

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), if you are resident in Guernsey, or 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 have sold or otherwise transferred all of your RL Shares please send this document, together with the accompanying documents but not the personalised Form of Acceptance, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, this document and the accompanying documents should not be forwarded or transmitted in or into or from the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold or otherwise transferred part of your holdings of RL Shares, please retain this document, together with the accompanying documents and immediately contact the stockbroker, bank or other agent through whom the sale or transfer was effected.

Application will be made to The International Stock Exchange Authority Limited for the New RHL Shares to be admitted to listing on the Official List of TISE. It is expected that Admission will become effective and that dealings for normal settlement in the New RHL Shares will commence on the first business day following the day on which the Offer becomes or is declared unconditional in all respects (save for any condition relating to Admission).

This document should be read in conjunction with the accompanying Form of Acceptance.

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## Recommended Offer

by

## Ravenscroft Holdings Limited ("RHL")

for

## Ravenscroft Limited ("RL")

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This document is provided in connection with the proposed reorganisation of the Group, pursuant to which RHL will become the new parent company of the Group, as a result of the acquisition of the entire issued share capital of RL. This document contains the Offer by RHL to acquire the entire issued share capital of RL in exchange for the issue of an equal number of RHL shares.

Your attention is drawn to the letter from the directors of Ravenscroft Limited which is set out in Part I of this document and which contains, *inter alia*, the unanimous recommendation of the RL directors to accept the Offer.

**To accept the Offer, the Form of Acceptance must be completed, signed and returned together with your definitive share certificate(s) and/or other document(s) of title as soon as possible and, in any event, so as to be received by post or (during normal business hours only) by hand by RHL at PO Box 222, Level 5, The Market Buildings, Fountain Street, St. Peter Port, Guernsey, GY1 4JG, or by email to cosec@ravenscroftgroup.com, in each case by no later than 1.00 p.m. on 16 April 2018. The procedure for acceptance of the Offer is set out in paragraph 11(a) of Part II of this document and in the accompanying Form of Acceptance.**

Unless otherwise determined by Ravenscroft Holdings Limited and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into, or by the use of the mails or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction (including the United States, Canada, Australia or Japan) and the Offer is not capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance and any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer.

All persons (including, without limitation, nominees, trustees and custodians) who would, or otherwise intend to, forward this document, the Form of Acceptance and any related documents to any jurisdiction outside of Guernsey, Jersey or the United Kingdom should read the further details in this regard which are contained in paragraph 3 of Part B of Appendix 1 and paragraph (c) of Part C of Appendix 1 to this document before taking any action.

The New RHL Shares to be issued in connection with the Offer have not been, nor will they be, registered under the Securities Act or under the securities laws of any state of the United States; the relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the New RHL Shares have not been, nor will they be, registered under or offered in compliance with applicable securities laws of any state, province, territory or jurisdiction of Canada, Australia or Japan. Accordingly, the New RHL Shares are not being and may not be (unless an exemption under relevant securities laws is applicable) offered, sold, resold or delivered, directly or indirectly, in or into or from the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration thereof in, such jurisdiction or to, or for the account or benefit of, any United States, Canadian, Australian or Japanese person.

The availability of the Offer to RL Shareholders who are not resident in Guernsey or the United Kingdom may be affected by the laws of the relevant jurisdictions. RL Shareholders who are not so resident should inform themselves of, and observe, any applicable requirements.

The first closing date of the Offer is 16 April 2018.

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## OFFER TIMETABLE

Offer Document posted	23 March 2018
First Closing date of the Offer	1:00 p.m. (GMT) on 16 April 2018
Admission of RHL Shares to TISE	On or after 18 April 2018

## **ACTION TO BE TAKEN TO ACCEPT THE OFFER**

To accept the Offer, you should:

- (i) Complete and sign the Form of Acceptance in accordance with paragraph 11(a) of the letter from RHL set out in Part II of this document; and
- (ii) return the completed Form of Acceptance (along with any appropriate share certificate(s) and/or other document(s) of title) as soon as possible and, in any event, by 1.00 p.m. on 16 April 2018.

If you have any questions about the Offer, or are in any doubt as to how to complete the accompanying Form of Acceptance, please call Jade Cook of RHL on telephone number 01481 732 750 (or +44 1481 732 750 from outside of the Channel Islands or the UK) or email [cosec@ravenscroftgroup.com](mailto:cosec@ravenscroftgroup.com).

Lines are open between 9.00 a.m. and 5.30 p.m. (Guernsey time) Monday to Friday. For legal reasons, the helpline will not be able to provide advice on the merits of the Offer or to provide financial, legal or tax advice.

Copies of this document (and any information incorporated into it by reference to another source) sent to persons in electronic form or by means of being published on RHL's and/or RL's websites and all future documents, announcements and information required to be sent to persons in relation to the Offer may be requested to be received by such persons in hard copy form by writing to Ravenscroft Holdings Limited, PO Box 222, Level 5, The Market Buildings, Fountain Street, St. Peter Port, Guernsey, GY1 4JG, marked for the attention of Jade Cook or by calling Jade Cook of RHL on telephone number 01481 732 750 (or +44 1481 732 750 from outside of the Channel Islands or the UK).

A hard copy of this document will not otherwise be sent unless so requested.

**THE FIRST CLOSING DATE OF THE OFFER IS 1.00 P.M. ON 16 APRIL 2018**

## **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This document, including certain information included by reference, contains certain forward looking statements with respect to the financial condition, results of operations and business of RHL, RL or the Group and certain plans and objectives of the RHL Board and the RL Board. These forward looking statements can be identified by the fact that they do not relate to historical or current facts. Forward looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by the RHL Board and the RL Board in the light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward looking statements involve risk and uncertainty and the factors described in the context of such forward looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Except as required by the GFSC, TISE or any other applicable law or regulation, RHL and RL assume no obligation to update or correct the information contained in this document.

## **PUBLICATION ON WEBSITES**

A copy of this document, the information incorporated by reference in this document, and the Form of Acceptance will be made available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on the website of RL at [www.ravenscroftgroup.com](http://www.ravenscroftgroup.com) until the end of the Offer Period (or, if later, the end of any competition reference period).

For the avoidance of doubt, the content of the websites referred to above is not incorporated into and does not form part of this document.

## PART I

### LETTER FROM THE DIRECTORS OF RAVENSCROFT LIMITED

*(Incorporated in Guernsey with registered number 42906)*

*Directors:*

Stephen Lansdown *(Non-executive Chairman)*  
Dominic Jones *(Non-Executive Director)*  
Sally-Ann (Susie) Farnon *(Non-Executive Director and Senior Independent Director)*  
Jonathan Ravenscroft *(Group Chief Executive Officer)*  
Mark Bousfield *(Group Managing Director)*  
Andrew Courtney *(Group Chief Operating Officer & Head of Risk)*  
Brian O'Mahoney *(Group Finance Director & Head of Corporate Finance)*

*Registered Office:*

PO Box 222, Level 5  
The Market Buildings  
Fountain Street  
St Peter Port  
Guernsey  
GY1 4JG

23 March 2018

*To all RL Shareholders and, for information only, RL Optionholders*

Dear RL Shareholder,

#### **Recommended all-share offer by Ravenscroft Holdings Limited for Ravenscroft Limited**

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

On 19 June 2017, the RL Board announced that it had determined that it would be in the best interest of RL and the Group for there to be a reorganisation of the Group of which RL is currently the ultimate parent company (the "**Reorganisation**").

The objectives of the Reorganisation are twofold:

1. first, to amend the Group structure by the addition of RHL as a new ultimate parent company of the Group. The new parent company will be a pure holding company, with all business and regulatory operations being conducted within its subsidiaries; and
2. second, to rationalise the structure of the Group at the operational subsidiary level, with the internal transfer of certain subsidiaries to be direct subsidiaries of RHL.

In order for RHL to become the new parent company of the Group as described in point 1 above, it is necessary for RHL to acquire the entire issued share capital of RL (the "**Acquisition**"). This document sets out the proposals in relation to the Acquisition, which is to be conducted by way of a recommended all-share offer to be made by RHL to acquire the entire issued and to be issued ordinary share capital of RL (the "**Offer**"), further details of which are set out below.

The RL Board has determined that none of the RL Directors are independent directors for the purposes of considering and recommending the Offer.

Accordingly, it was agreed that it was unnecessary and impractical to form a committee of

independent directors of RL to consider the Offer, and that the Offer should be considered by the entire RL Board.

I am writing to you on behalf of the RL Board to explain the background to the Offer and the reasons why the RL Board considers the terms of the Offer to be fair and reasonable and unanimously recommends that RL Shareholders accept the Offer.

This letter also explains the actions you should now take and, together with the remainder of this document, sets out the terms of the Offer.

## **2. The Offer**

Pursuant to this document, RHL is making the Offer to the RL Shareholders to acquire all of their RL Shares in exchange for the issue of new RHL shares (the "**New RHL Shares**"), on the basis of one RHL share for each RL Share. The issue of the New RHL Shares pursuant to the Offer is conditional on Admission.

If the Offer is accepted by the holders of 90% of the RL Shares, the offer will become effective and the Acquisition will be completed in respect of those RL Shares in respect of which the Offer was accepted, subject only to Admission. Admission, and therefore also completion of the Acquisition, will not occur before 18 April 2018.

Following completion of the Acquisition in respect of those RL Shares in respect of which the Offer was accepted, RHL will be entitled, in accordance with the Companies (Guernsey) Law, 2008, to acquire the remainder of the RL Shares on the same terms as the Offer. This acquisition of the remainder of the RL Shares is likely to occur after Admission.

Immediately following the completion of the Acquisition in respect of the entire issued share capital of RL, and the issue of all of the New RHL Shares, the number and proportion of RHL shares held by each RL Shareholder will be identical to the number and proportion of RL Shares held by them immediately before the Acquisition.

The RHL Directors are seeking Admission of the RHL Shares (with effect from 18 April 2018, or such later date as TISE may determine) as the RL Shares are already admitted to listing on the Official List of TISE and, therefore, Admission of the RHL Shares will ensure that the Company and its shareholders will continue to have the benefit of a listing following the Acquisition.

## **3. Summary terms of the Offer**

The formal Offer is set out in the letter from RHL in Part II of this document. The conditions and terms of the Offer are set out in Appendix 1 to this document and in the accompanying Form of Acceptance.

RHL is offering to acquire RL Shares on the following basis:

**for every 1 RL Share                      1 New RHL Share**

and so in proportion for any other number of RL Shares held.

Details of the further terms and conditions of the Offer are set out below and in Appendix 1 to this document. In addition, a summary of the rights of the New RHL Shares is set out in Appendix 2 to this document.

## **4. The Reorganisation**

In addition to the Offer, the Reorganisation will involve certain subsidiaries of RL becoming direct subsidiaries of RHL.

The group structure immediately following completion of the Reorganisation will be as follows:

***Direct subsidiaries of RHL:***

Ravenscroft Limited  
A Vartan Limited  
Ravenscroft Investment Management Limited  
Bull & Bear Nominees Limited  
Coinbox Limited  
Network Securities Limited  
Ravenscroft Precious Metals Limited

***Direct subsidiaries of Ravenscroft Limited:***

Ravenscroft Services Limited  
Huntress (CI) Nominees Limited

**5. Background to and reasons for recommending the Offer and the Reorganisation**

The RL Directors believe that the Reorganisation will rationalise the structure of the Group, for the benefit of the Group and the RL Shareholders. As a number of service offerings have been added and with the opening of offices in both Jersey and the UK there are now nearly 100 employees across the Group. In addition, there are £3 billion of assets under administration (as per the interim report and accounts dated 30 June 2017) for both private and institutional clients, mainly based in the Channel Islands.

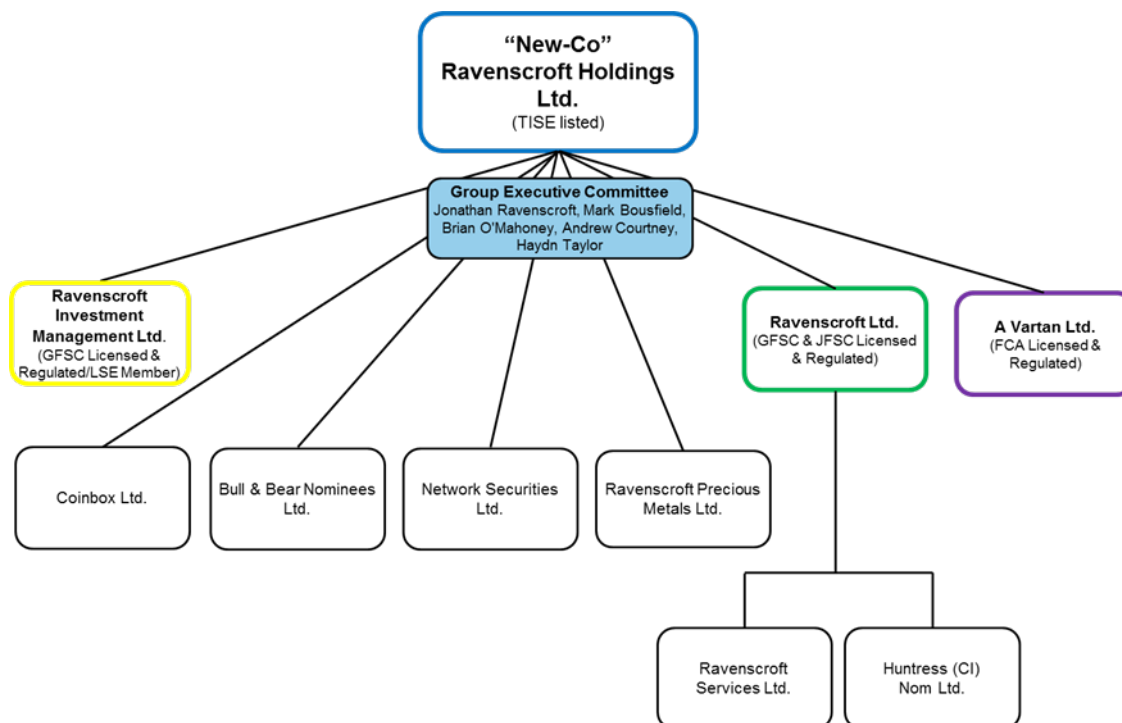
The current service offering is:

- Advisory and execution stockbroking services;
- Investment management via discretionary portfolios or managed funds with a minimum investment of £5,000;
- A commercial property solution via the Channel Island Property Fund which owns a number of flagship commercial properties in Guernsey, Jersey and the Isle of Man;
- Corporate finance investment opportunities via Bailiwick Investments Limited and the Financial Services Opportunities Investment Fund with both funds primarily focused on investing in well-known and highly regarded Channel Islands businesses;
- We are also in the process of building a cash management service and will be announcing other complementary services in the near future; and
- Acquiring Guernsey Mint Refined Limited (now named Ravenscroft Precious Metals Limited) (trading as BullionRock) has allowed us to diversify our product portfolio to include BullionRock Direct for online sales and delivery alongside BullionRock Invest, which offers dealing in, and storage of, precious metals.

As the Group has grown, so has the number of trading entities. In order to streamline the business and provide further opportunities for growth and diversification, we have decided to restructure.



The proposed structure is below:



## 6. Irrevocable undertakings

RHL has received irrevocable undertakings in respect of those beneficial interests in RL shares of all of those RL Directors who are so interested to accept the Offer in respect of their beneficial interests in RL Shares amounting, in aggregate, to 5,945,055 RL Shares, representing approximately 44.77 per cent. of the entire existing issued ordinary share capital of RL. Irrevocable undertakings have been received from the nominee in respect of these holdings. These irrevocable undertakings will cease to be binding only if the Offer lapses or is withdrawn.

Further details of the irrevocable undertakings are set out in paragraph 3 of Appendix 3 to this document.

## 7. Directors, management and employees

The RL Board does not expect there to be any changes to the existing employment rights of any employees of the RL Group as a result of the Offer becoming or being declared unconditional in all respects.

The RHL Board has given assurances to the RL Directors that, following the Offer becoming or being declared unconditional in all respects, the existing employment rights of all employees of the RL Group will be fully safeguarded.

The RHL Board comprises Mark Bousfield, Brian O'Mahoney, Stephen Lansdown, Sally-Ann (Susie) Farnon, Dominic Jones and Jonathan Ravenscroft. It is not intended that any changes will be made to the RHL Board as a result of the Offer.

Following the Reorganisation, it is intended that the RL Board will comprise Mark Bousfield, Andrew Courtney, Brian O'Mahoney and Haydn Taylor. Each of Stephen Lansdown, Sally-Ann (Susie) Farnon,

Dominic Jones and Jonathan Ravenscroft will resign as directors of RL with effect from the date of Admission. Haydn Taylor will be appointed to the RL Board as Head of the Jersey Division.

#### **8. RL Share Option Plan**

The Offer constitutes a "Relevant Event" for the purposes of the RL Share Option Plan and each RL Optionholder has, prior to the date of this document, agreed with RHL that the RL Options held by them shall be released upon the Offer being declared unconditional in all respects in exchange for the grant of a replacement option to be granted by RHL on the same terms and in respect of an equal number of RHL Shares.

#### **9. Guernsey, Jersey and United Kingdom taxation**

Your attention is drawn to paragraph 9 of the letter from RHL in Part II of this document. If you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than Guernsey, Jersey and the United Kingdom, you should consult an independent professional adviser immediately.

#### **10. Overseas Shareholders**

The distribution of this document and the Form of Acceptance and the availability of the Offer to persons resident in, or citizens or nationals of, jurisdictions outside Guernsey, Jersey and the United Kingdom may be affected by the laws of their relevant jurisdiction. Overseas Shareholders should inform themselves of, and observe, all applicable legal or regulatory requirements. Please refer to paragraph 10 of the letter from RHL in Part II of, and paragraph 3 of part B of Appendix 1 to, this document for further details.

#### **11. Compulsory acquisition and cancellation of listing of RL Shares on TISE**

Your attention is drawn to paragraph 14 of the letter from RHL set out in Part II of this document in relation to RHL's intentions with regard to the cancellation of listing of RL Shares on TISE following the Offer becoming or being declared wholly unconditional in all respects.

**The cancellation of listing on TISE of the RL Shares may reduce the liquidity and marketability of any RL Shares not assented to the Offer and their value may be affected in consequence.**

#### **12. Action to be taken**

Your attention is drawn to the letter from RHL set out in Part II of this document, the Appendices to this document and the accompanying Form of Acceptance. RL Shareholders should read the whole of this document and not just rely on the information contained in this letter. In particular, your attention is drawn to the procedure for accepting the Offer set out in paragraph 11 of the letter from RHL in Part II of this document.

**To accept the Offer the accompanying Form of Acceptance should be completed and signed and then returned in accordance with the instructions printed thereon. Forms of Acceptance should be returned by post or by hand (during normal business hours only), together with any share certificate(s) and/or document(s) of title, to Ravenscroft Holdings Limited, PO Box 222, Level 5, The Market Buildings, Fountain Street, St. Peter Port, Guernsey, GY1 4JG, marked for the attention of Jade Cook, as soon as possible and in any event so as to be received no later than 1.00 p.m. on 16 April 2018. Forms of Acceptance may also be returned by email to cosec@ravenscroftgroup.com, as soon as possible and in any event so as to be received no later than 1.00 p.m. on 16 April 2018.**

If you are in any doubt as to the action you should take, you should consult an independent financial adviser licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 if you are in Guernsey, or authorised under FSMA if you are in the UK or, if you are outside the UK, an appropriately authorised independent financial tax and/or legal adviser without delay.

If you are in any doubt as to the procedures for acceptance, please contact Jade Cook of RHL on telephone number 01481 732 750 (or +44 1481 732 750 from outside of the Channel Islands or the UK), by email to [cossec@ravenscroftgroup.com](mailto:cossec@ravenscroftgroup.com) or at the address set out above.

### **13. Further information**

Your attention is drawn to the letter from RHL set out in Part II of this document and the conditions and further terms of the Offer contained in Appendix 1 to this document and the information relating to RHL, RL and to the New RHL Shares contained in Appendices 2 to 5 to this document.

### **14. Views of the RL Directors and Recommendation**

The RL Directors consider that it would be in the best interests of RL and the Group for the Reorganisation to proceed and consider the terms of the Offer to be fair and reasonable and in the best interests of RL and the RL Shareholders.

Accordingly, the RL Directors unanimously recommend that RL Shareholders accept the Offer as they have irrevocably undertaken to do so in respect of their entire holdings of 5,945,055 RL Shares, representing approximately 44.77 per cent. of the existing issued share capital of RL.

Yours faithfully,

**Stephen Lansdown**  
*Chairman*

## PART II

### LETTER FROM RAVENSCROFT HOLDINGS LIMITED

*(Incorporated in Guernsey with registered number 61986)*

*Directors:*

Stephen Lansdown (Non-Executive Chairman)  
Dominic Jones (Non-Executive Director)  
Sally-Ann (Susie) Farnon (Non-Executive Director and Senior Independent Director)  
Jonathan Ravenscroft (Group Chief Executive Officer)  
Mark Bousfield (Group Managing Director)  
Brian O'Mahoney (Group Finance Director & Head of Corporate Finance)

*Registered Office:*

PO Box 222, Level 5  
The Market Buildings  
Fountain Street  
St Peter Port  
Guernsey  
GY1 4JG

23 March 2018

*To all RL Shareholders and, for information only, to RL Optionholders*

Dear RL Shareholder,

#### **Recommended all-share offer by Ravenscroft Holdings Limited for Ravenscroft Limited**

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

The RHL Board and the RL Board today announced the terms of a recommended all-share offer to be made by RHL to acquire the entire issued and to be issued ordinary share capital of RL.

This document and the accompanying Form of Acceptance contain the terms and conditions of the Offer. Appendix 2 to this document contains a summary of the rights attaching to the New RHL Shares to be issued in connection with the Offer. This letter also contains summary information on RHL and RL.

**Your attention is drawn to the letter from the RL Directors set out in Part I of this document, which explains why the RL Directors consider the terms of the Offer to be fair and reasonable and why the RL Directors are unanimously recommending all RL Shareholders to accept the Offer.**

##### **2. The Offer**

RHL hereby offers to acquire, on the terms and subject to the conditions set out or referred to in Appendix 1 to this document and in the accompanying Form of Acceptance, all of the RL Shares on the following basis:

**for every 1 RL Share                      1 New RHL Share**

and so in proportion for any other number of RL Shares held.

**Forms of Acceptance in relation to the Offer should be received as soon as possible but in any event not later than 1.00 p.m. on 16 April 2018.**

The Offer is conditional upon the Admission of the New RHL Shares to the Official List of TISE.

Details of the further terms and conditions of the Offer are set out below and in Appendix 1 to this document.

### **3. Further details of the Offer**

The RL Shares to be acquired by RHL pursuant to the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions (if any) declared, paid or made on or after 23 March 2018.

The New RHL Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the one founder RHL Share currently in issue, including the right to receive all dividends and other distributions declared, made or paid after the date that the Offer is declared unconditional in all respects and otherwise upon a return of capital. Appendix 2 to this document contains a summary of the rights attaching to the New RHL Shares.

Application will be made for admission of the New RHL Shares to listing on the Official List of TISE with effect from 18 April 2018, or such later date as TISE may determine.

### **4. Financial effects of acceptance of the Offer**

Immediately following the completion of the Acquisition and the issue of all of the New RHL Shares, the number and proportion of RHL shares held by each RL Shareholder will be identical to the number and proportion of RL Shares held by them immediately before the Acquisition.

RHL has no assets or liabilities and will be a non-trading holding company owning the entire issued share capital of RL. Accordingly, acceptance of the Offer by RL Shareholders will have no financial effect on the capital value of their shareholding.

### **5. Irrevocable undertakings**

RHL has received irrevocable undertakings from the nominee of the RL Directors to accept, or procure the acceptance of, the Offer in respect of the beneficial interests in RL Shares of the RL Directors amounting, in aggregate, to 5,945,055 RL Shares, representing approximately 44.77 per cent. of the entire existing issued ordinary share capital of RL.

Further details of the irrevocable undertakings are set out in paragraph **IRREVOCABLE UNDERTAKINGS** of Appendix 3 to this document.

### **6. Information on RHL**

RHL is a non-cellular company, incorporated in Guernsey on 4 May 2016 in accordance with the Companies (Guernsey) Law, 2008.

As at the date of this document, RHL has one share in issue (the "**Founder Share**"), which is held by Huntress (CI) Nominees Limited and in respect of which the share capital remains unpaid. Huntress (CI) Nominees Limited is a RL Shareholder and the number of RHL Shares which it will receive pursuant to the Offer will be one share less than the number of RL Shares that it holds prior to the Acquisition (and the Founder Share will be credited as fully paid) so as to ensure that the number and proportion of RHL Shares held by Huntress (CI) Nominees Limited immediately following the Acquisition is equal to the number and proportion of RL Shares held by it prior to the Acquisition.

RHL has not traded and, at the date of this document, has no assets or liabilities. It is not intended that RHL will incur any liabilities prior to the completion of the Acquisition.

## **7. Directors, management and employees**

The RHL Board comprises Mark Bousfield, Brian O'Mahoney, Stephen Lansdown, Sally-Ann (Susie) Farnon, Dominic Jones and Jonathan Ravenscroft. It is not intended that any changes will be made to the RHL Board as a result of the Offer.

Following the Reorganisation, it is intended that the RL Board will comprise Mark Bousfield, Andrew Courtney, Brian O'Mahoney and Haydn Taylor. Each of Stephen Lansdown, Sally-Ann (Susie) Farnon, Dominic Jones and Jonathan Ravenscroft will resign as directors of RL with effect from the date of Admission. Haydn Taylor will be appointed to the RL Board as Head of the Jersey Division.

The RHL Board does not expect there to be any changes to the existing employment rights of any employees of the RL Group as a result of the Offer becoming or being declared unconditional in all respects.

The RHL Board has given assurances to the RL Directors that, following the Offer becoming or being declared unconditional in all respects, the existing employment rights of all employees of the RL Group will be fully safeguarded.

## **8. RL Share Option Plan**

The Offer constitutes a "Relevant Event" for the purposes of the RL Share Option Plan and each RL Optionholder has, prior to the date of this document, agreed with RHL that the RL Options held by them shall be released upon the Offer being declared unconditional in all respects in exchange for the grant of a replacement option to be granted by RHL on the same terms and in respect of an equal number of RHL Shares.

## **9. Guernsey, Jersey and United Kingdom taxation**

General summaries of the Guernsey, Jersey and United Kingdom tax consequences of the Offer are included in Appendix 3. The summaries do not constitute tax advice and any RL Shareholder who is in any doubt as to their tax position or as to the tax consequences of the Offer should consult their own professional adviser.

## **10. Overseas Shareholders**

The attention of Overseas Shareholders and any persons (including, without limitation, any custodian, nominee or trustee) who would, or otherwise intend to, or who may have a contractual or legal obligation to, forward this document and the accompanying documents to any person outside of the United Kingdom is drawn to paragraph 3 of Part B, and paragraph (c) of Part C of Appendix 1 to this document and to the relevant provisions of the Form of Acceptance.

Unless otherwise determined by RHL and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into, or by the use of the mails or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction (including the United States, Canada, Australia or Japan) and the Offer is not capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this document and any related document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction and persons

receiving this document and any related document (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. The availability of the Offer to persons who are not resident in Guernsey, Jersey or the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in Guernsey, Jersey or the United Kingdom should inform themselves about and observe any applicable requirements. If you are in any doubt about your position, you should consult your legal adviser in the relevant territory without delay. Accordingly, any accepting RL Shareholder who is unable to give the warranties set out in paragraph (c) of Part C of Appendix 1 to this document may be deemed not to have validly accepted the Offer.

The New RHL Shares to be issued in connection with the Offer have not been, nor will they be, registered under the Securities Act or under the securities laws of any state of the United States; the relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the New RHL Shares have not been, nor will they be, registered under or offered in compliance with applicable securities laws of any state, province, territory or jurisdiction of Canada, Australia or Japan. Accordingly, the New RHL Shares are not being and may not be (unless an exemption under relevant securities laws is applicable) offered, sold, resold or delivered, directly or indirectly, in or into or from the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration thereof in, such jurisdiction or to, or for the account or benefit of, any United States, Canadian, Australian or Japanese person.

#### **11. Procedures for acceptance of the Offer**

The following paragraphs should be read together with the instructions and notes on the accompanying Form of Acceptance and with Part C of Appendix 1 to this document, all of which form part of the terms of the Offer.

Holders of RL Shares may only accept the Offer by completing and returning the accompanying Form of Acceptance in accordance with the procedure set out in paragraph 11(a) below.

RHL will make an appropriate announcement if any of the details covered in paragraphs 11(a) below alter for any reason.

##### **(a) Offer acceptance**

###### *(i) To accept the Offer*

To accept the Offer, you must complete the Form of Acceptance. You must also sign the Form of Acceptance in accordance with section E of the Form of Acceptance. If you do not insert a number of shares into the Form of Acceptance or insert a number greater than your registered holding of RL Shares, a valid acceptance will be deemed to have been made in respect of all of the RL Shares held by you.

###### *(ii) Return of the Form of Acceptance*

To accept the Offer, the completed and signed Form of Acceptance, together with your share certificate(s) and/or other document(s) of title, should be returned by post or by hand (during normal business hours only) to Ravenscroft Holdings Limited, PO Box 222, Level 5, The Market Buildings, Fountain Street, St. Peter Port, Guernsey, GY1 4JG, marked for the attention of Jade Cook, in each case as soon as possible and in any

event so as to be received not later than 1.00 p.m. on 16 April 2018. Forms of Acceptance may also be returned by email to cosec@ravenscroftgroup.com, as soon as possible and in any event so as to be received no later than 1.00 p.m. on 16 April 2018. No acknowledgement of receipt of documents will be given by or on behalf of RHL.

Any Form of Acceptance received in an envelope post-marked in a Restricted Jurisdiction or otherwise appearing to RHL or its agents to have been sent from a Restricted Jurisdiction may be rejected as an invalid acceptance of the Offer. For further information on Overseas Shareholders please see paragraph 10 of this Part II above.

*(iii) Loss or non-availability of RL share certificates*

A completed and signed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should nevertheless be completed and signed and returned as stated above so as to arrive by not later than 1.00 p.m. on 16 April 2018. You should send with your Form of Acceptance any share certificate(s) and/or other documents(s) of title that you have available, accompanied by a letter stating that the remaining documents will follow or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the certificates(s) and/or other document(s) of title to be forwarded as soon as possible thereafter. No acknowledgement of receipt of document(s) will be given by or on behalf of RHL.

If you have lost your share certificate(s) and/or other document(s) of title, you should complete the indemnity for lost share certificate(s) and/or other document(s) of title attached to the Form of Acceptance which, when completed in accordance with the instructions given, should be returned to Ravenscroft Holdings Limited, PO Box 222, Level 5, The Market Buildings, Fountain Street, St. Peter Port, Guernsey, GY1 4JG, marked for the attention of Jade Cook, so as to arrive by not later than 1.00 p.m. on 16 April 2018.

*(iv) Validity of acceptances*

Without prejudice to Parts B and C of Appendix 1 to this document, RHL reserves the right to treat as valid any acceptance of the Offer which is not entirely in order or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other document(s) of title. In that event, no issue of New RHL Shares under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to RHL have been received.

*(v) Overseas Shareholders*

The attention of RL Shareholders who are citizens or residents of jurisdictions outside of the United Kingdom is drawn to paragraph 3 of Part B and to paragraph (c) of Part C of Appendix 1 to this document and to the relevant provisions of the Form of Acceptance.

The Offer is not being made, directly or indirectly, in or into or from a Restricted Jurisdiction. Any acceptance of the Offer by acceptors who are unable to give the



warranty set out in paragraph (c) of Part C of Appendix 1 to this document is liable to be disregarded.

**If you are in any doubt as to the procedures for acceptance, please contact Jade Cook of RHL on telephone number 01481 732 750 (or +44 1481 732 750 from outside of the Channel Islands or the UK), by email to cosec@ravenscroftgroup.com or at the address set out above.**

## **12. Settlement**

Subject to the Offer becoming or being declared unconditional in all respects, settlement of the consideration to which any RL Shareholder is entitled under the Offer (except as provided in paragraph 3 of Part B of Appendix 1 to this document in the case of an Overseas Shareholder) will be effected (i) in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared unconditional in all respects, within 14 days of such date; or (ii) in the case of acceptances received, complete in all respects, after the date on which the Offer becomes or is declared unconditional in all respects but while it remains open for acceptance, within 14 days of such receipt, in the following manner:

### **(a) *Certificated form of the New RHL Shares***

The New RHL Shares to which an accepting RL Shareholder is entitled will be issued in certificated form.

### **(b) *General***

If the Offer does not become or is not declared unconditional in all respects: the relevant completed Forms of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post within 14 days of the Offer lapsing or being withdrawn to the first-named holder at his or her registered address (outside a Restricted Jurisdiction).

All communications, notices, certificates, documents of title and remittances sent by, to or from RL Shareholders or their appointed agents will be delivered by, or sent to or from, them, or their appointed agents, at their own risk.

## **13. Admission and dealings in the New RHL Shares**

Application will be made to TISE for the New RHL Shares to be admitted to listing on the Official List of TISE. It is expected that dealings for normal settlement in the New RHL Shares will commence on the first business day following the day on which the Offer becomes or is declared unconditional in all respects (save only for the Admission of such shares becoming effective).

## **14. Compulsory acquisition and cancellation of listing of RL Shares on TISE**

If the Offer is accepted by the holders of at least 90% of the RL Shares, the Offer will become effective and the Acquisition will be completed in respect of those RL Shares in respect of which the Offer was accepted, subject only to Admission. Following completion of the Acquisition in respect of those RL Shares in respect of which the Offer was accepted, RHL will be entitled, in accordance with the Companies (Guernsey) Law, 2008, to acquire the remainder of the RL Shares on the terms as the Offer. This acquisition of the remainder of the RL Shares is likely to occur after Admission.

Assuming that the Offer becomes or is declared unconditional in all respects, RHL intends to procure the making of an application by RL to TISE for the cancellation of the listing of the RL Shares on the Official List of TISE. It is anticipated that such cancellation of listing and trading will take effect no

earlier than 20 business days after the Offer becomes or is declared unconditional in all respects.

This document comprises a circular to RL Shareholders for the purposes of Rule 3.5.7 of the Listing Rules and RL intends to propose, and following RHL becoming the holder of at least 90% of the RL Shares, RHL intends to approve, a resolution of RL Shareholders approving the cancellation of the listing of the RL Shares on the Official List of TISE.

The cancellation of listing of the RL Shares may reduce the liquidity and marketability of any RL Shares not assented to the Offer and their value may be affected in consequence.

**15. Further information**

Your attention is drawn to the information contained in the Appendices, which form part of this document, and in the accompanying Form of Acceptance, each of which contain significant further information about RHL and RL.

**16. Action to be taken**

**To accept the Offer the accompanying Form of Acceptance should be completed and signed and then returned in accordance with the instructions printed thereon. Forms of Acceptance should be returned by post or by hand (during normal business hours only), together with any share certificate(s) and/or document(s) of title, Ravenscroft Holdings Limited, PO Box 222, Level 5, The Market Buildings, Fountain Street, St. Peter Port, Guernsey, GY1 4JG, marked for the attention of Jade Cook, as soon as possible and in any event so as to be received no later than 1.00 p.m. on 16 April 2018. Forms of Acceptance may also be returned by email to [cosec@ravenscroftgroup.com](mailto:cosec@ravenscroftgroup.com), as soon as possible and in any event so as to be received no later than 1.00 p.m. on 16 April 2018.**

Yours faithfully

**Stephen Lansdown**

*Chairman*

**APPENDIX 1**  
**CONDITIONS AND FURTHER TERMS OF THE OFFER**

**PART A: CONDITIONS OF THE OFFER**

The Offer is subject to the following conditions, to the applicable rules and regulations of TISE and the Code and is governed by the law of the Island of Guernsey and subject to the jurisdiction of the courts of the Island of Guernsey:

- (a) valid acceptances of the Offer being received by not later than 1.00 p.m. on 16 April 2018 or such later time(s) and/or date(s) as RHL may decide in respect of not less than 90 per cent. in value of the RL Shares affected by the Offer.
- (b) the admission to listing on the Official List of TISE of the New RHL Shares to be issued in connection with the Offer becoming effective in accordance with the Listing Rules or (ii) if RHL and RL so determine (and subject to the consent of the Panel), TISE having acknowledged to RHL or its agent (and such acknowledgement not having been withdrawn) that the New RHL Shares will be admitted to listing on the Official List of TISE;
- (c) no central bank, government or governmental, quasi-governmental, supranational, statutory, administrative or regulatory body, or any court, institution, investigative body, association, trade agency or professional or environmental body or any other similar person or body in any jurisdiction (each, a “Relevant Authority”) having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or enacted, made or proposed any statute, regulation, decision or order or having taken any other step or done anything and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to (in each case) be material in the context of the Group to:
  - (i) restrict or restrain, prohibit, delay, impose additional adverse conditions or obligations with respect to, or otherwise interfere with the implementation of, the Offer or the acquisition of any RL Shares by RHL;
  - (ii) result in a delay in the ability of RHL, or render RHL unable, to acquire some or all of the RL Shares;
  - (iii) require, prevent or delay the divestiture (or alter the terms envisaged for such divestiture) by any member of the Group of all or any portion of its businesses, assets or properties or impose any limitation on the ability of any of them to conduct their businesses or own their respective assets or properties or any part thereof;
  - (iv) impose any limitation on, or result in a delay in, the ability of any member of the Group to acquire or hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities of any member of the Group or on the ability of any member of the Group to hold or exercise effectively, directly or indirectly, all or any rights of ownership of shares or other securities or to exercise management control over any other member of the Group;
  - (v) require any member of the Group to offer to acquire any shares or other securities or rights thereover in any member of the Group owned by any third party;
  - (vi) make the Offer or its implementation or the proposed acquisition by RHL of any shares or other securities in RL or the acquisition or control of RL or any member of the

Group, illegal, void or unenforceable in or under the laws of any relevant jurisdiction or directly or indirectly restrict or delay, prohibit or otherwise interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge, the Offer or the acquisition of any shares in RL, or control of RL, by RHL;

- (vii) result in any member of the Group ceasing to be able to carry on business (to the extent conducted as at the date of this document) under any name under which it presently does so, the consequences of which would be material in the context of the Group taken as a whole;
- (viii) impose any limitation on the ability of any member of the Group to conduct or co-ordinate or integrate its business, or any part of it, with the business of any other member of the Group; or
- (ix) otherwise adversely affect the business, assets, prospects or profits of any member of the Group,

and all applicable waiting and other time periods during which any such Relevant Authority could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or otherwise intervene under the laws of the relevant jurisdiction in respect of the Offer or the acquisition of RL by RHL having expired, lapsed or been terminated;

- (d) all authorisations, orders, grants, recognitions, consents, confirmations, clearances, licences, permissions and approvals required by law in any relevant jurisdiction for or in respect of the Offer and the proposed acquisition of any shares or securities, directly or indirectly, in, or control of, RL or any member of the Group by RHL having been obtained in terms and/or form reasonably satisfactory to RHL from all appropriate Relevant Authorities and such authorisations together with all authorisations material and necessary for any member of the Group to carry on its business remaining in full force and effect (“authorisations”) and there being no notice of any intention to revoke, suspend, materially modify or not to renew the same and all necessary filings having been made, all appropriate waiting and other time periods (including extensions thereto) under any applicable legislation and regulations in any relevant jurisdiction having expired, lapsed or been terminated and all necessary statutory or regulatory obligations in any jurisdiction in respect of the Offer or the proposed acquisition of RL by RHL or of any RL Shares having been complied with, in each case where the absence of such authorisations would have a material adverse effect on the Group;

RHL reserves the right to waive all or any of conditions (c) to (d) (inclusive) above, in whole or in part. Conditions (c) to (d) (inclusive) must be fulfilled or waived by midnight on the 21st day after the later of 23 March 2018 and the date on which condition (a) is fulfilled. RHL shall be under no obligation to waive or treat as fulfilled any of conditions (c) to (d) (inclusive) by a date earlier than the latest date specified above for the fulfilment thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.

If the Offer lapses, it will cease to be capable of further acceptance and accepting RL Shareholders and RHL will cease to be bound by acceptances submitted on or before the time when the Offer lapses.

## PART B: FURTHER TERMS OF THE OFFER

The following further terms apply, unless the context requires otherwise, to the Offer. Except where the context requires otherwise, any reference in Part B and Part C of this Appendix 1 and in the Form of Acceptance to:

- (i) the “acceptance condition” means the condition set out in paragraph (a) of Part A of this Appendix 1;
- (ii) the “Offer” includes any revision, variation or renewal thereof or extension thereto and also where the context requires includes any election or alternative available in connection therewith;
- (iii) the Offer becoming “unconditional” means the acceptance condition becoming or being declared satisfied whether or not any other condition of the Offer remains to be fulfilled and references to “the Offer becoming unconditional as to acceptances” shall be construed accordingly;
- (iv) the “Offer Document” means this document and any other document containing the Offer;
- (v) “RL Shareholders” means holders of RL Shares and includes references to the person or persons executing a Form of Acceptance. References to the masculine gender shall include the feminine;
- (vi) “acceptances of the Offer” includes deemed acceptances of the Offer;
- (vii) “send”, “sent” or “sending” or similar expression in relation to any document, announcement or other information shall include distribution in hard copy form or electronic form or publication on a website in such manner as shall be approved by the RHL Directors;
- (viii) “Day 21 of the Offer” means 16 April 2018; and
- (ix) “Day 42 of the Offer” means 7 May 2018.

### 1. Acceptance period

- (a) The Offer will initially be open for acceptance until 1.00 p.m. on Day 21 of the Offer. RHL may at its discretion elect to extend the period for acceptance of the Offer to such later time(s) and/or date(s) as RHL may decide.
- (b) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer has become unconditional and it is stated that the Offer will remain open until further notice or if the Offer will remain open for acceptance beyond the 70th day following the sending of this document, then not less than 14 days’ notice will be given prior to the closing of the Offer in writing to those RL Shareholders who have not accepted the Offer.
- (c) Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced not later than, 8.00 a.m. on the relevant day and the announcement will state the next expiry date (unless the Offer is unconditional in which case a statement may be made that the Offer will remain open until further notice). In computing the number of RL Shares represented by acceptances and/or purchases there may, at the discretion of RHL, be included or excluded for announcement

purposes acceptances and purchases which are not complete in all respects or are subject to verification.

- (d) References in this Part B to the making of an announcement by or on behalf of RHL include the release of an announcement by public relations consultants, and the delivery by hand or telephone, telex, facsimile, email, the internet or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service.

## 2. General

- (a) The Offer will lapse unless all of the conditions to the Offer as set out in Part A of this Appendix 1 have been fulfilled by or (if capable of waiver) waived by or (where appropriate) have been determined by RHL to be or remain satisfied as at midnight on Day 42 of the Offer or within 21 days after the date on which the Offer becomes unconditional (whichever is the later) or such later date as RHL may decide provided that RHL shall be under no obligation to waive or treat as satisfied any condition by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any such conditions may not be capable of fulfillment.
- (b) No acknowledgement of receipt of any Form of Acceptance, share certificates or other documents will be given. All communications, notices, certificates, documents of title, other documents and remittances to be delivered by or to or sent to or from RL Shareholders (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such RL Shareholders (or their designated agent(s)) at their risk.
- (c) The expression "Offer Period" when used in this document means the period commencing on 23 March 2018 and ending on 16 April 2018 or whichever of the following dates shall be the latest:
  - (i) the date on which the Offer (and any other announced offers in relation to RL) is withdrawn or lapses; and
  - (ii) the date on which the Offer becomes unconditional.
- (d) All references in this document and in the Form of Acceptance to Day 21 of the Offer, shall (except in the definition of "Offer Period" above and where the context otherwise requires), if the expiry date of the Offer shall be extended, be deemed to refer to the expiry date of the Offer as so extended.
- (e) Settlement of the consideration to which any RL Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which RHL may otherwise be, or claim to be, entitled as against such RL Shareholder, and the consideration due to a RL Shareholder who validly accepts the Offer will (subject to paragraph 3 of this Part B below) be made in full not later than 14 days after the later of: (i) the date on which the Offer becomes or is declared unconditional in all respects and (ii) the date of receipt of a valid and complete Form of Acceptance. No consideration will be sent to an address in a Restricted Jurisdiction.
- (f) The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document shall, unless the context otherwise requires, have the same meanings

when used in the Form of Acceptance. The provisions of this Appendix 1 shall be deemed to be incorporated in the Form of Acceptance.

- (g) The Offer, this document, the Form of Acceptance and all acceptances thereof and all elections thereunder or pursuant thereto and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with the law of the Island of Guernsey. Execution by or on behalf of a RL Shareholder of a Form of Acceptance will constitute his irrevocable submission, in relation to all matters arising out of or in connection with the Offer, this document and the Form of Acceptance, to the jurisdiction of the Courts of the Island of Guernsey and his agreement that nothing shall limit the rights of RHL to bring any action, suit or proceeding arising out of or in connection with the Offer, this document and the Form of Acceptance in any other manner permitted by law or in any court of competent jurisdiction.
- (e) Any omission to send this document or the Form of Acceptance or any notice required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.
- (f) Without prejudice to any other provision of this Appendix 1, RHL reserves the right to treat acceptances of the Offer and/or elections pursuant thereto as valid if received by or on behalf of it at any place or places or in any manner determined by them otherwise than as stated herein or in the Form of Acceptance.
- (g) All mandates, instructions and other instruments in force relating to holdings of RL Shares will, unless and until amended or revoked, continue in force and be deemed to relate to payments and notices to or by RHL in respect of New RHL Shares issued.
- (h) All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Appendix 1 or in the Form of Acceptance are given by way of security for the performance of the obligations of the RL Shareholders concerned and are irrevocable.
- (i) The Offer extends to any RL Shareholders to whom this document, the Form of Acceptance and any related documents may not have been sent or by whom such documents may not be received and such RL Shareholders may request copies of those documents from Ravenscroft Holdings Limited, PO Box 222, Level 5, The Market Buildings, Fountain Street, St. Peter Port, Guernsey, GY1 4JG, marked for the attention of Jade Cook or by calling Jade Cook of RHL on telephone number 01481 732 750 (or +44 1481 732 750 from outside of the Channel Islands or the UK) or by emailing such request to cosec@ravenscroftgroup.com. RHL reserves the right to notify any matter, including the making of the Offer, to all or any RL Shareholders with a registered address outside of Guernsey, Jersey and the United Kingdom (or whom RHL knows to be nominees, trustees or custodians for such persons) by announcement in Guernsey, Jersey and the United Kingdom or paid advertisement in a daily newspaper published and circulated in Guernsey, Jersey and the United Kingdom, in which event such notice shall be deemed to have been sufficiently given notwithstanding any failure by a RL Shareholder to receive such notice and all references in this document to notice, or the provision of information in writing, by RHL and/or its agents and/or public relations consultants shall be construed accordingly.
- (j) The Offer is made at 11.59 p.m. on 23 March 2018 and is capable of acceptance from and after that time. Forms of Acceptance are available from that time on request from Ravenscroft Holdings Limited, PO Box 222, Level 5, The Market Buildings, Fountain Street, St. Peter Port, Guernsey, GY1 4JG, marked for the attention of Jade Cook or by calling Jade Cook of RHL on telephone number 01481 732 750 (or +44 1481 732 750 from outside of the Channel Islands or

the UK) or by emailing such request to cosec@ravenscroftgroup.com. The Offer is being made by means of this document.

- (k) If the Offer does not become unconditional in all respects:
- (l) Forms of Acceptance, share certificates and other documents of title will be returned by post within 14 days of the Offer lapsing to the first-named holder at his registered address outside a Restricted Jurisdiction. No such documents will be sent to an address in a Restricted Jurisdiction; and
- (m) If sufficient acceptances and voting rights in respect of RL Shares are received and/or are otherwise acquired, RHL intends to apply the provisions of Part XVIII of the Law to acquire compulsorily any outstanding RL Shares and to apply for cancellation of RL's admission to listing on the Official List of TISE.
- (n) All references in this Appendix 1 to any statute or statutory provision shall include any statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).

### **3. Overseas Shareholders**

- (a) The making of the Offer in, or to persons resident in, or citizens or nationals of, jurisdictions outside of Guernsey, Jersey and the United Kingdom or who are nominees of, or custodians, trustees or guardians for, citizens or nationals of such jurisdictions ("Overseas Shareholders") and the availability of the New RHL Shares to such persons may be prohibited or affected by the laws or regulatory requirements of the relevant overseas jurisdiction. No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him nor should he in any event use the Form of Acceptance, unless, in the relevant territory, such an offer or invitation could lawfully be made to him and such Form of Acceptance could lawfully be used without contravention of any registration or other legal or regulatory requirements. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any Overseas Shareholder will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction by whomsoever payable and RHL, and any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes or other requisite payments as RHL, and any person acting on its behalf may be required to pay.

**If you are an Overseas Shareholder and you are in doubt about your position, you should consult your legal adviser in the relevant jurisdiction.**

- (b) Unless otherwise determined by RHL and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into, or by the use of the mails or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction (including the United States, Canada, Australia or Japan) and the Offer is not capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance and any



related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Persons wishing to accept the Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly related to acceptance of the Offer. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer must not be postmarked in a Restricted Jurisdiction or otherwise dispatched from a Restricted Jurisdiction and all accepting RL Shareholders must provide addresses outside a Restricted Jurisdiction for the return of Forms of Acceptance, share certificate(s) and/or other document(s) of title.

- (c) The New RHL Shares to be issued in connection with the Offer have not been, nor will they be, registered under the Securities Act or under the securities laws of any state of the United States; the relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the New RHL Shares have not been, nor will they be, registered under or offered in compliance with applicable securities laws of any state, province, territory or jurisdiction of Canada, Australia or Japan. Accordingly, the New RHL Shares are not being and may not be (unless an exemption under relevant securities laws is applicable) offered, sold, resold or delivered, directly or indirectly, in or into or from the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration thereof in, such jurisdiction or to, or for the account or benefit of, any United States, Canadian, Australian or Japanese person.
- (d) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any persons (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any other documents relating to the Offer in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such person should:
  - (i) inform the recipient of such fact;
  - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - (iii) draw the attention of the recipient to this paragraph 3 of this Part B.
- (e) A RL Shareholder will be deemed not to have validly accepted the Offer if:
  - (i) he amends the Form of Acceptance and thereby does not give the representation and warranty set out in paragraph (c) of Part C of this Appendix 1;
  - (ii) he completes the Form of Acceptance with an address in a Restricted Jurisdiction or has a registered address in a Restricted Jurisdiction;
  - (iii) he inserts in the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the certificate in relation to the New RHL Shares to which he is entitled under or in consequence of the Offer to be sent; or

- (iv) any Form of Acceptance received from him is received in an envelope postmarked in, or which otherwise appears to RHL or its agents to have been sent from a Restricted Jurisdiction.

RHL reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representation and warranty set out in paragraph (c) of Part C of this Appendix 1 could have been truthfully given by the relevant RL Shareholder and, if such investigation is made and, as a result, RHL cannot satisfy itself that such representation and warranty was true and correct, such acceptance shall not be valid.

- (e) The provisions of this paragraph 3 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific RL Shareholder(s) or on a general basis by RHL in its absolute discretion. In particular, without limitation, RHL reserves the right: (i) to permit the Offer to be accepted by, and, or to issue or deliver any share certificate(s) and/or document(s) of title to an Overseas Shareholder in circumstances in which RHL is satisfied that acceptance by such RL Shareholder and the issue or delivery of any documents of title to such RL Shareholder will not constitute a breach of any securities or other relevant legislation or impose obligations on RHL not contemplated by the Offer (and in any such case, RHL may impose reasonable additional requirements and restrictions on such acceptance and the share certificates and/or documents of title issued and/or crediting appropriate stock accounts); or (ii) to arrange for the sale of New RHL Shares to which Overseas Shareholders may otherwise be entitled pursuant to the Offer or Part VXIII of the Law and to remit the cash proceeds of such sale, net of expenses, to such Overseas Shareholders instead. RHL shall have no obligations whatsoever in relation to the timing of such sales or the price obtained and such sales may be made individually or together with other shares to which such provisions apply. In such circumstances, any signed Form of Acceptance received pursuant to the Offer shall constitute the irrevocable appointment of RHL or any director of RHL as the relevant RL Shareholder's agent to effect such sale as his agent, with full power (including powers of delegation) to do all such things as may be necessary or desirable for or ancillary to such purpose. Subject thereto, the provisions of this paragraph 3 supersede any terms of the Offer inconsistent herewith.
- (f) Neither RHL nor any agent or director of RHL nor its advisers or any person acting on behalf of any of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out in this paragraph 3 or otherwise in connection therewith.

## PART C: FORM OF ACCEPTANCE

Without prejudice to the terms of the Form of Acceptance and the provisions of Parts A and B of this Appendix 1, each RL Shareholder by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with RHL and its agents (so as to bind him, his personal representatives and his heirs, successors and assigns) that:

- (a) whether or not the Form of Acceptance is fully completed, the execution of a Form of Acceptance shall constitute:
  - (i) an acceptance of the Offer in respect of the number of RL Shares inserted or deemed to be inserted in the Form of Acceptance; and
  - (ii) an undertaking to execute any further documents, take further action and give any further assurances which may be required in connection with his acceptance of the Offer,

in each case on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that each such acceptance shall be irrevocable provided that: (i) if no number is inserted; or (ii) if the total number of RL Shares inserted is greater than the relevant RL Shareholder's registered holding of RL Shares; or (iii) if the Form of Acceptance is otherwise completed incorrectly but the Form of Acceptance is signed, it will be deemed to be an acceptance of the terms of the Offer in respect of all of the RL Shares comprised in the Form of Acceptance;

- (b) RL Shares in respect of which the Offer is accepted or deemed to be accepted are sold fully paid and with full title guarantee and free from all liens, charges, encumbrances, equities, rights of pre-emption and any other third party rights of whatsoever nature and together with all rights attaching thereto from 23 March 2018, including the right to receive all dividends or other distributions declared (if any), paid or made after 23 March 2018;
- (c) such RL Shareholder:
  - (i) (if such RL Shareholder is a citizen, resident or national of a jurisdiction outside of Guernsey, Jersey and the United Kingdom) has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in RHL or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof; or
  - (ii) (A) is not a person located or resident in a Restricted Jurisdiction, does not hold any RL Shares in respect of which he has accepted the Offer on behalf of any resident of a Restricted Jurisdiction and is not acting on behalf of a resident of a Restricted Jurisdiction and that he will not, directly or indirectly, hold or acquire New RHL Shares for the account or benefit of any resident of a Restricted Jurisdiction or with a view to the offer, sale or delivery, directly or indirectly, of any New RHL Shares in or into a Restricted Jurisdiction or to a resident of a Restricted Jurisdiction; and
  - (B) has not received or sent copies or originals of this document, the Form of

Acceptance or any related offering documents in, into or from a Restricted Jurisdiction and has not utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, email, facsimile, telex, telephone, the internet or other electronic transmission) of interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted Jurisdiction; the Form of Acceptance has not been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such RL Shareholder is accepting the Offer from outside a Restricted Jurisdiction;

- (d) the execution of the Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting RL Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of each of RHL and/or any of its respective directors or agents as such RL Shareholder's attorney and/or agent, and an irrevocable instruction to the attorney and/or agent, to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney and/or agent in relation to the RL Shares referred to in paragraph (a)(i) above in favour of RHL or such other person or persons as RHL may direct and to deliver such form(s) of transfer and/or other document(s) at the discretion of the attorney and/or agent, together with the share certificate(s) and/or other document(s) relating to such RL Shares, for registration within six months of the Offer becoming unconditional in all respects and to execute all such documents and to do all such other acts and things as may in the opinion of such attorney and/or agent be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer pursuant to the Form of Acceptance and to vest such RL Shares in RHL or its nominee(s) or as it may direct;
- (e) the execution and delivery of the Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting RL Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:
  - (i) to RL or its agents, to procure the registration of the transfer of the RL Shares referred to in paragraph (a)(i) above pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to RHL or as it may direct;
  - (ii) to RHL or its agents, to procure that such RL Shareholder's name is entered on the register of members of RHL in respect of the New RHL Shares (if any) to which such RL Shareholder becomes entitled under the Offer (subject to the memorandum and articles of incorporation of RHL);
  - (iii) to RHL or its agents, to record and act, in respect of any New RHL Shares to be received by such RL Shareholder, upon any instructions with regard to payments or notices which have been recorded in the records of RL in respect of such RL Shareholder's holding(s) of RL Shares as if such mandates had been given in respect of his holdings of (where applicable) RHL Shares;
- (f) the execution of the Form of Acceptance constitutes a separate authority to any director of RHL or its agents and the irrevocable appointment of any such director and/or agent as such shareholder's attorney and/or agent;
- (g) after the Offer becomes or is declared unconditional in all respects (or if the Offer would become or be declared unconditional in all respects or lapse immediately upon the outcome of

the resolution in question or if the Panel otherwise gives its consent) and pending registration:

- (i) RHL shall be entitled to direct the exercise of any votes attaching to any RL Shares in respect of which the Offer has been accepted or is deemed to have been accepted (and in respect of which such acceptance has not been validly withdrawn) and any other rights and privileges attaching to such RL Shares, including the right to requisition a general meeting or separate class meeting of RL, such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and
- (ii) the execution of the Form of Acceptance by a RL Shareholder constitutes, with regard to the RL Shares comprised in such acceptance:
  - (A) an authority to RL and/or its agents from such RL Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of RL to RHL at its registered office;
  - (B) the irrevocable appointment of RHL or any of its directors or agents to sign such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such RL Shares (including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting on his behalf and/or to execute a form of proxy in respect of such RL Shares appointing any person nominated by RHL to attend general or separate class meetings of RL or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such RL Shares on his behalf), such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and
  - (C) the agreement of such RL Shareholder not to exercise any of such rights without the consent of RHL and the irrevocable undertaking of such RL Shareholder not to appoint a proxy or representative for or to attend any such meetings;
- (h) he will deliver, or procure the delivery of, to Ravenscroft Holdings Limited, PO Box 222, Level 5, The Market Buildings, Fountain Street, St. Peter Port, Guernsey, GY1 4JG, marked for the attention of Jade Cook, his share certificate(s) and/or other document(s) of title in respect of the RL Shares referred to in sub-paragraph (a)(i) above, and in respect of which he has not validly withdrawn his acceptance or an indemnity acceptable to RHL in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;
- (i) the terms and conditions of the Offer shall be deemed to be incorporated into and form part of the Form of Acceptance, which shall be read and construed accordingly;
- (j) if he accepts the Offer and provided that his acceptance has not been validly withdrawn, he shall do all such acts and things as shall be necessary or expedient to vest in RHL or its nominees or such other persons as it may decide the RL Shares as aforesaid;
- (k) he agrees to ratify each and every act or thing which may be done or effected by RHL or by any of its directors or agents or RL or its agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities conferred by or referred to in Part B or in this Part C of this Appendix 1 and to indemnify each such person against any losses arising therefrom;

- (l) the execution of the Form of Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the courts of the Island of Guernsey and his agreement that nothing shall limit the right of RHL to bring any action, suit or proceeding arising out of or in connection with the Offer or in any other manner permitted by law or in any court of competent jurisdiction; and
- (m) if any provision of Part B or of this Part C of Appendix 1 shall be unenforceable or invalid or shall not operate so as to afford RHL and/or any of its directors or agents the full benefit of the authorities and powers of attorney expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents as may be required or desirable to enable RHL and/or any of its directors or agents to secure the full benefit of such authorities and powers of attorney.

On execution, the Form of Acceptance shall be legally binding.

References in this Part C to a RL Shareholder shall include references to the person or persons executing a Form of Acceptance, and, in the event of more than one person executing a Form of Acceptance, the provisions of this Part C shall apply to them jointly and to each of them. References to the masculine gender shall include the feminine.

## **APPENDIX 2 THE NEW RHL SHARES**

The share capital of RHL comprises entirely of ordinary shares of no par value. The rights attaching to the New RHL Shares will rank *pari passu* in all respects with the existing RHL Shares.

The RHL Articles have been based on the RL Articles, although certain changes have been made in order to reflect certain changes in law. Accordingly the rights attaching to the RHL Shares are, in all material respects, the same as the rights attaching to the RL Shares.

The principal differences between the RHL Articles and the RL Articles are set out below:

1. The objects of the Company set out in the RHL memorandum of incorporation are unrestricted, in contrast to the RL memorandum of incorporation which specifies RL's objects; and
2. The RHL Articles grant authority for an unlimited duration to the RHL Directors to issue an unlimited number of ordinary shares of such classes (and denominated in such currencies) as they may determine. The RL Articles impose an authorised share capital of RL of £150,000 divided into 15,000,000 ordinary shares of £0.01 each. The RL Articles authorise the RL Directors to issue shares within the authorised share capital of RL for a period of five years from the date of the adoption of the RL Articles, as such authority may be further extended by the RL Shareholders from time to time.

## **APPENDIX 3 ADDITIONAL INFORMATION**

### **1. RESPONSIBILITY**

- 1.1. The RHL Directors whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document other than that relating to the RL Group, the RL Directors, their immediate families, related trusts and connected persons. To the best of the knowledge and belief of the RHL Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2. The RL Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this document relating to the RL Group and the RL Directors, including the recommendation and opinions of the RL Directors relating to the Offer contained in the letter from the RL Directors set out in Part I of this document. To the best of the knowledge and belief of the RL Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **2. DIRECTORS**

- 2.1. The RHL Directors and their respective functions are as follows:

<i>Name</i>	<i>Function</i>
Stephen Lansdown	<i>Non-Executive Chairman</i>
Dominic Jones	<i>Non-Executive Director</i>
Sally-Ann (Susie) Farnon	<i>Non-Executive Director &amp; Senior Independent Director</i>
Jonathan Ravenscroft	<i>Group Chief Executive Officer</i>
Mark Bousfield	<i>Group Managing Director</i>
Brian O'Mahoney	<i>Group Finance Director &amp; Head of Corporate Finance</i>

RHL is a non-cellular company limited by shares and incorporated in Guernsey under the Companies (Guernsey) Law, 2008 with registered number 61986. The registered office of RHL is PO Box 222, Level 5, The Market Buildings, Fountain Street, St Peter Port, Guernsey, GY1 4JG.

- 2.2. The RL Directors and their respective functions are as follows:

<i>Name</i>	<i>Function</i>
Mark Bousfield	<i>Group Managing Director</i>
Andrew Courtney	<i>Group Chief Operating Officer &amp; Head of Risk</i>
Sally-Ann (Susie) Farnon	<i>Non-Executive Director and Senior Independent Director</i>
Dominic Jones	<i>Non-Executive Director</i>
Stephen Lansdown	<i>Non-executive Chairman</i>
Brian O'Mahoney	<i>Group Finance Director &amp; Head of Corporate Finance</i>
Jonathan Ravenscroft	<i>Group Chief Executive Officer</i>

RL is a non-cellular company limited by shares and incorporated in Guernsey under the Companies (Guernsey) Law, 2008 with registered number 42906. The registered office of RL is PO Box 222, Level 5, The Market Buildings, Fountain Street, St Peter Port, Guernsey, GY1 4JG.



### 3. IRREVOCABLE UNDERTAKINGS

- 3.1. Irrevocable undertakings to accept, or procure the acceptance of, the Offer have been received by RHL from the nominee of the following persons in respect of the following interests in RL Shares:

<i>Name</i>	<i>Number of RL Shares</i>	<i>Share of existing issued share capital of RL</i>
Andrew Courtney (via Huntress (CI) Nominees Limited)	57,500	0.45%
Susie Farnon (via Huntress (CI) Nominees Limited)	109,855	0.83%
Brian O 'Mahoney (via Huntress (CI) Nominees Limited)	122,200	0.92%
Jonathan Ravenscroft (via TEMK Investments Ltd)	1,455,000	10.96%
Mark Bousfield (via Huntress (CI) Nominees Limited)	425,500	3.19%
Dominic Jones (via Huntress (CI) Nominees Limited)	75,000	0.56%
Stephen Lansdown (via Huntress (CI) Nominees Limited)	3,700,000	27.86%
<b><u>Total</u></b>	<b>5,945,055</b>	<b><u>44.77%</u></b>

These irrevocable undertakings to accept the Offer remain binding, even if a higher competing offer is announced by a third party, unless the Offer lapses or is withdrawn.

### 4. SIGNIFICANT CHANGES

There has been no significant change in the financial or trading position of RL since 31 December 2016 (the date to which the latest published audited accounts of RL were prepared). RL's audited accounts for the year ended 31 December 2017 are expected to be published in April 2018.

Acquisitions in 2017 include the 50% purchase of D2 Real Estate in October 2017 and 100% of Guernsey Mint Refined Limited (now Ravenscroft Precious Metals Limited) in November 2017; these have not significantly changed financial position or trading position since 2016.

### 5. TAX

#### 5.1. Guernsey Taxation

**The following statements are intended only as a general guide to current Guernsey tax legislation and to the current practice of the Director of Income Tax, which is subject to change, possibly with retroactive effect. The following statements may not apply to certain RL Shareholders, such as dealers in securities, insurance companies, collective investment schemes and RL Shareholders who have acquired their shares in connection with an employment. They relate (except where stated otherwise) to persons who are resident in Guernsey for Guernsey tax purposes, who are beneficial owners of RL Shares or New RHL Shares and who hold their RL Shares or New RHL Shares as an investment.**

**Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of Guernsey, should consult his or her professional advisers immediately.**

#### 5.1.1. The Offer

There should be no Guernsey tax consequences for RL or RHL arising from the acquisition of RL Shares by RHL pursuant to the Offer.

There should be no Guernsey tax consequences for RL Shareholders arising from their disposal of RL Shares to RHL in exchange for the issue of New RHL Shares by RHL pursuant to the Offer.

#### 5.1.2. RHL

RHL is resident for tax purposes in Guernsey and is subject to the company standard rate of income tax in Guernsey, currently charged at the rate of 0%. RHL will be taxed at the company standard rate of income tax provided the income of RHL does not include income arising from:

- certain types of banking business;
- the provision of custody services when carried on by an institution or business that carries on certain types of banking business;
- trading activities regulated by the Office of the Director General of Utility Regulation;
- the importation and/or supply of gas or hydrocarbon oil in Guernsey;
- large retail business carried on in Guernsey where the company has taxable profits arising or accruing from which in any year of charge exceed £500,000;
- the ownership of land and buildings situate in Guernsey;
- the carrying on of regulated activities within the meaning of the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (the "**Fiduciaries Law**") by a licensed fiduciary within the meaning of the Fiduciaries Law;
- the provision to an unconnected third party of any administrative, secretarial or clerical services in relation to a controlled investment (within the meaning of the Protection of Investors (Bailiwick of Guernsey) Law, 1987);
- the provision of investment management services to persons other than collective investment schemes or entities associated with collective investment schemes;
- the carrying on of insurance business which is domestic business within the meaning of the Insurance Business (Bailiwick of Guernsey) Law, 2002, as amended (the "**Insurance Law**") by a licensed insurer within the meaning of the Insurance Law; or
- the carrying on of business as an insurance manager or as an insurance intermediary within the meaning of the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended (the "**Insurance Managers and Intermediaries Law**"), by a licensed insurance manager or

intermediary within the meaning of the Insurance Managers and Intermediaries Law.

It is not intended that the income of RHL will be derived from any of those sources. Guernsey currently does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover. No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of shares in RHL.

#### 5.1.3. **RHL's Subsidiaries**

Subsidiaries of RHL, including RL, RIML and A Vartan Limited are subject to different rates of tax in relation to certain items of income, profit or gains, depending on their jurisdiction of residence and any other jurisdiction in which they pay tax. For example, RL and RIML are subject to income tax in Guernsey at a rate of 10% on certain income arising from their investment management activities.

#### 5.1.4. **RL Shareholders**

The following summary applies to RL Shareholders who have acquired New RHL Shares pursuant to the Offer. A RL Shareholder who is resident in Guernsey (which includes Alderney and Herm) for Guernsey tax purposes, will incur Guernsey income tax at the applicable rate on distributions paid to that Guernsey resident RL Shareholder by RHL. RHL is responsible for the deduction of tax from distributions and the accounting of that tax to the Director of Income Tax in Guernsey in respect of distributions paid by RHL to such Guernsey resident RL Shareholder.

RHL's distributions can be paid to a RL Shareholder who is not resident in Guernsey (which includes Alderney and Herm) for tax purposes without deduction of Guernsey income tax, provided such distributions by RHL are not to be taken into account in computing the profits of any permanent establishment in Guernsey through which such RL Shareholder carries on business in Guernsey.

As already referred to above, Guernsey currently does not levy taxes upon capital, inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty is chargeable in Guernsey on the issue, transfer or redemption of shares in RHL.

#### 5.1.5. **Tax information reporting**

Guernsey has enacted legislation that implements both FATCA and the common reporting standard ("**CRS**"), that obliges certain entities that are classified as "foreign financial institutions" ("**FFIs**") for FATCA purposes and/or "financial institutions" ("**FIs**") for CRS purposes, to carry out diligence and reporting in relation to certain shareholders.

### 5.2. **Jersey Taxation**

#### 5.2.1. **The following is a general summary of certain Jersey tax issues only. Consequently, it is not a description of all the tax considerations that may be relevant to the Reorganisation. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as it applies to any land or building situate in**

**Jersey). The summary of certain Jersey tax issues is based on Jersey taxation law and practice as it is understood to apply as of the date of this document and may be subject to any changes in Jersey law and practice occurring after that date.**

**RL Shareholders should consult their professional advisers on the implications of the proposed Reorganisation under the laws of any jurisdiction in which they may be liable to taxation.**

- 5.2.2. RHL and its subsidiaries RL and RIML are regarded as resident for tax purposes in Guernsey and therefore will not be liable to Jersey income tax other than on Jersey source income (except where such income is exempted from income tax pursuant to the Income Tax (Jersey) Law 1961, as amended). Dividends on New RHL Shares may be paid by RHL without withholding or deduction for or on account of Jersey income tax and shareholders of RHL (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of New RHL Shares.
- 5.2.3. Any RL Shareholders who are resident for tax purposes in Jersey may incur income tax on any amounts paid to them in connection with the New RHL Shares issued to and subsequently held by them. Such shareholders should seek independent advice.
- 5.2.4. There is no stamp duty in Jersey on the creation, transfer, redemption or cancellation of shares in a company. Accordingly, neither the acquisition by RHL of an RL Shareholder's RL Shares nor the issue of New RHL Shares to a RL Shareholder will attract stamp duty in Jersey.
- 5.2.5. Stamp duties may, however, be payable in Jersey where a unit forms part of the Jersey estate of a deceased individual or the worldwide estate of a deceased Jersey resident individual. Such duties are payable on a sliding scale at a rate of up to 0.75% of such estate.
- 5.2.6. Jersey does not otherwise levy taxes upon wealth, inheritance, capital gains or gifts nor are there otherwise estate duties. Accordingly, even if RHL's acquisition of the RL Shares in exchange for the issue of New RHL Shares were to generate a capital profit for an RL Shareholder, such profit would not be subject to capital gains tax in Jersey.

### **5.3. United Kingdom Taxation**

- 5.3.1. **The following is a general summary of certain UK tax issues only. Consequently, it is not a description of all the tax considerations that may be relevant to the Reorganisation. It does not constitute legal or tax advice and does not address all aspects of UK tax law and practice. The summary of certain UK tax issues is based on UK taxation law and practice as it is understood to apply as of the date of this document and may be subject to any changes in UK law and practice occurring after that date.**
- 5.3.2. **RL Shareholders should consult their professional advisers on the implications of the proposed Reorganisation under the laws of any jurisdiction in which they may be liable to taxation.**
- 5.3.3. The Reorganisation should not result in capital gains tax being payable by UK resident shareholders on the basis that the reorganisation is a share for share exchange carried out for bona fide commercial reasons with no tax avoidance motive. New RHL Shares received by UK resident shareholders will be treated, for UK tax purposes, as having been purchased at the same date and for the same price as the RL Shares. Shareholders should seek independent tax advice.

- 5.3.4. Future disposals of RHL Shares by UK resident shareholders may result in gains chargeable to UK capital gains or corporation tax depending on the status of the shareholder. Shareholders should seek independent advice.
- 5.3.5. RHL is regarded as resident for tax purposes in Guernsey. Therefore, RHL will not be liable to UK income tax other than on UK source income (except where such income is exempted from UK tax pursuant to the UK tax law) and dividends on New RHL Shares may be paid by RHL without withholding or deduction of UK tax.
- 5.3.6. Shareholders resident for tax purposes in the UK may incur UK tax on distributions paid to them in connection with the New RHL Shares issued to and subsequently held by them. Such shareholders should seek independent advice.

## **6. MISCELLANEOUS**

- 6.1. Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between RHL or any person acting in concert with RHL for the purposes of the Offer and any of the directors, or recent directors, shareholders or recent shareholders of RL or any person interested or recently interested in RL Shares having any connection with or dependence upon or which is conditional on the outcome of, the Offer.
- 6.2. Save as disclosed in this document, no proposal exists in connection with the Offer for any payment or other benefit to be made or given by RHL or any person acting in concert with RHL for the purposes of the Offer to any RL Director as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- 6.3. There are no agreements or arrangements to which RHL is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition of the Offer.
- 6.4. There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the RL Shares acquired by RHL pursuant to the Offer will be transferred to any other person, save that RHL reserves the right to transfer any such shares to any of its subsidiaries.
- 6.5. The emoluments of the current RL Directors will not be affected by the Offer.
- 6.6. Save as disclosed in this document, there are no incentivisation arrangements proposed between members of RL's management who are interested in RL Shares and RHL following the date on which the Offer becomes or is declared unconditional in all respects.
- 6.7. All references to time in this document and the Form of Acceptance are to London time unless the context provides otherwise.

## **7. DOCUMENTS ON DISPLAY**

- 7.1. A copy of this document is available free of charge at RL's website at [www.ravenscroftgroup.com](http://www.ravenscroftgroup.com) until the end of the Offer Period (or, if later, the end of any competition reference period).
- 7.2. Copies of the following documents have been published on RL's website at [www.ravenscroftgroup.com](http://www.ravenscroftgroup.com) and will be available until the end of the Offer Period:
  - (a) the irrevocable undertakings to accept (or procure the acceptance of) the Offer;

(b) the memorandum and articles of incorporation of RHL; and

(c) the memorandum and articles of incorporation of RL.

7.3. For the avoidance of doubt, the content of the websites referred to in paragraphs 6.1 and 6.2 above is not incorporated into and does not form part of this document.

23 March 2018

## **APPENDIX 4 BASES AND SOURCES**

Unless otherwise stated in this document:

- (a) financial information relating to RL has been extracted from the audited accounts of RL for the financial year ended 31 December 2016;
- (b) the number of New RHL Shares to be issued in respect of full acceptance of the Offer is calculated based upon the number of RL Shares in issue resulting in the issue of a maximum of 13,278,450 New RHL Shares.

## **APPENDIX 5 DEFINITIONS**

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

“Acquisition”	the proposed acquisition of RL by RHL to be effected by means of the Offer
“Admission”	the admission to listing on the Official List of TISE of the New RHL Shares becoming effective in accordance with the Listing Rules
“Australia”	the commonwealth of Australia, its states, territories or possessions
“business day”	a day (not being a Saturday, a Sunday or a public holiday) on which banks in the City of London and Guernsey are open for normal business
“Canada”	Canada, its possessions, provinces and territories and all areas subject to its jurisdiction or any political subdivision thereof
“Code”	The City Code on Takeovers and Mergers
“electronic form”	as defined in the Code
“Enlarged Group”	the combined businesses of RHL and the Group following the Offer becoming or being declared unconditional in all respects
“existing RHL Shares”	the RHL Shares in issue at the date of this document
“Form of Acceptance”	the form of acceptance and authority relating to the Offer in respect of RL Shares
“GFSC”	the Guernsey Financial Services Commission
“Group”	as at the date of this document, RL and its existing subsidiary undertakings
“hard copy form”	as defined in the Code
“HMRC”	HM Revenue & Customs
“Japan”	Japan, its cities, prefectures, territories and possessions
“Listing Rules”	the Listing Rules of TISE
“New RHL Shares”	the New RHL Shares proposed to be issued pursuant to the Offer
“Offer”	the offer by RHL, on the terms and subject to the conditions set out in this document and the Form of Acceptance, to acquire all of the RL Shares (including, where the context requires, any



		subsequent revision, variation, extension or renewal of such offer)
“Offer Document”		this document
“Offer Period”		has the meaning set out in paragraph 2(c) of Part B of Appendix 1 to this document
“Panel”		the Panel on Takeovers and Mergers
“pounds”, “£”, “pence” or “p”		the lawful currency of the United Kingdom
“Regulatory Service”	Information	any channel recognised as a channel for the dissemination of regulatory information by listed companies as defined in the Listing Rules
“Reorganisation”		together: <ul style="list-style-type: none"> <li>(a) the acquisition of the RL Shares pursuant to the Offer;</li> <li>(b) the transfer within the Group of the ownership of certain subsidiaries of RL; and</li> <li>(c) the change of name of RL and A Vartan Limited</li> </ul>
“Restricted Jurisdiction”		the United States, Canada, Australia or Japan or any other jurisdiction where extension or acceptance of the Offer would violate the law of that jurisdiction
“RHL”		Ravenscroft Holdings Limited
“RHL Articles”		the articles of incorporation of RHL
“RHL Directors” or “RHL Board”		the directors of RHL as at the date of this document
“RHL Shares”		ordinary shares of 10 pence each in the capital of RHL
“RL”		Ravenscroft Limited
“RL Articles”		the articles of incorporation of RL
“RL Directors” or “RL Board”		the directors of RL as at the date of this document
“RL Options”		options, awards or other rights to acquire RL Shares under the RL Share Option Plan or otherwise
“RL Optionholders”		holders of RL Options
“RL Register”		register of members of RL
“RL Shareholders”		holders of RL Shares (including, where the context requires, beneficial holders of RL Shares)
“RL Share Option Plan”		the share option plan adopted by RL on 15 October 2015

“RL Share Option Plan Rules”	the rules of the RL Share Option Plan
“RL Shares”	the existing issued fully paid ordinary shares of 0.1 pence each in the capital of RL and any further such shares which are unconditionally or issued and fully paid or credited as fully paid before the date on which the Offer closes (or such earlier date, not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances as RHL may decide)
“Securities Act”	the United States Securities Act 1933, as amended
"TISE"	The International Stock Exchange Group Limited
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction