraph 6 of Part IV of this Circular. Furthermore, Overseas Shareholders resident, or with a registered address, in a Restricted Territory will be deemed to have elected for the Income Option in respect of all of their B/C Share Entitlement. The tax consequences of the B/C Share Scheme may vary for Overseas Shareholders and, accordingly, Overseas Shareholders should



consult their own independent professional adviser without delay.

## **6. SOCO Share Plans**

Under the SOCO Share Plans, the Company has granted options and awards over Ordinary Shares at varying prices and expiry dates. Participants in the SOCO Share Plans only hold options and awards and are not the holders of Ordinary Shares under those plans. They will not participate in the B/C Share Scheme in respect of their options or awards.

The effect of the Return of Cash will be to reduce the value of each option and award under the SOCO Share Plans and the intention is to preserve as far as possible the value of those options and awards.

The Directors intend to consider what adjustments, if any, would be appropriate to make as a result of the Return of Cash to the number of Ordinary Shares under options or awards and to the exercise price of those options. Any adjustments shall be made in accordance with the rules of the relevant plan and, where required by the relevant plan rules, with the prior approval of HM Revenue & Customs.

Separate correspondence is being sent to participants in the SOCO Share Plans in respect of the B/C Share Scheme.

## **7. General Meeting**

Implementation of the B/C Share Scheme and certain related matters require the approval of Shareholders at a general meeting of the Company. Accordingly there is set out at the end of this Circular a notice convening the General Meeting to be held at Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ at 10.00 a.m. on 25 September 2013.

One Resolution will be proposed at the General Meeting. The Resolution is required for the implementation of the B/C Share Scheme and proposes the adoption of new Articles of Association and the approval and authorisation of certain steps to be taken by the Company and its Directors for the purposes of implementing the B/C Share Scheme.

A summary explanation of the Resolution to be proposed at the General Meeting can be found at paragraph 9 of Part IV of this Circular.

## **8. Action to be taken**

### ***Action Shareholders should take in relation to the General Meeting***

Shareholders will find enclosed a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and return it either using the reply-paid postcard provided (for use in the UK only) or to the Company's Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive as soon as possible, but in any event by no later than 10.00 a.m. on 23 September 2013. The Form of Proxy is pre paid and can be posted free of charge from inside the United Kingdom. If you have registered for electronic communication, you may complete the proxy form online via your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) or, if you have not registered for electronic communication, by completing it online at [www.sharevote.co.uk](http://www.sharevote.co.uk) so that, in each case, the proxy form is received by Equiniti no later than 10.00 a.m. on 23 September 2013.

If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Equiniti (under CREST participant ID number RA19), so that it is received no later than 10.00 a.m. on 23 September 2013.

Completion of a Form of Proxy, the giving of a CREST Proxy Instruction, or the completion of a proxy form online will not prevent you from attending the General Meeting and voting in person (in substitution for your proxy vote) if you wish to do so and are so entitled.

### ***Action Shareholders should take in relation to the B/C Share Scheme***

The procedure for making elections under the B/C Share Scheme depends on whether your Ordinary Shares are held in certificated or uncertificated form and is summarised below.

Eligible Shareholders may elect for any combination of the Share Alternatives provided that the total number of Ordinary Shares in respect of which an election is made does not exceed a Shareholder's total holding as at the Record Time.

Shareholders need to make their own decision regarding any election(s) they make under the B/C Share Scheme between the Share Alternatives and are recommended to consult their own independent professional adviser.

(a) *Ordinary Shares held in certificated form*

Eligible Shareholders who hold Ordinary Shares in certificated form should make any election for the Share Alternative(s) suitable for them by completing the Form of Election, in accordance with the instructions printed thereon, and returning it as soon as possible and, in any event, so as to be received using the accompanying reply-paid envelope if posting from inside the United Kingdom, by post or (during normal business hours only) by hand to Corporate Actions, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by no later than 4.30 p.m. on 2 October 2013. **Shareholders who do not complete and return a valid Form of Election by 4.30 p.m. on 2 October 2013 will be deemed to have elected for the Income Option in respect of their entire B/C Share Entitlement.**

Overseas Shareholders with a registered address in a Restricted Territory will not be sent a Form of Election and will be deemed to have elected for the Income Option in respect of all of their B/C Share Entitlement.

(b) *Ordinary Shares held in uncertificated form*

In order to facilitate election under the Return of Cash, Eligible Shareholders who hold their Ordinary Shares in uncertificated form will, for the purposes of allowing an election in CREST only, be credited with one interim CREST entitlement under the ISIN GB00BCF0VZ05 for each Ordinary Share held in uncertificated form at the Record Time. These interim CREST entitlements will be enabled in CREST for the period from 8.00 a.m. on 26 September 2013 until 4.30 p.m. on 2 October 2013 (being the Election Deadline). During this period those CREST holders will have their accounts credited with the interim CREST entitlement security to allow them to elect electronically through the CREST system.

Eligible Shareholders who hold their Ordinary Shares in uncertificated form should refer to the applicable procedures and related timings set out in paragraph 2 of Part IX of this Circular. **Any Shareholder whose TTE Instruction does not settle by 4.30 p.m. on 2 October 2013 will be deemed to have elected for the Income Option in respect of their entire B/C Share Entitlement.**

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

**Shareholders who do not make a valid election, and all Overseas Shareholders resident, or with a registered address, in a Restricted Territory, will be deemed to have elected for the Income Option in respect of ALL of their B/C Share Entitlement.**

## **9. Recommendation**

The Board considers the terms of the B/C Share Scheme and the Resolution to be in the best interests of Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting as the Directors intend to do for their respective individual beneficial holdings of, in aggregate, 31,396,978 Ordinary Shares, representing approximately 9.5 per cent. of the total issued share capital of the Company (excluding treasury shares) as at 28 August 2013 (being the latest practicable date prior to the publication of this Circular).

The Board makes no recommendation to Shareholders in relation to elections for the B/C Share Scheme itself. Shareholders need to take their own decision in this regard and are recommended to consult their own independent professional adviser.

Yours faithfully

**Rui de Sousa**

*Non-Executive Chairman*

## PART II

### FREQUENTLY ASKED QUESTIONS AND ANSWERS

*To help you understand what is involved in the B/C Share Scheme, the following sets out some frequently asked questions and brief responses.*

#### **Is there a meeting to approve the B/C Share Scheme? How do I vote?**

As the B/C Share Scheme requires the approval of Shareholders, the General Meeting has been convened for 10.00 a.m. on 25 September 2013 at Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ. A summary explanation of the Resolution being proposed at the General Meeting is set out at paragraph 9 of Part IV of this Circular. The Resolution will require a majority of 75 per cent. or more of the votes cast to be in favour in order to be passed.

All Shareholders are entitled to attend and vote at the General Meeting, but are not obliged to do so. If you choose not to attend, we would encourage you to exercise your right to vote at the meeting by signing and returning the enclosed Form of Proxy so that it is received by the Company's Registrars, Equiniti, by no later than 10.00 a.m. on 23 September 2013. Alternatively, if you have registered for electronic communication, you may complete the proxy form online via your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) or, if you have not registered for electronic communication, by completing it online at [www.sharevote.co.uk](http://www.sharevote.co.uk). If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Equiniti under CREST participant ID number RA19 so that it is received by no later than 10.00 a.m. on 23 September 2013.

#### **What do I need to do next?**

First, whether or not you intend to be present at the General Meeting, we would encourage you to vote on the Resolution being proposed in connection with the B/C Share Scheme by appointing a proxy as described above.

Secondly, you should consider whether or not you are resident in or have a registered address in the United States, Australia, Japan, Canada, the Republic of South Africa or New Zealand or any other Restricted Territory. Shareholders resident, or with a registered address, in a Restricted Territory will be deemed to have elected for the Income Option in respect of all of their B/C Share Entitlement and so will not be sent Forms of Election. If you are such a Shareholder, you do not need to take any further action.

If your registered address is not in a Restricted Territory and you are not resident in a Restricted Territory, you will be able to choose between the Share Alternatives as to how to receive your proceeds from the B/C Share Scheme. Further details of these choices are set out in paragraph 3 of Part I and paragraph 4 of Part IV of this Circular. You do not have to elect the same alternative for all of your Ordinary Shares: you may choose a combination of the two.

Before making any election or elections between the Share Alternatives available under the B/C Share Scheme, you are recommended to consult your own independent professional adviser. In particular, Overseas Shareholders should read paragraph 6 of Part IV of this Circular.

#### **Where do I find the Form of Proxy?**

The Form of Proxy is enclosed with this document. A duplicate Form of Proxy may be obtained from Equiniti by calling the Shareholder Helpline number provided on page 4 of this Circular.

#### **How do I elect for my chosen Share Alternative(s)?**

Assuming you do not have a registered address in a Restricted Territory and you are not resident in a Restricted Territory and you hold your existing shares in certificated form, you can indicate your choice by completing and signing the enclosed Form of Election and returning it so as to be received by Equiniti by no

later than 4.30 p.m. on 2 October 2013. Instructions on how to complete the Form of Election are printed on the form itself and contained in Part III of this document.

Shareholders who hold their existing shares in CREST will not be sent a Form of Election. They will, however, be able to make their election by way of a TTE Instruction through the CREST system to be received by Equiniti by no later than 4.30 p.m. on 2 October 2013. Further information for Shareholders who hold their existing shares in CREST is contained in paragraph 2 of Part IX of this Circular.

Shareholders who are resident or have a registered address in a Restricted Territory will not be sent a Form of Election and will be deemed to have elected for the Income Option in respect of ALL of their B/C Share Entitlement.

#### **Do I have to elect for one of the two alternatives? What happens if I do nothing?**

Shareholders who do not make a valid election will be deemed to have elected for the Income Option in respect of ALL of their B/C Share Entitlement.

#### **What if I sell or have sold or transferred all or some of my existing shares?**

If you sell or have sold or otherwise transferred all of your existing shares at any time prior to the Record Time, please forward this Circular (but not any personalised Form of Proxy or Form of Election), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold only part of your holding of existing shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, this Circular should not be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction.

#### **Can I trade my B Shares, C Shares and/or Deferred Shares?**

Although the B Shares and C Shares are transferable (subject to the applicable restrictions set out in the revised Articles of Association (please refer to Part V and Part VI of this Circular for further details)), neither they nor the Deferred Shares (into which the C Shares will be reclassified immediately upon payment of the C Share Dividend) will be admitted to the Official List or to trading on the London Stock Exchange's main market for listed securities or listed or admitted to trading on any other recognised investment exchange. There will be no formal market for the B Shares or C Shares and your ability to trade or sell the B Shares or C Shares is therefore likely to be limited.

Should you wish to transfer some or all of your B Shares or some or all of your C Shares (subject to the applicable restrictions set out in the revised Articles of Association (please refer to Part V and Part VI of this Circular for further details)) you should send the relevant duly completed instrument(s) of transfer, to Corporate Actions, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received by Equiniti by 5.00 p.m. on the second Business Day prior to the Effective Date. If you transfer such shares prior to the Effective Date and deliver the relevant instrument(s) of transfer as set out above, you will not be entitled to any proceeds which may become payable on such shares pursuant to the B/C Share Scheme.

The Deferred Shares are not transferable (other than in the circumstances set out in Part VII of this Circular) meaning you will not be able to trade or sell such shares.

#### **What if I am a citizen, resident or national of a country other than the UK?**

Shareholders who are not resident in the UK, or who are citizens, residents or nationals of a country other than the UK, should read the additional information set out in paragraph 6 of Part IV of this Circular. In particular, Overseas Shareholders should note that, by making a valid election for the Capital Option, such Shareholders will be deemed to represent, warrant, undertake and/or agree (as applicable) to the terms set out in paragraph 6 of Part IV of this Circular. Furthermore, Overseas Shareholders who are resident or have a registered address in a Restricted Territory will be deemed to have elected for the Income Option in respect of all their B/C Share Entitlement. Shareholders who are subject to tax in a jurisdiction other than the UK,

or who are in any doubt as to their tax position, should consult their own independent professional adviser since the tax consequences of the B/C Share Scheme may vary for such Shareholders.

### **What is my tax position?**

A guide to certain UK tax consequences of the B/C Share Scheme under current UK law and HM Revenue & Customs' published practice is set out in Part VIII of this Circular.

Shareholders who are subject to tax in a jurisdiction other than the UK, or who are in any doubt as to the potential tax consequences of the B/C Share Scheme, are strongly recommended to consult their own independent professional adviser.

### **Do I get a share certificate for my B Shares, C shares and/or Deferred Shares?**

No share certificates will be issued in respect of B Shares, C Shares or Deferred Shares.

### **What happens if I do not get my Form of Election back in time?**

If you hold your Ordinary Shares in certificated form and do not complete and return a valid Form of Election so that it is received by Equiniti by 4.30 p.m. on 2 October 2013 or, if you are a CREST Shareholder and you do not send a valid TTE Instruction for settlement by 4.30 p.m. on 2 October 2013, you will be deemed to have elected for the Income Option in respect of ALL of your B/C Share Entitlement and you will therefore receive C Shares.

### **When will I receive my proceeds from the B/C Share Scheme and how will these be paid?**

In respect of valid elections (or deemed elections) to the Income Option, it is expected that relevant Shareholders will be sent cheques or, if mandate instructions are held in respect of a UK Sterling bank account, payments are expected to be made by BACS to mandated UK Sterling bank accounts, in respect of the C Share Dividend by the Payment Date. All payments in respect of the C Share Dividend will be made in Sterling.

In respect of valid elections to the Capital Option, it is expected that relevant Shareholders will be sent cheques for payments in respect of their B Shares by the Payment Date. If Shareholders hold their Ordinary Shares in CREST, their CREST accounts are also expected to be credited by the Payment Date. All payments will be made in Sterling.

Certificated shareholders residing or banking outside the UK should refer to the registrar's website, [www.shareview.co.uk](http://www.shareview.co.uk), or contact the Shareholder Helpline regarding arrangements for overseas payment.

### **What is the impact on SOCO Share Plans?**

Separate correspondence is being sent to participants in the SOCO Share Plans in respect of the B/C Share Scheme.

The effect of the Return of Cash will be to reduce the value of each option and award under the SOCO Share Plans and the intention is to preserve as far as possible the value of those options and awards.

The Directors intend to consider what adjustments, if any, it would be appropriate to make as a result of the Return of Cash to the number of Ordinary Shares under options or awards and to the exercise price of those options. Any adjustments shall be made in accordance with the rules of the relevant plan and, where required by the relevant plan rules, with the prior approval of HM Revenue & Customs.

### **What if I have any more questions?**

If you have read this Circular and have any further questions, please telephone the Shareholder Helpline, which is available between the hours of 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) and which will remain open until 28 October 2013. The Shareholder Helpline numbers are: 0871 384 2914 (from inside the UK) and +44 121 415 7115 (from outside the UK). Please note that calls to

the Shareholder Helpline numbers may be monitored or recorded. Calls to 0871 384 2914 are charged at 8 pence per minute (excluding VAT) plus network extras. Calls to +44 121 415 7115 from outside the UK are chargeable at applicable international rates. Please note that for legal reasons the Shareholder Helpline will only be able to provide information contained in this Circular and will be unable to give advice on the merits of the B/C Share Scheme, the Share Alternatives or to provide financial, investment, legal or taxation advice.

Shareholders are recommended to consult their own independent professional adviser before making any election(s) under the B/C Share Scheme.



## PART III

### COMPLETING THE FORM OF ELECTION

To make an election, Eligible Shareholders who hold their Ordinary Shares in certificated form must complete the Form of Election sent to them with this Circular. Eligible Shareholders who hold their Ordinary Shares in CREST will not be sent a Form of Election and instead should make their election by means of a TTE Instruction and should refer to paragraph 2 of Part IX of this Circular for further information.

Overseas Shareholders resident or with a registered address in the United States, Australia, Japan, Canada, the Republic of South Africa or New Zealand or any other Restricted Territory will be deemed to have elected for the Income Option in respect of all of their B/C Share Entitlement and will automatically receive the C Share Dividend. The Capital Option is not being offered to Shareholders resident, or with a registered address, in any of these jurisdictions. Accordingly, the Form of Election is not being and must not be mailed or otherwise forwarded, distributed or sent in or into any Restricted Territories. The attention of Overseas Shareholders is drawn to paragraph 6 of Part IV of the Circular.

**Shareholders wishing to receive the C Share Dividend (i.e. the Income Option) in respect of ALL of their B/C Share Entitlement and Overseas Shareholders resident, or with a registered address, in a Restricted Territory should NOT complete or return the Form of Election or make an election through CREST. C Shares will be issued and the C Share Dividend paid automatically in respect of all of the B/C Share Entitlement in relation to which a Shareholder has not validly elected for the Capital Option.**

The following instructions describe what Shareholders should do when completing a Form of Election. Shareholders need to take their own decision regarding any election(s) they make under the B/C Share Scheme and are recommended to consult their own independent professional adviser.

References to “Boxes” are to the boxes on the Form of Election.

#### **Number of Ordinary Shares held**

Box 1B shows the number of Ordinary Shares registered in the name(s) of the Shareholder(s) at 6.00 p.m. on 27 August 2013 and is for information purposes only. If Shareholders do not sell or transfer any Ordinary Shares registered in their name(s) or purchase additional Ordinary Shares between that date and the Record Time (expected to be 6.00 p.m. on 25 September 2013), then this number will also be the same as their B/C Share Entitlement in respect of which they may make an election. If Shareholders sell or transfer any Ordinary Shares registered in their name(s) and/or purchase additional Ordinary Shares, they should ensure that their election corresponds to the number of Ordinary Shares that will be registered in their name(s) at the Record Time.

#### **How Shareholders may elect for one Share Alternative in respect of all of their B/C Share Entitlement**

To elect for the **Income Option** in respect of ALL of their B/C Share Entitlement, Shareholders should take no further action. Shareholders who do not complete or return the Form of Election will automatically receive only C Shares in respect of all of their B/C Share Entitlement, on which the C Share Dividend is expected to be paid.

To elect for the **Capital Option** in respect of ALL of their B/C Share Entitlement, Shareholders should mark an “X” or an “ALL” where indicated in Box 2B.

#### **How Shareholders may split their B/C Share Entitlement between the Capital Option and the Income Option**

To split their B/C Share Entitlement between the Capital Option and the Income Option, a Shareholder should enter (in numbers) the number of their B/C Share Entitlement they wish to elect for the Capital Option in Box 2B. The balance will automatically be defaulted to the Income Option.

**The default position where a Shareholder makes an election which is less than their total B/C Share Entitlement**

If a Shareholder enters a number in Box 2B of the Form of Election, which is less than their total B/C Share Entitlement, they will be deemed to have elected for the Income Option in respect of the balance of their holding.

**The default position where a Shareholder makes an election which is greater than their total B/C Share Entitlement**

If a Shareholder enters a number in Box 2B of the Form of Election, which is greater than their total B/C Share Entitlement, they will be deemed to have elected for the Capital Option in respect of the whole of their B/C Share Entitlement.

**Dematerialisation of Ordinary Shares following election**

If the Ordinary Shares to which any election made on the enclosed Form of Election relates are currently held in certificated form and are “dematerialised” into uncertificated form (i.e. held in CREST) after the relevant Form of Election has been submitted but before the Election Deadline, such election will become invalid. Shareholders who subsequently hold such Ordinary Shares in uncertificated form in CREST will need to give a valid TTE Instruction in place of the submitted Form of Election by the Election Deadline.

**Overseas Shareholders**

Each Shareholder by whom, or on whose behalf, a Form of Election is executed or TTE Instruction is given, irrevocably represents, warrants, undertakes and agrees to and with the Company that such Shareholder has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from such Shareholder in any territory in connection with the B/C Share Scheme (or any transaction resulting therefrom) and such Shareholder has not taken or omitted to take any action which may result in the Company or any other person acting in breach of the legal or regulatory requirements of any territory in connection with the B/C Share Scheme (or any transaction resulting therefrom).

**General**

The Directors shall have absolute discretion to determine all questions as to the form and validity (including time and place of receipt) of any Form of Election or TTE Instruction which determination shall be final and binding. The Directors also reserve the absolute right to waive any defect or irregularity in relation to, or in relation to the receipt of, any Form of Election completed by or on behalf of any Shareholder, and such determination shall be binding on such Shareholder(s). The Directors shall not be liable to Shareholders for any loss arising from the determination of questions as to the form and validity (including time and place of receipt) of any Form of Election or TTE Instruction, unless attributable to their own wilful default, fraud or negligence and the Directors shall not be under any duty to give notification of any defect or irregularity in any Form of Election or incur any liability for failure to give any such notice.

Once the Election Period has ended, any election made is irrevocable. If the Election Period is extended, the period for exercising withdrawal rights will also be extended (these rights are described more fully in paragraph 5 of Part IV of this Circular). No authority conferred by or agreed by the signing of a Form of Election will be affected by, and all such authority will survive, the death or incapacity of the Shareholder executing such form or giving such instruction. All obligations of such Shareholder will be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

B Shares and/or C Shares which are transferred or otherwise disposed of shall remain subject to the relevant Shareholder’s election (or deemed election) for any Share Alternative(s) made in respect of such B Shares and/or C Shares.

### **Signing the Form of Election**

The Form of Election shows the name of the Shareholder, or names of joint Shareholders, of Ordinary Shares by reference to which an election can be made in respect of the corresponding B/C Share Entitlement. The Shareholder, or all joint Shareholders, must sign the Form of Election (in Box 3). Shareholders who are individuals should sign Box 3A and Shareholders who are companies should sign Box 3B. If the Form of Election is signed under a power of attorney, the original power of attorney should be sent to Equiniti with the Form of Election.

### **Final instructions on completing a Form of Election**

**All Shareholders named on a Form of Election must sign the Form of Election. Once completed and signed the Form of Election should be returned in the reply-paid envelope provided (for use in the UK only). No stamps will be needed if posted in the United Kingdom. To be valid, Forms of Election must be returned so as to be received by Equiniti by the Election Deadline (which is 4.30 p.m. on 2 October 2013). If Shareholders do not use the envelope provided, postage will be payable and the Form of Election should be sent to Corporate Actions, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, England.**

Shareholders who do not validly complete and return their Form of Election will be deemed to have elected for the Income Option in respect of all of their B/C Share Entitlement.

Shareholders who need assistance in completing the Form of Election or have any queries relating to it should telephone the Shareholder Helpline on 0871 384 2914 (from inside the UK) and +44 121 415 7115 (if calling from outside the United Kingdom) between 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays). Calls to 0871 384 2914 are charged at 8 pence per minute (excluding VAT) plus network extras. Calls to +44 121 415 7115 are chargeable at applicable international rates.

Please note that the Shareholder Helpline will not give advice on the merits of the B/C Share Scheme or the Share Alternatives or provide financial, investment, legal or taxation advice.

## **PART IV**

### **DETAILS OF THE RETURN OF CASH**

#### **1. Return of Cash**

The Return of Cash comprises the Income Option (C Shares) (see Alternative 1 in paragraph 4 below) and the Capital Option (B Shares) (see Alternative 2 in paragraph 4 below).

#### **2. Conditions to the implementation of the Return of Cash**

The Return of Cash is conditional on the approval by Shareholders of the Resolution to be proposed at the General Meeting.

#### **3. B Shares and C Shares**

The proposed Return of Cash involves the allotment and issue of B Shares and C Shares as described below.

It is proposed that the Company capitalise a sum not exceeding approximately £133 million, being £45 million standing to the credit of the Company's share premium account and £88 million standing to the credit of the Company's merger reserve, for the purpose of paying up in full B Shares with a nominal value of 40 pence each and C Shares with a nominal value of 0.0000001 pence each, on the basis that the aggregate nominal value of the B Shares and C Shares so issued shall not exceed approximately £133 million, as described below.

The B Shares and C Shares will be issued to Shareholders on the basis of one B Share or one C Share for each Ordinary Share held at the Record Time, which is expected to be 6.00 p.m. on 25 September 2013.

The exact number of B Shares and C Shares to be issued will depend upon the elections made by each Shareholder between the Share Alternatives, but in total will be equal to the number of Ordinary Shares in issue at the Record Time. As at 28 August 2013 (the latest practicable date prior to the publication of this Circular) there were 331,832,047 Ordinary Shares in issue (excluding treasury shares).

The rights and restrictions to be attached to the B Shares and the C Shares are more fully set out in Part V and Part VI, respectively, of this Circular.

No application has been, or will be, made for the B Shares, C Shares or Deferred Shares to be admitted to listing on the Official List or admitted to trading on the London Stock Exchange's main market for listed securities, nor will the B Shares, C Shares or Deferred Shares be listed or admitted to trading on any other recognised investment exchange.

No share certificates will be issued in respect of the B Shares, the C Shares or the Deferred Shares, and no CREST accounts will be credited with such shares.

The Company is expected to announce the exact number of B Shares and C Shares issued under the proposed B/C Share Scheme on 3 October 2013.

#### **4. Share Alternatives**

Eligible Shareholders may choose between the Share Alternatives (the Income Option and the Capital Option), or a combination of the Share Alternatives, in respect of their B/C Share Entitlement. Details of how to make an election are set out in Part III of this Circular and on the Form of Election enclosed with this Circular in respect of Ordinary Shares held in certificated form and, in respect of Ordinary Shares held in CREST, in paragraph 2 of Part IX of this Circular. If you elect for more than one Share Alternative, you will need to specify a whole number of your B/C Share Entitlement for each Share Alternative you choose.

**Overseas Shareholders with a registered address in a Restricted Territory will not be sent Forms of Election and will be deemed to have elected for the Income Option in respect of their entire B/C Share Entitlement.**

Shareholders who do not complete and return a valid Form of Election or TTE Instruction by 4.30 p.m. on 2 October 2013 will be deemed to have elected for the Income Option in respect of ALL of their B/C Share Entitlement. Shareholders who complete a valid Form of Election or TTE Instruction in respect of less than their entire B/C Share Entitlement will be deemed to have elected for the Income Option for those Ordinary Shares in respect of which no election has been made.

Shareholders should read the general guidance on certain aspects of the UK tax consequences of the proposed Return of Cash set out in Part VIII of this Circular. 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 an appropriate professional adviser.

***Alternative 1 (Income Option)***

Shareholders who validly elect, or are deemed to have elected, for the Income Option in respect of some or all of their B/C Share Entitlement will receive one C Share in respect of each Ordinary Share held at the Record Time. Shareholders who are resident or have a registered address in a Restricted Territory, or who do not make a valid election, will automatically be deemed to have elected for the Income Option in respect of all their Ordinary Shares.

The C Share Dividend of 40 pence will become payable on each such C Share on the Effective Date. It is expected that Shareholders entitled to receive the C Share Dividend will be sent cheques or, if mandate instructions are held in respect of a UK Sterling bank account, payments will be made by BACS to mandated UK Sterling bank accounts, in respect of the C Share Dividend on the Payment Date. Certificated shareholders residing or banking outside the UK should refer to the registrar's website, [www.shareview.co.uk](http://www.shareview.co.uk), or contact the Shareholder Helpline regarding arrangements for overseas payment. All payments in respect of the C Share Dividend will be made in Sterling.

The C Shares upon which the C Share Dividend becomes payable will be automatically reclassified as Deferred Shares, with the Shareholder receiving one Deferred Share for each such C Share. The Deferred Shares will carry extremely limited rights as more fully described in Part VII of this Circular and will have negligible value.

The Company is intending to purchase all Deferred Shares issued in connection with the C Share Dividend in due course for an aggregate consideration of one penny and no further action will be required from Shareholders. In view of the negligible amount of the aggregate consideration, Shareholders will not be entitled to have any part of the aggregate consideration paid to them.

No share certificates will be issued in respect of the C Shares or the Deferred Shares and no CREST accounts will be credited with C Shares or Deferred Shares. Neither the C Shares nor the Deferred Shares will be listed on the Official List or traded on the London Stock Exchange's main market for listed securities or listed or admitted to trading on any other recognised investment exchange.

The rights and restrictions attached to the C Shares and the Deferred Shares are more fully set out in Part VI and Part VII of this Circular respectively.

Overseas Shareholders resident or with a registered address in a Restricted Territory will automatically be deemed to have elected for the Income Option in respect of all their B/C Share Entitlement. The attention of Overseas Shareholders (and, in particular, Overseas Shareholders resident, or with a registered address, in a Restricted Territory) is generally drawn to paragraph 6 of this Part IV.

***Alternative 2 (Capital Option)***

Shareholders (other than Overseas Shareholders resident or with a registered address in a Restricted Territory) who elect for the Capital Option will receive one B Share in respect of each Ordinary Share held at the Record Time and validly elected to such Share Alternative.

Where B Shares are issued to satisfy valid elections for the Capital Option, each such B Share will be redeemed by the Company for 40 pence on the Effective Date. Each such B Share will be cancelled on redemption.

The B Shares will not be listed on the Official List or traded on the London Stock Exchange's main market for listed securities, nor will such shares be listed or admitted to trading on any other recognised investment exchange. No share certificates will be issued in respect of the B Shares and no CREST accounts will be credited with such shares.

The rights and restrictions attached to the B Shares are more fully set out in Part V of this Circular.

The attention of Overseas Shareholders (and, in particular, Overseas Shareholders resident, or with a registered address, in a Restricted Territory) is generally drawn to paragraph 6 of Part IV of this Circular.

It is expected that Shareholders, who are entitled to do so, will be sent cheques in respect of the proceeds from the redemption of B Shares issued pursuant to the Capital Option by the Payment Date. If Shareholders hold their Ordinary Shares in CREST, they will have their CREST accounts credited on the Payment Date.

## **5. Withdrawal rights**

Any election for a Share Alternative, whether made by the signing of a Form of Election or the giving of a TTE Instruction, may be withdrawn by a Shareholder at any time up to 1.00 p.m. on 2 October 2013 before the Election Deadline. Thereafter, such election will be irrevocable. If an election is validly withdrawn, the Shareholder may make a new election during the Election Period, but if a new valid election is not made by the Election Deadline, the Shareholder will be deemed to have elected for the Income Option to the extent the Shareholder has not otherwise made a valid election. After the end of the Election Period, any election made will be irrevocable. If the Election Period is extended, withdrawal rights will be correspondingly extended.

Shareholders wishing to withdraw their election must call the Shareholder Helpline on 0871 384 2914 (from inside the UK) or +44 121 415 7115 (from outside the UK) between the hours of 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) and then send written notice of such withdrawal to Corporate Actions, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Calls to 0871 384 2914 are charged at 8 pence per minute (excluding VAT) plus network extras. Calls to +44 121 415 7115 from outside the UK are chargeable at applicable international rates. If such Shareholders wish to re elect in respect of the Share Alternatives, they can request a replacement Form of Election or receive instructions on how to re elect through CREST from the Shareholder Helpline. Shareholders will need to take into account the postal time necessary for a replacement Form of Election to reach Equiniti by the Election Deadline (which is 4.30 p.m. on 2 October 2013).

For a withdrawal of any election to be effective, a written notice of withdrawal signed by the person(s) who signed the relevant Form of Election or who gave the relevant TTE Instruction must:

- (i) specify the name(s) and address(es) of the person(s) who tendered the election to be withdrawn, the account number (which, for Shareholders who hold their Ordinary Shares in certificated form, appears on the front page of the relevant Form of Election) and the exact number of their B/C Share Entitlement to be withdrawn; and
- (ii) in the case of an election originally made by a TTE Instruction, be accompanied by a valid ESA Message given by the person(s) who gave the relevant TTE Instruction,

and be received by Equiniti no later than 1.00 p.m. on 2 October 2013 before the Election Deadline.

Telex, facsimile, electronic mail or other electronic means of transmission or any form of copy of written notice will not constitute a written instruction of withdrawal.

Withdrawals may not be rescinded, but re-elections may be made at any time prior to the end of the Election Period. Withdrawals must be received by Equiniti no later than 1.00 p.m. on 2 October 2013 before the Election Deadline. Any re-elections that are received by Equiniti after the end of the Election Period will be



deemed invalid for the purposes of the Share Alternatives. Any Shareholder who withdraws their election in accordance with this paragraph 5 before the end of the Election Period and does not validly re-elect in respect of their B/C Share Entitlement will be deemed to have elected for the Income Option to the extent the Shareholder has not otherwise made a valid election.

The Directors shall determine all questions as to the form and validity (including time and place of receipt) of any notice of withdrawal, in their absolute discretion, which determination shall be final and binding. The Directors also reserve the absolute right to waive any defect or irregularity in relation to, or in relation to the receipt of, any withdrawal by any Shareholder, and such determination will be binding on such Shareholder. None of the Company, any other member of the Group, BofA Merrill Lynch, Equiniti or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification or for any reason with regard to withdrawals and re elections.

## **6. Overseas Shareholders**

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the Return of Cash (including, as may be relevant in each case, the issue, holding, redemption or disposal of the B Shares, the C Shares and/or the Deferred Shares) will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Overseas Shareholder to satisfy himself as to full observance of the laws of each relevant jurisdiction in connection with the B/C Share Scheme, including the obtaining of any government, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this Circular in certain jurisdictions may be restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Neither this Circular nor any other Circular issued or to be issued by or on behalf of the Company in connection with the B/C Share Scheme constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

The Capital Option is not being made available to Shareholders who are resident, or have a registered address in any of the Restricted Territories. Any purported election by a Shareholder, resident, or with a registered address in a Restricted Territory for the Capital Option will be deemed by the Company to be an election for the Income Option in respect of the entirety of that Shareholder's B/C Share Entitlement and accordingly that Shareholder will receive the C Share Dividend.

Each Shareholder by whom, or on whose behalf, a Form of Election is executed or TTE Instruction is given, irrevocably represents, warrants, undertakes and agrees to and with the Company that such Shareholder has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from such Shareholder in any territory in connection with the B/C Share Scheme (or any transaction resulting therefrom) and such Shareholder has not taken or omitted to take any action which may result in the Company, or any other person acting in breach of the legal or regulatory requirements of any territory in connection with the B/C Share Scheme (or any transaction resulting therefrom).

In the event that the Company is advised that it would or might be in breach of legal or regulatory requirements in any jurisdiction, or the Company would or might be required to make filings or take any other action in any jurisdiction as a result of an election made pursuant to a Form of Election or TTE Instruction by an Overseas Shareholder, such Overseas Shareholder shall be deemed to have elected for the Income Option (unless the Directors otherwise determine in their absolute discretion).

The above provisions of this paragraph 6 relating to Overseas Shareholders may be waived, varied or modified as regards specific Overseas Shareholders or on a general basis by the Company in its absolute discretion.



## **7. Securities Law considerations in the United States**

None of the B Shares, C Shares or Deferred Shares have been or will be registered under the US Securities Act or the state securities laws of the United States and none of them may be offered or sold in the United States or to any U.S. persons unless pursuant to a transaction that has been registered under the US Securities Act and the relevant state securities laws or a transaction that is not subject to the registration requirements of the US Securities Act and the state securities laws, either due to an exemption therefrom or otherwise.

## **8. General Meeting**

The General Meeting will be held at Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ at 10.00 a.m. on 25 September 2013. A notice convening the General Meeting is set out at the end of this Circular.

Shareholders will find enclosed with this Circular a Form of Proxy for use at the General Meeting.

**Whether or not you intend to attend the General Meeting in person, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and return it either using the reply-paid postcard provided (for use in the UK only) or to the Company's Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive as soon as possible, but in any event by no later than 10.00 a.m. on 23 September 2013. The Form of Proxy is pre paid and can be posted free of charge from inside the United Kingdom. If you have registered for electronic communication, you may complete the proxy form online via your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) or, if you have not registered for electronic communication, by completing it online at [www.sharevote.co.uk](http://www.sharevote.co.uk) so that, in each case, the proxy form is received by Equiniti no later than 10.00 a.m. on 23 September 2013.**

If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Equiniti (under CREST participant ID number RA19), so that it is received no later than 10.00 a.m. on 23 September 2013.

Completion and return of a Form of Proxy, the giving of a CREST Proxy Instruction, or the completion of a proxy form online will not prevent you from attending the General Meeting and voting in person (in substitution for your proxy vote) if you wish to do so (and are so entitled).

## **9. Summary explanation of the Resolution**

In order to comply with applicable companies' legislation, implementation of the B/C Share Scheme requires the approval of Shareholders at a general meeting of the Company. Accordingly there is set out at the end of this Circular a notice convening the General Meeting to be held at Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ at 10.00 a.m. on 25 September 2013.

One Resolution will be proposed at the General Meeting. The Resolution will be proposed as a special resolution (the passing of which requires at least 75 per cent. of the votes cast (whether in person or by proxy) to be in favour).

### ***Resolution: To adopt new Articles of Association and to approve the B/C Share Scheme***

A summary of the paragraphs comprising the Resolution follows below:

- (A) this paragraph proposes the adoption of new Articles of Association incorporating the rights and restrictions to be attached to the B Shares, C Shares and the Deferred Shares (as set out in Part V, Part VI and Part VII respectively of this Circular);
- (B) this paragraph proposes to authorise the Directors to:
  - (i) capitalise a sum not exceeding £45 million standing to the credit of the Company's share premium account, and £88 million standing to the credit of the Company's merger reserve to pay up in full the B Shares;

- (ii) capitalise a sum not exceeding £1 standing to the credit of the Company's merger reserve to pay up in full the C Shares; and
- (iii) allot and issue B Shares up to an aggregate nominal amount of £133 million and C Shares up to an aggregate nominal amount of £1, on the basis of one B Share or one C Share for each Ordinary Share held at the Record Time. The authority granted to the Directors will expire at the conclusion of the next annual general meeting of the Company.

## **10. Amendments to the Articles of Association**

Amendments to the Articles of Association are required in order to implement the B/C Share Scheme and require approval at the General Meeting. These amendments are the insertion into the Articles of Association of the rights and restrictions attaching to the B Shares, C Shares and Deferred Shares, as set out in Part V, Part VI and Part VII respectively of this Circular.

## **11. SOCO Share Plans**

Under the SOCO Share Plans, the Company has granted options and awards over Ordinary Shares at varying exercise prices and expiry dates. Participants in the SOCO Share Plans only hold options or awards and are not the holders of Ordinary Shares under those plans. They will not participate in the B/C Share Scheme in respect of their options or awards.

The Directors intend to consider what adjustments, if any, would be appropriate to make as a result of the Return of Cash to the number of Ordinary Shares under options or awards and to the exercise price of those options. Any adjustments shall be made in accordance with the rules of the relevant plan and, where required by the relevant plan rules, with the prior approval of HM Revenue & Customs.

Separate correspondence is being sent to participants in the SOCO Share Plans in respect of the B/C Share Scheme.

## **12. Dealings and despatch of documents**

The Return of Cash will be made by reference to holdings of Ordinary Shares on the Company's register of members as at the Record Time.

B Shares and/or C Shares which are transferred or otherwise disposed of by a Shareholder shall remain subject to the relevant Shareholder's election (or deemed election) for any Share Alternatives made in respect of such B Shares and/or C Shares.

No share certificates will be issued by the Company in respect of B Shares, C Shares or Deferred Shares.

It is expected that Shareholders entitled to receive the C Share Dividend will be sent cheques or, if mandate instructions are held in respect of a UK Sterling bank account, payments will be made by BACS to mandated UK Sterling bank accounts, in each case in respect of the C Share Dividend on the Payment Date. Certificated shareholders residing or banking outside the UK should refer to the registrar's website, [www.shareview.co.uk](http://www.shareview.co.uk), or contact the Shareholder Helpline regarding arrangements for overseas payment. All payments in respect of the C Share Dividend will be made in Sterling.

It is expected that Shareholders, who are entitled to do so, will be sent cheques in respect of the proceeds from the redemption of B Shares issued pursuant to the Capital Option by the Payment Date. If Shareholders hold their Ordinary Shares in CREST, it is expected that will have their CREST accounts credited on the Payment Date.

All cheques will be sent by post, at the risk of the Shareholder(s) entitled thereto, to the registered address of the relevant Shareholder (or, in the case of joint Shareholders, to the address of the joint Shareholder whose name stands first in the register of members in respect of such joint shareholding).

In respect of the C Share Dividend pursuant to the Income Option your present dividend mandate (if any), where in respect of a UK Sterling bank account, will (unless revoked or amended) be deemed to be valid for the payment of the C Share Dividend.

No application has been, or will be, made for the B Shares, C Shares or Deferred Shares to be admitted to listing on the Official List or admitted to trading on the London Stock Exchange's main market for listed securities, nor will they be listed or admitted to trading on any other recognised investment exchange.

The effect of the Return of Cash will be to reduce the value of each option and award under the SOCO Share Plans and the intention is to preserve as far as possible the value of those options and awards.

The Directors intend to consider what adjustments, if any, it would be appropriate to make as a result of the Return of Cash to the number of Ordinary Shares under options or awards and to the exercise price of those options. Any adjustments shall be made in accordance with the rules of the relevant plan and, where required by the relevant plan rules, with the prior approval of HM Revenue & Customs.

## PART V

### RIGHTS AND RESTRICTIONS ATTACHED TO THE B SHARES

*The following sets out the rights of the B Shares and the restrictions to which they are subject. These are included in the revised Articles of Association proposed to be adopted at the General Meeting.*

*The following paragraphs will be inserted as a new Article 156 in the revised Articles of Association in substitution for and to the exclusion of Article 156 in the existing Articles of Association.*

#### **156 Rights and Restrictions Attached to B Shares**

##### **156.1 General**

The redeemable shares of 40 pence each in the capital of the Company (the “**B Shares**”) shall have the rights, and be subject to the restrictions, attaching to shares set out in these Articles save that in the event of a conflict between any provision in this Article 156 and any other provision in these Articles, the provisions in this Article 156 shall prevail.

##### **156.2 Form of Election**

Together with the circular to holders of shares in the capital of the Company dated 29 August 2013 (the “**Circular**”), holders of ordinary shares in the capital of the Company who held such shares in certificated form were sent a form of election (“**Form of Election**”) relating to the B Shares and the non cumulative, irredeemable shares of 0.0000001 pence each in the capital of the Company (the “**C Shares**”) proposed to be issued by the Company, as more fully described in the Circular. By way of the Form of Election or, where ordinary shareholders held such shares in uncertificated form, by following the instructions set out in the Circular, ordinary shareholders could make an election, on and subject to the terms set out in the Circular, (an “**Election**”), *inter alia*, which would result in the issue to them of B Shares to be redeemed by the Company on the Redemption Date (as defined in Article 156.7(a) below) (the “**Capital Option**”).

##### **156.3 Income**

The B Shares shall confer no right to participate in the profits of the Company save for the right to redemption under Article 156.7 below.

##### **156.4 Capital**

- (a) Except as provided in Article 156.6 below, on a return of capital on winding up (excluding any intra group reorganisation on a solvent basis), the holders of the B Shares shall be entitled, in priority to any payment to the holders of every other class of share in the capital of the Company (except the C Shares) but *pari passu* with any payment to the holders of C Shares, to 40 pence per B Share held by them.
- (b) On a winding up, the holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 156.4(a) above. In the event that there is a winding up to which Article 156.4(a) applies and the amounts available for payment are insufficient to pay the amounts due on all the B Shares in full, the holders of the B Shares shall be entitled to their *pro rata* proportion of the amounts to which they would otherwise be entitled.
- (c) The aggregate entitlement of each holder of B Shares on a winding up in respect of all the B Shares held by him shall be rounded up to the nearest whole penny.
- (d) The holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in their capacity as holders of B Shares.

### 156.5 *Attendance and voting at general meetings*

- (a) The holders of the B Shares shall not be entitled, in their capacity as holders of such B Shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting unless the business of the meeting includes the consideration of a resolution for the winding up of the Company (excluding any intra group reorganisation on a solvent basis), in which case the holders of the B Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on any such resolution only.
- (b) If the holders of the B Shares are entitled to vote at a general meeting of the Company in their capacity as holders of such B Shares, then, subject to any other provisions of these Articles, each holder thereof shall be entitled to vote at such general meeting whether on a show of hands or on a poll as provided in the Companies Act 2006 as amended (the “**2006 Act**”). For this purpose, where a proxy is given discretion as to how to vote on a show of hands, this shall be treated as an instruction by the relevant holder of B Shares to vote in the way in which the proxy elects to exercise that discretion.

### 156.6 *Class rights*

- (a) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- (b) A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.
- (c) Without prejudice to the generality of the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such redemption (or purchase) shall not involve a variation of any rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares.
- (d) If at any time a currency other than Sterling is accepted as legal tender in the United Kingdom in place of or in addition to Sterling, the Directors shall be entitled, without the consent of holders of ordinary shares, B Shares, C Shares or Deferred Shares (as defined in Article 157.3 below), to make such arrangements and adjustments in respect of the method of calculation and payment of any of the entitlements of holders of B Shares under these Articles as the Directors consider necessary, fair and reasonable in the circumstances to give effect to the rights attaching to the B Shares. Any such arrangements and adjustments shall not involve a variation of any rights attaching to the B Shares for any purpose.

### 156.7 *Redemption of B Shares*

Subject to the provisions of the 2006 Act and these Articles, the Company shall redeem, out of the profits available for distribution, the B Shares as follows:

- (a) The B Shares in respect of which a valid Election has been made, or is deemed to have been made, for the Capital Option in accordance with the terms described in the Circular and (where applicable) the Form of Election shall be redeemed at such time as the Directors may in their absolute discretion determine which is expected to be 3 October 2013 (the “**Redemption Date**”).
- (b) On redemption of a B Share at the Redemption Date, the Company shall be liable to pay to a holder of B Shares 40 pence (the “**Redemption Amount**”) for each B Share in respect of which a valid Election has been made, or is deemed to be made, by such holder for the Capital Option in accordance with the terms described in the Circular and (where applicable) the Form of

Election. The Company's liability to pay to such holder the Redemption Amount for each such B Share shall be discharged by the Company by a payment to such holder within 25 days of the Redemption Date of the Redemption Amount for each such B Share.

- (c) In the absence of bad faith or wilful default, neither the Company nor any of its Directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the determination of the Redemption Date in accordance with Article 156.7(a) above.
- (d) All B Shares redeemed shall be cancelled and the Company shall not be entitled to re-issue them.

#### 156.8 *Transfer*

Subject to such of the provisions of these Articles as may be applicable, no transfer of B Shares will be registered after 5.00 p.m. on the second Business Day prior to the Redemption Date unless determined to the contrary by the Directors.

#### 156.9 *Deletion of Article 156 when no B Shares in existence*

Following the first issue of B Shares, Article 156 shall remain in force until there are no longer any B Shares in existence, notwithstanding any provision in these Articles to the contrary. Thereafter Article 156 shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of Article 156 are referred to in other Articles) and shall be deleted and replaced with the wording "Article 156 has been deleted", and the separate register for the holders of B Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 156 before that date shall not otherwise be affected and any actions taken under Article 156 before that date shall be conclusive and not be open to challenge on any grounds whatsoever.

## PART VI

### RIGHTS AND RESTRICTIONS ATTACHED TO THE C SHARES

*The following sets out the rights of the C Shares and the restrictions to which they are subject. These are included in the revised Articles of Association proposed to be adopted at the General Meeting.*

*The following paragraphs will be inserted as a new Article 157 in the revised Articles of Association in substitution for and to the exclusion of Article 157 in the existing Articles of Association.*

#### **157 Rights and Restrictions Attached to C Shares**

##### **157.1 General**

The C Shares (as defined in Article 156.2 above) shall have the rights, and be subject to the restrictions, attaching to shares set out in these Articles save that in the event of a conflict between any provision in this Article 157 and any other provision in these Articles, the provisions in this Article 157 shall prevail.

##### **157.2 Form of Election**

Together with the Circular, holders of ordinary shares in the capital of the Company who held such shares in certificated form were sent a Form of Election relating to the B Shares and C Shares proposed to be issued by the Company, as more fully described in the Circular. By way of the Form of Election or, where ordinary shareholders held such shares in uncertificated form, by following the instructions and taking the actions set out in the Circular, ordinary shareholders could make an Election, on and subject to the terms set out in the Circular, *inter alia*, which would result in the issue to them of C Shares in respect of which the C Share Dividend (as defined in Article 157.3(a) below) would be paid.

##### **157.3 Income**

- (a) Subject to the provisions of the 2006 Act and these Articles, out of the profits of the Company available for distribution, a single dividend of 40 pence per C Share (the “**C Share Dividend**”) shall become payable (without the need for such dividend to be declared by the Company, the Directors or any other person and notwithstanding any provision to the contrary in these Articles (including Articles 127 and 128)) to holders of C Shares at such time as the Directors may in their absolute discretion determine which is expected to be 3 October 2013 (the “**Dividend Date**”):
  - (i) in respect of which a valid Election to receive the C Shares has been made, or is deemed to have been made, in accordance with the terms described in the Circular and (where applicable) the Form of Election; and
  - (ii) who are registered on the Company’s relevant register as holding such C Shares (that is, C Shares within (i) above) at the Dividend Date.
- (b) The Company’s liability to pay the C Share Dividend to such holder of C Shares shall be discharged by the Company by a payment to such holder within 25 days of the Dividend Date of an amount equal to the C Share Dividend.
- (c) Each C Share in respect of which the C Share Dividend becomes payable shall immediately thereupon (but without prejudice to the accrued right to receive such dividend) be reclassified as a deferred share of 0.0000001 pence in the capital of the Company having the rights and being subject to the restrictions described in Article 158 (a “**Deferred Share**”).
- (d) In the absence of fraud or wilful default, neither the Company nor any of its Directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the determination of the Dividend Date in accordance with Article 156.7(a) above.



#### 157.4 *Capital*

- (a) Except as provided in Article 157.6 below, on a return of capital on winding up (excluding any intra group reorganisation on a solvent basis), the holders of each C Share shall be entitled, in priority to any payment to the holders of every other class of share in the capital of the Company (except the B Shares) but *pari passu* with any payment to the holders of B Shares, to the aggregate of the amount of the nominal capital paid up or credited as paid up on such C Share and an amount of 40 pence per C Share held by them.
- (b) On a winding up, the holders of the C Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 157.4(a) above. In the event that there is a winding up to which Article 157.4(a) applies and the amounts available for payment are insufficient to pay the amounts due on all the C Shares in full, the holders of the C Shares shall be entitled to their *pro rata* proportion of the amounts to which they would otherwise be entitled.
- (c) The aggregate entitlement of each holder of C Shares on a winding up in respect of all the C Shares held by him shall be rounded up to the nearest whole penny.
- (d) The holders of the C Shares shall not be entitled to any further right of participation in the profits or assets of the Company in their capacity as holders of C Shares.

#### 157.5 *Attendance and voting at general meetings*

- (a) The holders of the C Shares shall not be entitled, in their capacity as holders of such C Shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting unless the business of the meeting includes the consideration of a resolution for the winding up of the Company (excluding any intragroup reorganisation on a solvent basis), in which case the holders of the C Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on any such resolution only.
- (b) If the holders of the C Shares are entitled to vote at a general meeting of the Company in their capacity as holders of such C Shares, then, subject to any other provisions of these Articles, each holder thereof shall be entitled to vote at such general meeting whether on a show of hands or on a poll as provided in the 2006 Act. For this purpose, where a proxy is given discretion as to how to vote on a show of hands, this shall be treated as an instruction by the relevant holder of C Shares to vote in the way in which the proxy elects to exercise that discretion.

#### 157.6 *Class rights*

- (a) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the C Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the C Shares) shall be treated as being in accordance with the rights attaching to the C Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the C Shares.
- (b) A reduction by the Company of the capital paid up or credited as paid up on the C Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the C Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the C Shares.
- (c) Without prejudice to the generality of the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such redemption (or purchase) shall not involve a variation of any rights attaching to the C Shares for any purpose or require the consent of the holders of the C Shares.
- (d) If at any time a currency other than Sterling is accepted as legal tender in the United Kingdom in place of or in addition to Sterling, the Directors shall be entitled, without the consent of holders of ordinary shares, B Shares, C Shares or Deferred Shares, to make such arrangements

and adjustments in respect of the method of calculation and payment of any of the entitlements of holders of C Shares under these Articles as the Directors consider necessary, fair and reasonable in the circumstances to give effect to the rights attaching to the C Shares. Any such arrangements and adjustments shall not involve a variation of any rights attaching to the C Shares for any purpose.

**157.7 *Transfer***

Subject to such of the provisions of these Articles as may be applicable, no transfer of C Shares will be registered after 5.00 p.m. on the second Business Day prior to the Dividend Date unless determined to the contrary by the Directors.

**157.8 *Deletion of Article 157 when no C Shares in existence***

Following the first issue of C Shares, Article 157 shall remain in force until there are no longer any C Shares in existence, notwithstanding any provision in these Articles to the contrary. Thereafter Article 157 shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of Article 157 are referred to in other Articles) and shall be deleted and replaced with the wording "Article 157 has been deleted", and the separate register for the holders of C Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 157 before that date, and accrued rights in respect of the payment of dividends arising before that date, shall not otherwise be affected and any actions taken under Article 157 before that date shall be conclusive and not be open to challenge on any grounds whatsoever.

## PART VII

### RIGHTS AND RESTRICTIONS ATTACHED TO THE DEFERRED SHARES

*The following sets out the rights of the Deferred Shares and the restrictions to which they are subject. These are included in the revised Articles of Association proposed to be adopted at the General Meeting.*

*The following paragraphs will be inserted as a new Article 158 in the revised Articles of Association in substitution for and to the exclusion of Article 158 in the existing Articles of Association.*

#### **158 Rights and Restrictions Attached to Deferred Shares**

##### **158.1 General**

The Deferred Shares (as defined in Article 157.3 above) shall have the rights, and be subject to the restrictions, attaching to shares set out in these Articles save that in the event of a conflict between any provision in this Article 158 and any other provision in these Articles, the provisions in this Article 158 shall prevail.

##### **158.2 Income**

The Deferred Shares shall confer no right to participate in the profits of the Company.

##### **158.3 Capital**

On a return of capital on a winding up (excluding any intra group reorganisation on a solvent basis), there shall be paid to the holders of the Deferred Shares the nominal capital paid up, or credited as paid up, on such Deferred Shares after:

- (a) firstly, paying to the holders of the B Shares and the holders of the C Shares *pari passu* as if the same were consolidated as one class, the amounts they are entitled to receive on a winding up in accordance with their terms; and
- (b) secondly, paying to the holders of the ordinary shares the nominal capital paid up or credited as paid up on the ordinary shares held by them respectively, together with the sum of £100,000,000,000 on each ordinary share.

The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

##### **158.4 Attendance and voting at general meetings**

The holders of the Deferred Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.

##### **158.5 Class rights**

- (a) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares.
- (b) The reduction by the Company of the capital paid up on the Deferred Shares shall be in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its

capital (in accordance with the 2006 Act) without obtaining the consent of the holders of the Deferred Shares.

- (c) Without prejudice to the foregoing, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes and such reduction (or purchase) shall not involve a variation of any rights attaching to the Deferred Shares for any purpose or require the consent of the holders of the Deferred Shares.

#### 158.6 *Form*

The Deferred Shares shall not be listed or traded on any stock exchange nor shall any share certificates be issued in respect of such shares. The Deferred Shares shall not be transferable except in accordance with Article 158.7 below or with the written consent of the Directors.

#### 158.7 *Transfer and repurchase*

The Company shall at any time (and from time to time) (subject to the provisions of the 2006 Act) without obtaining the sanction of the holder or holders of the Deferred Shares:

- (a) appoint any person to execute on behalf of any holder of Deferred Shares a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the Directors may determine (whether or not an officer of the Company), in any case for not more than the aggregate amount of one penny for all the Deferred Shares then being transferred, the recipient of such sum being determined by the Directors by lot; and
- (b) cancel all or any of the Deferred Shares purchased or acquired by the Company in accordance with the 2006 Act.

#### 158.8 *Deletion of Article 158 when no Deferred Shares in existence*

Article 158 shall remain in force until there are no longer any Deferred Shares in existence, notwithstanding any provision in these Articles to the contrary. Thereafter Article 158 shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of Article 158 are referred to in other Articles) and shall be deleted and replaced with the wording “Article 158 has been deleted”, and the separate register for the holders of Deferred Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Article 158 before that date shall not otherwise be affected and any actions taken under Article 158 before that date shall be conclusive and not be open to challenge on any grounds whatsoever.

## PART VIII

### TAXATION

#### **United Kingdom taxation**

*The following comments do not constitute tax advice and are intended only as a guide to current United Kingdom law and HM Revenue & Customs' published practice (which are both subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the United Kingdom taxation treatment of Shareholders and are intended to apply only to Shareholders who are resident in the United Kingdom for United Kingdom tax purposes and who are and will be the absolute beneficial owners of their Ordinary Shares, B Shares, C Shares and Deferred Shares and who hold, and will hold, them as investments (and not as securities to be realised in the course of a trade). They may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules. The position may be different for future transactions and may alter between the date of this document and the implementation of the B/C Share Scheme.*

**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 an appropriate professional adviser.**

#### **1. Capital Reorganisation**

For the purposes of the United Kingdom taxation of capital gains and corporation tax on chargeable gains (“CGT”), the Capital Reorganisation will constitute a reorganisation of share capital and as such should not itself give rise to any liability to CGT. The receipt of B Shares and C shares will be treated as the same asset as, and as having been acquired at the same time as and for the same consideration as, the Shareholder’s holding of Ordinary Shares.

Following the Capital Reorganisation, a Shareholder’s combined holding of Ordinary Shares, B shares and C Shares (the “**New Holding**”) will have the same aggregate base cost as the Shareholder’s holding of Ordinary Shares immediately before the Capital Reorganisation.

On a subsequent disposal of the whole or any part of the New Holding, including a disposal pursuant to the redemption of B shares under Alternative 2 (Capital Option) below, the Shareholder’s base cost in respect of the New Holding will be apportioned between the Ordinary Shares, B Shares and C Shares by reference to their respective market values on the first day of dealings in the Ordinary Shares after the entitlement to receive the bonus issue of B shares and C shares expires.

#### **2. Alternative 1 – Income Option**

The tax treatment of the C Share Dividend will be the same as that of any other dividend paid by the Company. Accordingly, that tax treatment will follow the current tax treatment of dividends, which is as summarised below.

#### **General**

There is no United Kingdom withholding tax on dividends paid by the Company.

#### **Individual Shareholders within the charge to United Kingdom income tax**

When the Company pays a dividend to a Shareholder who is an individual resident (for tax purposes) in the United Kingdom, the Shareholder will be entitled to a tax credit equal to one-ninth of the dividend received. The dividend received plus the related tax credit (the “**gross dividend**”) will be part of the Shareholder’s total income for United Kingdom income tax purposes and will, generally, be regarded as the top slice of that income. However, in calculating the Shareholder’s liability to income tax in respect of the gross dividend,

the tax credit (which equates to 10 per cent. of the gross dividend) is set off against the tax chargeable on the gross dividend.

#### *Basic Rate Taxpayers*

In the case of a Shareholder who is liable to income tax at the basic rate only, the Shareholder will be subject to tax on the gross dividend at the rate of 10 per cent. The tax credit will, in consequence, satisfy in full the Shareholder's liability to income tax on the gross dividend.

#### *Higher Rate Taxpayers*

To the extent that, after taking into account the Shareholder's other taxable income, the gross dividend falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax, the Shareholder will be subject to tax on the gross dividend at the rate of 32.5 per cent.

This means that the tax credit will satisfy only part of the Shareholder's liability to income tax on the gross dividend, so that to that extent the Shareholder will have to account for income tax equal to 22.5 per cent. of the gross dividend (which equates to 25 per cent. of the dividend received). For example, assuming the entire gross dividend falls above the higher rate threshold and below the additional rate threshold, a dividend of £90 from the Company would represent a gross dividend of £100 (after the addition of the tax credit of £10) and the Shareholder would be required to account for income tax of £22.50 on the dividend, being £32.50 (i.e. 32.5 per cent. of £100) less £10 (the amount of the tax credit).

#### *Additional Rate Taxpayers*

To the extent that, after taking into account the Shareholder's other taxable income, the gross dividend falls above the threshold for the additional rate of income tax, the Shareholder will be subject to tax on the gross dividend at the rate of 37.5 per cent. This means that the tax credit will satisfy only part of the Shareholder's liability to income tax on the gross dividend, so that to that extent the Shareholder will have to account for income tax equal to 27.5 per cent. of the gross dividend (which equates to approximately 30.56 per cent. of the dividend received). For example, assuming the entire gross dividend falls above the additional rate threshold, a dividend of £90 from the Company would represent a gross dividend of £100 (after the addition of the tax credit of £10) and the Shareholder would be required to account for income tax of £27.50 on the dividend, being £37.50 (i.e. 37.5 per cent. of £100) less £10 (the amount of the tax credit).

#### ***Corporate Shareholders within the charge to United Kingdom corporation tax***

Shareholders within the charge to United Kingdom corporation tax which are "small companies" (for the purposes of United Kingdom taxation of dividends) should not generally expect to be subject to tax on dividends from the Company.

Other Shareholders within the charge to United Kingdom corporation tax will not be subject to tax on dividends from the Company so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid to a United Kingdom corporate Shareholder holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the dividend is paid) is an example of a dividend that falls within an exempt class. Shareholders will need to ensure that they satisfy the requirements of any exempt class before treating any dividend as exempt, and seek appropriate professional advice where necessary.

#### ***No payment of tax credit***

A Shareholder (whether an individual or a company) who is not liable to tax on dividends from the Company will not be entitled to claim payment of the tax credit in respect of those dividends.

#### ***Non-residents***

The right of a Shareholder who is not resident (for tax purposes) in the United Kingdom to a tax credit in respect of the C Share Dividend and to claim payment from HM Revenue & Customs of any part of that tax credit will depend on the existence and terms of any double tax treaty between the United Kingdom and the

country in which the Shareholder is resident for tax purposes. A Shareholder resident outside the United Kingdom (for tax purposes) may also be subject to foreign taxation on dividend income under local law. Shareholders who are not resident in the United Kingdom (for tax purposes) should consult their own tax adviser concerning their tax liabilities on dividends received from the Company.

### ***Taxation of chargeable gains***

For CGT purposes, the C Share Dividend (and the consequent reclassification of the C Shares into Deferred Shares) should not be treated as giving rise to a disposal or part disposal of the C Shares.

Shareholders who receive the C Share Dividend should note that, consequent to the Capital Reorganisation, a proportion of the base cost, for CGT purposes, of their Ordinary Shares will be attributed to the C Shares; and this amount will continue to be attributed to those C Shares following their reclassification into Deferred Shares (notwithstanding that the Deferred Shares have limited rights or value). Correspondingly, only a proportion of the base cost for CGT purposes of the original holding of Ordinary Shares will be available on a future disposal of the Ordinary Shares.

A disposal of the Deferred Shares will be treated in the same way as outlined in paragraph 3 of Section 1 of this Part VIII and may result in a Shareholder realising a capital loss. However, whilst the Company does not expect it to apply, Shareholders liable to corporation tax should be aware of section 31 of the Taxation of Chargeable Gains Act 1992. This section can in certain circumstances apply to capital transactions which may result in the consideration, if any, actually received on a disposal of shares being increased by such amount as is just and reasonable having regard to any previous transaction which has reduced the value of those shares. Shareholders that are liable to corporation tax and own 10 per cent. or more of the C Shares should also note that it is possible that sections 176 and 177 of the Taxation of Chargeable Gains Act 1992 could be regarded as being applicable to such a Shareholder on a disposal of the Deferred Shares. Such shareholders are urged to consult an appropriate professional adviser.

### **3. Alternative 2 – Capital Option**

The redemption of the B Shares 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 CGT.

HM Revenue and Customs clearance has been obtained such that the redemption of the B shares at nominal value should be treated as a repayment of capital on the shares for tax purposes.

Any gain or loss will be calculated by reference to the difference between the redemption price and the element of the Shareholder's original base cost in their Ordinary Shares that is attributed to the B Shares. The amount of the base cost which will be attributed to the B Shares will be determined as outlined in Section 1 of this Part VIII.

The amount of CGT, if any, payable by a Shareholder as a consequence of the redemption of the B Shares who is an individual will depend on his or her own personal tax position. No tax will be payable on any gain realised on a redemption of the B Shares if the amount of the net chargeable gains realised by a Shareholder, when aggregated with other net gains realised by that Shareholder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exemption (£10,900 for 2013/2014). Broadly, any gains in excess of this amount will be taxed at a rate of 18 per cent. for a taxpayer paying tax at the basic rate and 28 per cent. for a taxpayer paying tax at a rate above the basic rate of income tax. Where the gains of a basic rate taxpayer subject to CGT exceed the unused part of his basic rate band, that excess is subject to tax at the 28 per cent. rate.

A corporate Shareholder is normally taxable on all of its chargeable gains, subject to any reliefs and exemptions. Corporate shareholders should be entitled to indexation allowance up to the date the chargeable gain is realised.



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

No stamp duty or SDRT will be payable by Shareholders on the issue of the B Shares or C Shares, the redemption of the B shares, or as a result of the reclassification of the C Shares into Deferred Shares.

#### **5. Transactions in Securities**

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies) and Chapter 1 of Part 13 of the Income Tax Act 2007 (for individuals), HM Revenue & Customs can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by HM Revenue & Customs to the proposed B/C Share Scheme, in broad terms, those Shareholders who elected to receive a capital return might be liable to taxation as if they had received an income amount.

In accordance with section 748 of the Corporation Tax Act 2010 and section 701 of the Income Tax Act 2007, the Company has applied for and received clearance from HM Revenue & Customs that they are satisfied that the transactions in securities provisions should not be applied to the proposed B/C Share Scheme.

## PART IX

### ADDITIONAL INFORMATION

#### 1. Form

The B Shares, C Shares and Deferred Shares are not renounceable and (with the exception of the Deferred Shares, which are not generally transferable and, in respect of the C Shares, subject to the applicable restrictions set out in the revised Articles of Association) will be transferable by an instrument of transfer in usual or common form. The B Shares, C Shares and Deferred Shares will be in registered form.

#### 2. Electing in CREST

Shareholders holding their Ordinary Shares in CREST will not be sent a Form of Election with this Circular. Their election will be by means of a TTE Instruction.

In order to facilitate elections under the Return of Cash, Eligible Shareholders who hold their Ordinary Shares in uncertificated form will, for the purposes of allowing an election in CREST only, be credited with one interim CREST entitlement under the ISIN GB00BCF0VZ05 for each Ordinary Share held in uncertificated form at the Record Time. These interim CREST entitlements will be enabled in CREST for the period from 8.00 a.m. on 26 September 2013 until 4.30 p.m. on 2 October 2013 (being the Election Deadline) when the security will expire. During this period those CREST holders will have their accounts credited with the interim CREST entitlement security to allow them to elect electronically through the CREST system.

The interim CREST entitlements will neither be admitted to the Official List nor to trading on the London Stock Exchange's main market for listed securities nor will they be admitted to trading on any other recognised investment exchange. Share certificates will not be issued in respect of the interim CREST entitlement.

Eligible Shareholders who hold their Ordinary Shares in uncertificated form, should take (or procure to be taken) the action set out below to transfer by means of a TTE Instruction the number of interim CREST entitlements in respect of which they are making an election to an escrow balance, specifying Equiniti in its capacity as a CREST Receiving Agent (under participant ID 6RA99) as the escrow agent, as soon as possible and in any event so that the transfer to escrow settles not later than 4.30 p.m. on 2 October 2013.

If Shareholders are CREST personal members, they should refer to their CREST sponsor before taking any action. CREST sponsors will be able to confirm details of Shareholders' participant ID and the Member Account ID under which their Ordinary Shares are held. In addition, only CREST sponsors will be able to give the TTE Instruction to Euroclear by which Shareholders are making their election.

To make an election, Shareholders should give (or, if they are a CREST personal member, procure that their CREST sponsor gives) a TTE Instruction, which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number(s) of interim CREST entitlements to be transferred to the escrow account;
- the Member Account ID;
- the participant ID;
- the corporate action ISIN, which is GB00BCF0VZ05;
- the corporate action number of the B/C Share Scheme. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;

- the intended settlement date for the transfer to escrow, which should be as soon as possible and in any event not later than 4.30 p.m. on 2 October 2013;
- the standard delivery instruction priority of 80; and the name and contact number inserted in the shared note field.

In order for an uncertificated election to be valid, the TTE Instruction must comply with the requirements as to authentication and contents set out above and must settle by 4.30 p.m. on 2 October 2013.

#### *Electing for the Income Option*

**Shareholders who hold their Ordinary Shares in CREST and who wish to elect for the Income Option in respect of all their B/C Share Entitlement need take no action. Shareholders who do not give a TTE Instruction will automatically receive the C Share Dividend in respect of all their B/C Share Entitlement.**

#### *Electing for the Capital Option*

Shareholders who hold their Ordinary Shares in CREST and who wish to elect for the Capital Option in respect of *some or all* of their B/C Share Entitlement, should give (or, if they are a CREST personal member, procure that their CREST sponsor gives) a TTE Instruction with the following information, in addition to the information listed above:

- the participant ID of Equiniti, which is 6RA99; and
- the Member Account ID of Equiniti, which for these purposes is SOCOCAP2.

#### *Overseas Shareholders and Shareholders resident or with a registered address in a Restricted Territory*

Overseas Shareholders should note that, by making a valid election for the Capital Option, such Shareholders will be deemed to represent, warrant, undertake and/or agree (as applicable) to the terms set out in paragraph 6 of Part IV of this Circular. Furthermore, Shareholders resident, or with a registered address, in a Restricted Territory will only be eligible to receive the C Share Dividend under the Income Option, and as a result do not need to take any action.

#### *Validity of Elections*

**Shareholders who do not make a valid election will be deemed to have elected for the Income Option in respect of ALL of their B/C Share Entitlement.**

#### *Withdrawal rights in CREST*

Eligible Shareholders who hold Ordinary Shares in CREST who wish to withdraw their elections in the manner set forth in paragraph 5 in Part IV of this document should send (or, if a CREST personal member, procure that their CREST sponsor sends) an ESA Message to settle in CREST no later than 1.00 p.m. on 2 October 2013 in relation to each electronic acceptance in respect of which an election is varied.

Any such change of election in respect of Ordinary Shares in uncertificated form will be conditional upon Equiniti verifying that the request is validly made. Accordingly, Equiniti will, on behalf of the Company, reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

#### *The default position where a Shareholder makes an election which in total is less than their holding of Ordinary Shares at the Record Time*

If Shareholders send a TTE Instruction which details, or TTE Instructions which together detail, a number of Ordinary Shares to be transferred to the escrow account which in total is less than their holding of Ordinary Shares at the Record Time, they will be deemed to have elected for the Income Option in respect of the balance of their holding.

### ***Dematerialisation of Ordinary Shares following election***

If the Ordinary Shares to which any election made on the enclosed Form of Election relates are currently held in certificated form and are dematerialised into uncertificated form after the relevant Form of Election has been submitted but before the Election Deadline, such election will become invalid. Shareholders who subsequently hold such Ordinary Shares in uncertificated form in CREST will need to give a valid TTE Instruction in place of the submitted Form of Election by the Election Deadline.

### **3. Methods of Election – General**

The Directors shall determine all questions as to the form and validity (including time and place of receipt) of any TTE Instruction or Form of Election in their absolute discretion which determination shall be final and binding. The Directors also reserve the absolute right to waive any defect or irregularity in relation to, or in relation to the receipt of, any TTE Instruction or Form of Election completed by or on behalf of any Shareholder, and such determination will be binding on such Shareholder. The Directors shall not be liable to Shareholders for any loss arising from the determination of questions as to the form and validity (including time and place of receipt) of any TTE Instruction or Form of Election, unless attributable to their own wilful default, fraud or negligence and the Directors shall not be under any duty to give notification of any defect or irregularity in any TTE Instruction or Form of Election or incur any liability for failure to give any such notice.

After the end of the Election Period, any election made is irrevocable. If the Election Period is extended, withdrawal rights will also be extended (withdrawal rights are described more fully in paragraph 5 of Part IV of this Circular). No authority conferred by or agreed to by giving of a TTE Instruction will be affected by, and all such authority will survive, the death or incapacity of the relevant Shareholder giving such instruction. All obligations of such Shareholder will be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

B Shares and/or C Shares which are transferred or otherwise disposed by a Shareholder of shall remain subject to the relevant Shareholder's election (or deemed election) for any Share Alternatives made in respect of such B Shares and/or C Shares.

### **4. Consent**

BofA Merrill Lynch has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and references to it in the form and context in which they appear.

### **5. Documents available for inspection**

Copies of the following documents may be inspected at the offices of Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ, during usual business hours on any weekday (public holidays excepted), up to and including the date of the General Meeting and will also be available for inspection at the General Meeting for at least 15 minutes before the General Meeting and until the General Meeting ends:

- (a) the existing Articles of Association of the Company;
- (b) the new Articles of Association of the Company proposed to be adopted at the General Meeting, showing the amendments proposed to the Company's existing Articles of Association;
- (c) the written consent referred to in paragraph 4 of this Part IX; and
- (d) a copy of this Circular.

29 August 2013

## PART X

### DEFINITIONS

The following definitions apply throughout this Circular unless the context requires otherwise:

<b>Articles or Articles of Association</b>	the articles of association of the Company;
<b>B/C Share Entitlement</b>	the entitlement of Shareholders to receive one B Share or one C Share for each Ordinary Share held at the Record Time and, where the context requires, the aggregate entitlement of a Shareholder to receive B and/or C Shares;
<b>B/C Share Scheme or Return of Cash</b>	the return of 40 pence per Ordinary Share by way of the Share Alternatives (including the proposed transactions comprising the issuance of the B Shares and/or the C Shares);
<b>B Shares</b>	the redeemable shares of 40 pence each in the capital of the Company carrying the rights and restrictions set out in Part V of this Circular;
<b>BACS</b>	the Bankers Automated Clearing System;
<b>BofA Merrill Lynch</b>	Merrill Lynch International, a subsidiary of Bank of America Corporation;
<b>Board or Directors</b>	the board of directors of SOCO International plc;
<b>Business Day</b>	a day other than a Saturday or Sunday or public holiday in England and Wales on which banks are open in London for general commercial business;
<b>C Share Dividend</b>	the proposed dividend of 40 pence per C Share;
<b>C Shares</b>	the non cumulative irredeemable shares of 0.0000001 pence each in the capital of the Company carrying the rights and restrictions set out in Part VI of this Circular;
<b>Capital Option</b>	the allotment of B Shares to be redeemed by the Company on the Effective Date;
<b>Capital Reorganisation</b>	the proposed reorganisation of the Company's share capital comprising the issue of the B Shares and/or the C Shares;
<b>CGT</b>	taxation of capital gains and corporation tax on chargeable gains in the UK;
<b>Circular</b>	this document;
<b>Company or SOCO</b>	SOCO International plc, a company incorporated under the laws of England and Wales (registered number 03300821) having its registered office at 48 Dover Street, London, W1S 4FF;
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
<b>CREST Manual</b>	the CREST manual issued by Euroclear;

<b>CREST member</b>	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
<b>CREST participant</b>	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
<b>CREST Proxy Instruction</b>	the instruction whereby CREST members send a CREST message appointing a proxy for the General Meeting and instructing the proxy how to vote and containing the information set out in the CREST Manual;
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system participant (as defined in the CREST Regulations);
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member;
<b>Deferred Shares</b>	the deferred shares of 0.0000001 pence each in the capital of the Company carrying the rights and restrictions summarised in Part VII of this Circular;
<b>Directors</b>	the directors of the Company from time to time;
<b>Effective Date</b>	such date as the Directors in their absolute discretion may determine, which is expected to be 3 October 2013, being the date on which the C Share Dividend will become payable and the B Shares issued under the Capital Option will be redeemed;
<b>Election Deadline</b>	4.30 p.m. on 2 October 2013 (or such other time and/or date as the Directors may in their absolute discretion determine);
<b>Election Period</b>	such period from the date of this Circular until the Election Deadline as specified in this Circular during which time Eligible Shareholders may make elections for one or both of the Share Alternatives;
<b>Eligible Shareholders</b>	All Shareholders other than Overseas Shareholders resident, or with a registered address, in a Restricted Territory;
<b>Equiniti or Registrars</b>	Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA;
<b>ESA Message</b>	a message through CREST to Equiniti in its capacity as escrow agent requesting a withdrawal of Ordinary Shares from the escrow balance;
<b>Euroclear</b>	Euroclear UK & Ireland Limited;
<b>FCA</b>	the UK Financial Conduct Authority or its successor from time to time;
<b>Form of Election</b>	the form enclosed with this Circular by which Shareholders (other than Overseas Shareholders resident, or with a registered address, in a Restricted Territory) holding Ordinary Shares in certificated form may elect for the Share Alternatives;
<b>Form of Proxy</b>	the form of proxy enclosed with this Circular for use by Shareholders in connection with the General Meeting;

<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended;
<b>General Meeting</b>	the general meeting of the Company, to be held at Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ at 10.00 a.m. on 25 September 2013, or any adjournment thereof, notice of which is set out at the end of this Circular;
<b>Group</b>	SOCO and its subsidiaries and subsidiary undertakings from time to time;
<b>Income Option</b>	the allotment of C Shares in respect of which the C Share Dividend will become payable on the Effective Date;
<b>Listing Rules</b>	the rules and regulations made by the FCA under Part VI of FSMA;
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Member Account ID</b>	the identification code or number attached to any member account in CREST;
<b>New Holding</b>	a Shareholders holding of Ordinary shares, B shares and/or C shares following the Capital Reorganisation;
<b>Notice of General Meeting</b>	the notice of the General Meeting which appears at the end of this Circular;
<b>Official List</b>	the Official List of the FCA;
<b>Ordinary Shares</b>	the ordinary shares of 5 pence each in the capital of the Company;
<b>Overseas Shareholders</b>	Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of a country other than the United Kingdom or who have a registered address which is not in the United Kingdom. For the avoidance of doubt, Shareholders who are not resident in the United Kingdom include Shareholders who are resident in the Channel Islands or the Isle of Man;
<b>participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
<b>Payment Date</b>	such date as the Directors in their absolute discretion may determine (which is expected to be 14 October 2013) being the date on which cash is expected to be sent to Shareholders under the Income Option and the Capital Option;
<b>Record Time</b>	6.00 p.m. on 25 September 2013 (or such other time and date as the Directors may determine);
<b>Regulatory Information Service</b>	any of the services set out in Appendix 3 to the Listing Rules;
<b>Resolution</b>	the resolution to be proposed at the General Meeting as set out in the Notice of General Meeting at the end of this Circular;
<b>Restricted Territories</b>	the United States, Australia, Japan, Canada, the Republic of South Africa or New Zealand and any other territory where the invitation to participate in the B/C Share Scheme and any election for the Capital Option would violate the laws of that jurisdiction or would require registration of the B Shares, C Shares and/or Deferred Shares;



<b>Share Alternatives</b>	the Income Option and the Capital Option, or any of them as the context may require;
<b>Shareholders</b>	holders of Ordinary Shares and, where the context so requires, holders of B Shares and/or C Shares and/or Deferred Shares;
<b>SOCO Share Plans</b>	the SOCO 2009 Discretionary Share Option Plan, the SOCO 2011 Long-Term Incentive Plan, the SOCO 1997 Company Share Option Plan and the SOCO Long-Term Incentive Plan;
<b>Sterling or £</b>	the lawful currency of the United Kingdom;
<b>TTE Instruction(s)</b>	a transfer to escrow instruction (as defined by the CREST Manual);
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>UK Listing Authority</b>	the FCA in its capacity as competent authority under FSMA as amended;
<b>Uncertificated or uncertificated form</b>	Ordinary Shares which are recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
<b>United States or US</b>	the United States of America, its territories, possessions, any state of the United States of America or the District of Columbia;
<b>US dollar or US\$ or \$</b>	the lawful currency of the United States; and
<b>US Securities Act</b>	the United States Securities Act of 1933 (as amended) and the rules and regulations promulgated thereunder.

# SOCO INTERNATIONAL PLC

(Registered in England and Wales under No. 03300821)

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of SOCO International plc (the “**Company**”) will be held at Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ at 10.00 a.m. on 25 September 2013 for the purposes of considering and, if thought fit, passing the following resolution.

### SPECIAL RESOLUTION

1. **THAT:**

- (A) the draft articles of association produced to the meeting, marked “A” and signed by the Chairman of the meeting for identification purposes, (the “**New Articles of Association**”) be and are hereby approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, all existing articles of association of the Company;
- (B) the Directors of the Company be and are hereby generally and unconditionally authorised:
  - (i) to capitalise a sum not exceeding £133 million, being £45 million standing to the credit of the Company’s share premium account and £88 million standing to the credit of the Company’s merger reserve, and to apply such sum in paying up in full up to the maximum number of redeemable shares of 40 pence each in the capital of the Company carrying the rights and restrictions set out in article 156 of the New Articles of Association (the “**B Shares**”) that may be allotted pursuant to the authority given by sub paragraph (B)(iii)(a) below;
  - (ii) to capitalise a sum not exceeding £1 standing to the credit of the Company’s merger reserve, and to apply such sum in paying up in full up to the maximum number of non cumulative irredeemable shares of 0.0000001 pence each in the capital of the Company carrying the rights and restrictions set out in article 157 of the New Articles of Association (the “**C Shares**”) that may be allotted pursuant to the authority given by sub paragraph (B)(iii)(b) below; and
  - (iii) pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot and issue credited as fully paid up (provided that the authority hereby confirmed shall expire at the conclusion of the next annual general meeting of the Company):
    - (a) B Shares up to an aggregate nominal amount of £133 million; and
    - (b) C Shares up to an aggregate nominal amount of £1,

to the holders of the ordinary shares of 5 pence in the capital of the Company (the “**Ordinary Shares**”) on the basis of one B Share or one C Share for each Ordinary Share held and recorded on the register of members of the Company at 6.00 p.m. on 25 September 2013 (or such other time and/or date as the Directors may determine), in accordance with the terms of the circular sent by the Company to its shareholders.

*Registered office*  
SOCO International plc  
48 Dover Street,  
London,  
W1S 4FF

By Order of the Board.  
**Cynthia Cagle**  
*Company Secretary*

29 August 2013

Registered in England Number: 03300821

## Notes:

1. A Shareholder is entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a Shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice of General Meeting. In order to be valid an appointment of proxy must be returned using the reply-paid postcard provided (for use in the UK only). If a Shareholder does not use the postcard provided, postage will be payable and the form should be sent by post, by courier or by hand to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, and must be received by 10.00 a.m. (UK time) on 23 September 2013, or if the General Meeting is adjourned, 48 hours prior to the adjourned meeting. A proxy may also be appointed electronically and further details are set out at Note 2 and Note 7 below. Appointment of a proxy does not preclude a Shareholder from attending the General Meeting and voting in person. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Equiniti on 0871 384 2914 (calls to this number cost 8 pence per minute (excluding VAT) plus network extras), or +44 121 415 7115 from outside the UK. Lines are open from 8.30 a.m. to 5.30 p.m. (Monday to Friday).
2. To appoint a proxy electronically log on to the Company's Registrars' website at [www.sharevote.co.uk](http://www.sharevote.co.uk). Shareholders will need their Voting ID, Task ID and Shareholder Reference Number, printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website. Alternatively, if you have already registered with the Registrars' online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the link to vote. Instructions are given on the website. If you are a member of CREST, you may use the CREST electronic appointment service, details of which are set out at Note 7. Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
3. The statement of the rights of Shareholders in relation to the appointment of proxies in Note 1 above does not apply to Nominated Persons. Such rights can only be exercised by Shareholders of the Company.
4. A Shareholder has a right to put to the Directors any questions relating to the business to be dealt with at the General Meeting and subject to the exemptions under section 319A of the Act the Company must answer any such questions.
5. The Company, pursuant to the Uncertificated Securities Regulations 2001, specifies that only those Shareholders on the register of members as at 6.00 p.m. (UK time) on 23 September 2013 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their names at that time (or, in the event of any adjournment, at 6.00 p.m. (UK time) on the day which is two days before the day of the adjourned meeting). Changes to entries on the ordinary register after 6.00 p.m. (UK time) on 23 September 2013 shall be disregarded in determining the right of any person to attend or vote at the General Meeting (unless the General Meeting is adjourned in which case the previous provisions of this Note 5 apply).
6. As at 28 August 2013 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consists of 340,954,315 Ordinary Shares, carrying one vote each. As at 28 August 2013 the Company holds 9,122,268 Ordinary Shares in treasury. Therefore, after excluding treasury shares, the total number of voting rights in the Company as at 28 August 2013 are 331,832,047.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 10.00 a.m. on 23 September 2013, or if the General Meeting is adjourned, 48 hours prior to the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

9. If all shares have been sold or transferred by the addressee, this Notice and any other relevant documents should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.
10. If two or more valid but differing appointments of proxy are delivered or (in the case of appointments in electronic form in respect of the same share for use at the same meeting, the one which is last delivered shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was delivered or received last, none of them shall be treated as valid in respect of that share.
11. Copies of the following documents will be available for inspection at the offices of Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ during usual business hours (Saturdays, Sundays and English public holidays excepted) from the date of this Notice until the conclusion of the General Meeting and at the General Meeting itself for at least 15 minutes prior to the General Meeting:
  - (A) a copy of the Circular;
  - (B) a copy of the written consent referred to in paragraph 4 of Part IX of the Circular; and
  - (C) a copy of the proposed new articles of association of the Company marked to show the changes being proposed, together with a copy of the existing articles of association of the Company.
12. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
13. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Equiniti no later than 10.00 a.m. on 23 September 2013, or if the General Meeting is adjourned, 48 hours prior to the adjourned meeting.
14. You may not use any electronic address provided in either this Notice of General Meeting or any related document (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.
15. In accordance with section 311A of the Act, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website [www.socointernational.com](http://www.socointernational.com). A copy of this Circular can also be found on the Company's website.

