

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, it is recommended that you immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, being, in the case of Shareholders resident in the United Kingdom, an adviser authorised under the Financial Services and Markets Act 2000 and, in the case of Shareholders resident in the Republic of Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations, 2007 (as amended).**

If you have sold or transferred all of your Shares in Gartmore Irish Growth Fund PLC, please forward this document, but not the accompanying personalised Tender Form and Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Tender Offer is not being made directly or indirectly in or into or by use of mails or by any means or instrumentality (including, without limitation, facsimile transmission, internet, other electronic transmission and telephone) of interstate or foreign commerce, or any facility of a national, state or other securities exchange, of the United States, Canada, Australia, the Republic of South Africa or Japan and it cannot be accepted by any such use, means, instrumentality or facility or from or within the United States, Canada, Australia, the Republic of South Africa or Japan. The Tender Form should not be forwarded or transmitted in or into the United States, Canada, Australia, the Republic of South Africa or Japan.

In the preparation of this document and in relation to the matters described herein, Winterflood Securities, which is authorised and regulated by the Financial Services Authority, is acting exclusively for Gartmore Irish Growth Fund PLC and no one else and will not be responsible to any other person for providing the protections afforded to its customers or for providing advice in relation to such matters or any other matter referred to herein.

---

# Gartmore Irish Growth Fund PLC

*(An investment company within the meaning of section 833 of the Companies Act 2006;  
incorporated in England and Wales under the Companies Act 1985 with registered number 3031629)*

## Tender Offer

---

Notice of a General Meeting of Gartmore Irish Growth Fund PLC to be held at 10.30 a.m. on 2 October 2009 at Gartmore House, 8 Fenchurch Place, London EC3M 4PB is set out at the end of this document. Shareholders will find enclosed a personalised Form of Proxy for use at the meeting. To be valid, the Form of Proxy must be completed and returned, in accordance with the instructions printed thereon, so as to be received by the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and in any event by no later than 10.30 a.m. on 30 September 2009. CREST members who wish to appoint a proxy through the CREST electronic proxy appointment service or Shareholders who wish to appoint a proxy via Computershare Investor Services PLC's website are referred to Notes 2, 8 and 9 to the notice of the General Meeting set out at the end of this document. Completion and return of a form of proxy or the giving of a CREST proxy instruction will not preclude a Shareholder from attending the General Meeting in person if he or she so wishes.

Scheme Participants should complete and return the enclosed Voting Direction Form to Gartmore Investment Limited, P.O. Box 9032, Chelmsford, Essex CM99 2WP so as to be received as soon as possible and in any event by no later than 3.00 p.m. on 24 September 2009.

Enclosed with this document is a personalised Tender Form for use by Shareholders holding Shares in certificated form in connection with the Tender Offer or a Scheme Tender Form for use by Scheme Participants. To be effective, such forms must be returned to the address set out on the forms so as to be received as soon as possible and in any event, in the case of the Tender Form, by no later than 1.00 p.m. on 30 September 2009 and in the case of the Scheme Tender Form, by no later than 3.00 p.m. on 24 September 2009. Shareholders holding Shares in CREST should not return a Tender Form but should transmit the appropriate TTE instruction in CREST as set out in paragraph 4.2.2 of Part IV of this document as soon as possible and in any event so as to be received by no later than 1.00 p.m. on 30 September 2009.

**Your attention is drawn to the section on Risk Factors on page 3 of this document. Shareholders and Scheme Participants considering whether to tender their Shares in the Tender Offer should read the whole of this document.**

**IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES, DO NOT COMPLETE AND RETURN A TENDER FORM OR A SCHEME TENDER FORM.**

## CONTENTS

|  | <i>Page</i> |
|--|-------------|
| Part I Risk Factors.....                               | 3           |
| Part II Letter from the Chairman .....                 | 4           |
| Part III Letter from Winterflood Securities.....       | 10          |
| Part IV Terms and Conditions of the Tender Offer ..... | 13          |
| Part V Taxation .....                                  | 25          |
| Part VI General .....                                  | 27          |
| Definitions .....                                      | 29          |
| Notice of General Meeting .....                        | 32          |

## EXPECTED TIMETABLE

**2009**

|  |  |
|--|--|
| Record Date for Tender Offer   | 5.00 p.m. on 12 August                             |
| Latest time and date for receipt of Voting Direction Forms for the General Meeting and Scheme Tender Forms   | 3.00 p.m. on 24 September                          |
| Latest time and date for receipt of Forms of Proxy for the General Meeting   | 10.30 a.m. on 30 September                         |
| Latest time and date for receipt of Tender Forms and the TTE instructions in CREST   | 1.00 p.m. on 30 September                          |
| General Meeting  | 10.30 a.m. on 2 October                            |
| Calculation Date   | close of business on 2 October                     |
| Result of Tender Offer and Tender Price announced  | by 8 October                                       |
| Cheques despatched in respect of proceeds of the Tender Offer and CREST accounts credited with the proceeds of Tender Offer and unsold uncertificated Shares | by 14 October                                      |
| Balance share certificates in respect of unsold certificated Shares despatched   | as soon as reasonably practicable after 14 October |
| Despatch of cheques to Scheme Participants in respect of the Tender Offer  | by 21 October                                      |

The dates set out in this expected timetable of principal events may be adjusted by the Company in which event details of the new dates will be notified to Shareholders and Scheme Participants through the publication of a notice through an RIS.

**All references are to London time.**

## PART I

### RISK FACTORS

*In addition to the other relevant information set out in this document, in considering the Tender Offer and how to vote at the General Meeting, Shareholders should have regard to the following risk factors. Shareholders considering whether or not to tender their Shares should read this document carefully.*

The Tender Price will depend on the Net Asset Value as at the Calculation Date. Accordingly, the Tender Price is likely to differ from illustrative figures provided in this document.

The general guide on taxation in the United Kingdom and Ireland set out in Part V of this document is based on current UK and Irish legislation and what is understood to be HM Revenue & Customs and Irish Revenue Commissioners' practice as at the date of this document. The current legislation and practice may change and/or HM Revenue & Customs or Irish Revenue Commissioners may not follow such practice. Any such event may affect the taxation liabilities of Shareholders in relation to returns of capital as envisaged by the Tender Offer. Any change in the tax treatment of the returns of capital envisaged by the Tender Offer could adversely affect Shareholders.

The issued share capital of the Company will be reduced as a result of the Tender Offer and the Company will be smaller. As a result, the fixed costs of the Company will be spread over fewer Shares and there will be a small increase in the Company's total expense ratio.

Shareholders should be aware that past performance is not necessarily indicative of likely future performance and there can be no guarantee that the Company's investment objective will be achieved. The price and/or Net Asset Value of the Shares and the dividend payable on them may go down as well as up.

As with all investment trust shares, the market price of the Shares may not reflect their underlying Net Asset Value and the discount (or premium) to Net Asset Value at which Shares trade may fluctuate from day to day, depending on factors such as supply and demand, market conditions and general sentiment.

The assets of the Company are subject to normal stock market fluctuations and other risks inherent in investing in securities. There can be no guarantee that any appreciation in the value of these assets will occur.

The Company's portfolio is invested predominantly in euro-quoted securities and therefore movements in the euro exchange rate can significantly affect the sterling value of the portfolio and income therefrom. The Company does not hedge against foreign currency movements affecting the value of the portfolio or income.

The ability of the Company to pay dividends and to use its buy-back authorities in future will depend on the availability of distributable reserves.

The Company's principal objective is to generate capital growth. It will only pay dividends to the extent that it has profits available for that purpose.

If the Tender Offer does not proceed, the Company will have to bear costs incurred in connection with the Tender Offer.

## PART II

### LETTER FROM THE CHAIRMAN

# Gartmore Irish Growth Fund PLC

*(an investment company within the meaning of section 833 of the Companies Act 2006;  
incorporated in England and Wales under the Companies Act 1985 with registered number 3031629)*

*Directors:*

Harry Sheridan (*Chairman*)  
Robin Baillie  
Gavin Caldwell  
William Cotter  
Richard Milliken

*Registered Office:*

Beaufort House  
51 New North Road  
Exeter  
EX4 4EP

8 September 2009

### To Shareholders and Scheme Participants

Dear Shareholder

### TENDER OFFER TO PURCHASE UP TO 30 PER CENT OF THE COMPANY'S SHARES

#### Introduction

On 7 August 2009, the Company announced a proposed Tender Offer for the purchase of up to 30 per cent of its issued share capital. This document sets out details of the Tender Offer and, as implementation of the Tender Offer will require Shareholder approval under the Companies Act 2006, convenes a General Meeting of the Company to be held on 2 October 2009.

The Tender Offer is available to Shareholders (other than certain Overseas Persons) on the Register as at 5.00 p.m. on 12 August 2009, being the Record Date.

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

#### Background to the Tender Offer

The Company operates a buy-back policy which has the dual objective of enhancing Net Asset Value per Share and providing more liquidity for the Shares. The policy has been successful in enhancing Net Asset Value per Share, but the turbulent stock markets have not been helpful in improving liquidity at a reasonable discount. The Board is therefore proposing a tender offer for up to 30 per cent of the Company's issued share capital at a price of 92 per cent of the Tender NAV, determined as at the Calculation Date. This proposal will give some immediate liquidity to those Shareholders who wish to realise all or part of their investment in the Company, while at the same time providing ongoing Shareholders with an uplift in their Net Asset Value per Share.

**THE DIRECTORS WILL NOT BE TENDERING ANY OF THEIR SHARES IN THE COMPANY. HOWEVER, THEY UNANIMOUSLY RECOMMEND THAT SHAREHOLDERS SHOULD VOTE IN FAVOUR OF THE RESOLUTION TO ENABLE THE TENDER OFFER TO BE IMPLEMENTED.**

## **Background to the Company**

The Company was launched in June 1995 with the objective of providing Shareholders with long-term capital growth from investing in quoted companies which are either incorporated in the Republic of Ireland or Northern Ireland, or if elsewhere, derive the majority of their turnover or profits from these countries.

The key drivers and underlying positives of the Irish economy were identified as follows:

- attractive demographics
- low corporation tax
- attractive English-speaking base for international investors, particularly from the USA, to service the EU market
- attractive base from which Irish companies could develop international business
- pro-business Government and culture

Operating in the above environment and within Board guidelines (particularly with regard to maximum exposure to individual stocks) your investment manager, Gervais Williams, has shown considerable skill in the selection of stocks, in his timing of purchases and sales and in using gearing and holding cash at selected times. Your Company is not a passive investment vehicle, but is generally active, as is evidenced by an annual portfolio turnover of between 72.9 per cent and 105.9 per cent over the last four financial years.

The Company has no formal benchmarks, but in Part VI of this document performance in absolute terms over various time periods since inception is compared to the ISEQ Index, the Davy Mid-Cap Index, the Hoare Govett Smaller Cos ex ICs Index and the FTSE All-Share Index. The compound increase in the Company's Net Asset Value per Share since inception to 31 August 2009 has been 15.1 per cent per annum. Your investment manager has shown an ability to perform in both favourable and unfavourable markets. The growth in NAV since the last audited accounts on 31 March 2009 has been 57.5 per cent and the Share price as at 4 September 2009 represents a 84.8 per cent increase from that date.

The Company had net assets of £73.8 million as at 4 September 2009. On the assumption that the Tender Offer is fully taken up and based on the Company's portfolio as at 4 September 2009, the Company would have net assets of £52.4 million. The Company's investment process will remain unchanged following the Tender Offer.

## **Outlook**

Your Board believes that the key drivers and underlying positives of the Irish economy referred to above remain in place.

In addition, your investment manager believes certain aspects of the Irish market are favourable for investors.

In particular, he is positive about the prospects for Irish companies with international business operations. He believes that several businesses quoted on the Irish Stock Exchange have been overlooked by portfolio managers, in part because of their Irish incorporation. This is particularly true of some of the Irish businesses with international scope whose performance will continue to be more closely linked to the economic circumstances of other countries.

**Your Board believes that the Company continues to represent an attractive vehicle for investors to gain exposure to Irish companies and to benefit from the skills of your investment manager, Gervais Williams. Should you wish to continue to hold your investment in the Company, do not complete and return the accompanying Tender Form or Scheme Tender Form or transmit a TTE instruction in CREST, as appropriate.**

## **The Tender Offer**

Under the Tender Offer, Shareholders (other than certain Overseas Persons) will be entitled to tender up to 30 per cent of their holdings as at the Record Date (“Basic Entitlement”). Shareholders will also be able to tender additional Shares. Such tenders will be satisfied to the extent that other Shareholders tender less than their Basic Entitlement and will be satisfied on a *pro rata* basis. Scheme Participants will be treated in the same way as Shareholders for the purposes of any pro-rating of tenders in excess of their Basic Entitlement.

The Tender Offer is being made at 92 per cent of the Tender NAV determined as at the Calculation Date. The Tender NAV will include any accrued net income of the Company but will exclude the costs of the Tender Offer. For illustrative purposes only, had the Tender NAV been calculated as at the close of business on 4 September 2009 (being the latest practicable date prior to the publication of this document) the Tender Price would have been 644.67p.

The Tender Offer is being made by Winterflood Securities. Winterflood Securities will, as principal, purchase the Shares tendered at the Tender Price by means of on-market purchases and, immediately upon completion of those purchases, sell them to the Company at the Tender Price. All Shares acquired by the Company under the Tender Offer will be cancelled. The repurchase of Shares by the Company will be funded from cash resources and the proceeds of sale of investments in the Company’s portfolio.

The Tender Offer is subject to the approval of Shareholders by special resolution and is conditional upon Winterflood Securities being satisfied that the Company has sufficient funds available to meet its obligations under the Repurchase Agreement and upon the Company having paid such funds into an account or accounts, as set out in paragraph 2.1(b) of Part IV of this document. The special resolution authorises the Company to purchase a maximum of 3,248,232 Shares pursuant to the Tender Offer, representing 30 per cent of the issued share capital of the Company as at the Record Date. The Tender Offer may be suspended or be terminated in certain circumstances, as set out in paragraphs 2 and 9 of Part IV of this document.

The estimated costs and expenses in connection with the Tender Offer, including VAT, are approximately £385,000 (assuming the Tender Offer is subscribed in full), including stamp duty, equating to 0.52 per cent of Net Asset Value as at 4 September 2009. In the event that the Tender Offer does not proceed, the costs are estimated to be £280,000 (including VAT).

Shareholders’ attention is drawn to the letter from Winterflood Securities in Part III of this document and to Part IV of this document which together with the Tender Form or Scheme Tender Form, where applicable, constitute the terms and conditions of the Tender Offer. Details of how to tender Shares can be found in paragraph 4 of Part IV of this document and on the Tender Form or Scheme Tender Form.

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

**Shareholders and Scheme Participants who do not wish to sell their Shares under the Tender Offer should not return Tender Forms or Scheme Tender Forms or transmit a TTE instruction in CREST, as appropriate.**

**The Directors make no recommendation to Shareholders as to whether or not to tender their Shares in the Tender Offer and the Directors will not be tendering any of their Shares. Whether or not Shareholders decide to tender their Shares will depend, among other things, on their view of the Company’s prospects and their own individual circumstances, including their tax position, on which they should seek their own independent advice.**

## **Share Buy-Back Policy**

At the Annual General Meeting of the Company held on 3 September 2009, Shareholders authorised the Company to make market purchases of up to 1,578,063 Shares, which represented 14.99 per cent of the then issued share capital. The special resolution authorising the Tender Offer will not affect this authority and no part of this authority will be used to implement the Tender Offer.

Immediately following the Tender Offer, assuming that the maximum number of Shares are cancelled pursuant to the Tender Offer, there will be 7,279,210 Shares in issue, provided that no further Shares are acquired in the meantime by the Company using its buy-back powers. In order to comply with the Listing Rules, the Company will limit repurchases under the buy-back authority to 14.99 per cent of the number of Shares in issue following completion of the Tender Offer.

The Board has a policy of buying back Shares at times when it is believed to be attractive to Shareholders. In particular, Shares are bought back when the discount at which the Shares trade relative to Net Asset Value is considered too high, which enhances the Net Asset Value per Share for continuing Shareholders.

It is the Board's intention to continue to use the Company's existing buy-back authority following completion of the Tender offer in normal market conditions and where it believes Shareholder value and liquidity in the Shares can be enhanced.

### **Overseas Persons**

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland may be prohibited or affected by the relevant laws of the overseas jurisdiction and therefore a Tender Form or Scheme Tender Form has not been sent to such persons. Shareholders with registered or mailing addresses outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland should read paragraph 10 of Part IV of this document. It is the responsibility of all Overseas Persons to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such persons to complete and return a Tender Form or Scheme Tender Form. If an Overseas Person (other than an Overseas Person who is citizen or national of, or resident in, an Excluded Jurisdiction) believes that they are entitled to participate in the Tender Offer in compliance with any applicable legal requirements in their jurisdiction and they wish to tender their Shares under the Tender Offer, they should contact Computershare Investor Services PLC by telephone on +44 870 707 1025 to request a Tender Form.

### **Taxation**

Shareholders who sell Shares in the Tender Offer should be treated as selling their Shares in the normal way and may, depending on their individual circumstances, incur a liability to taxation on chargeable gains as a result.

Further information on the UK taxation consequences of the Tender Offer, including the potential application of Section 703 of the Income and Corporation Taxes Act 1988 and Chapter 1, Part 13 of the Income Tax Act 2007 to Shareholders who are resident for tax purposes in the United Kingdom, together with a general guide as to certain aspects of current Irish tax law and practice, is set out in Part V of this document.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom or the Republic of Ireland should consult an appropriate independent professional adviser.

### **General Meeting**

Implementation of the Tender Offer requires the approval of Shareholders. A notice convening the General Meeting to vote on the proposed resolution to approve the Tender Offer is set out at the end of this document (the "Resolution"). The General Meeting will be held at 10.30 a.m. on 2 October 2009 at Gartmore House, 8 Fenchurch Place, London EC3M 4PB. The Resolution to be put to Shareholders at the General Meeting will be proposed as a special resolution. The quorum requirement for the General Meeting is not fewer than two Shareholders present in person or by proxy.

## **Action to be taken**

### ***Shareholders***

#### *(a) Form of Proxy*

Enclosed is a Form of Proxy for use by Shareholders at the General Meeting. Shareholders do not need to tender their Shares in the Tender Offer in order to be able to vote at the General Meeting. Whether or not you intend to attend the General Meeting, you should complete either an electronic proxy form pursuant to Note 2 of the notice of the General Meeting or the Form of Proxy in accordance with the instructions set out thereon and return it by post or by hand (during normal business hours) to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to arrive by not later than 10.30 a.m. on 30 September 2009. Completion and return of a Form of Proxy will not affect a Shareholder's right to attend and vote at the General Meeting.

Shareholders who hold their Shares in CREST may appoint a proxy through the CREST electronic proxy appointment service (see Notes 8 and 9 to the notice of the General Meeting). CREST proxy instructions must be transmitted so as to be received by the Company's agent (ID number 3RA50) not less than 48 hours before the time of the holding of the General Meeting. Completion and return of a Form of Proxy or the giving of a CREST proxy instruction will not preclude a Shareholder from attending the meeting in person if he or she so wishes.

#### *(b) Acceptance of Tender Offer*

Shareholders holding Shares in certificated form who wish to participate in the Tender Offer should complete and return their signed personalised Tender Form in accordance with the instructions set out thereon. To be effective, such forms must be returned to the address set out on the forms, together with the share certificate(s) and/or other document(s) of title, so as to be received as soon as possible and in any event by no later than 1.00 p.m. on 30 September 2009.

Shareholders holding Shares in uncertificated form (i.e. in CREST) should not return a Tender Form but should transmit the appropriate TTE instruction in CREST as set out in paragraph 4.2.2 of Part IV of this document as soon as possible and in any event so as to be received by no later than 1.00 p.m. on 30 September 2009.

### ***Scheme Participants***

#### *(a) Voting Direction Form*

Scheme Participants may attend the General Meeting although they cannot exercise any voting rights at the meeting as this may only be done by the registered holder of the Shares, BNY GIL Client Account Nominees Limited. Scheme Participants may therefore instruct BNY GIL Client Account Nominees Limited to vote at the General Meeting in respect of the Shares which BNY GIL Client Account Nominees Limited holds on their behalf by completing the Voting Direction Form enclosed with this document. Scheme Participants should read the letter accompanying this document from Gartmore Investment Limited carefully and are requested to complete the Voting Direction Form and return it to Gartmore Investment Limited, PO Box 9032, Chelmsford, CM99 2WP in accordance with the instructions printed thereon so as to be received by no later than 3.00 p.m. on 24 September 2009.

#### *(b) Scheme Tender Form*

Scheme Participants who wish to participate in the Tender Offer should complete and return their signed Scheme Tender Form in accordance with the instructions set out thereon. To be effective, such forms must be returned to the address set out on the forms so as to be received as soon as possible and in any event by no later than 3.00 p.m. on 24 September 2009.

**Recommendation**

**Your Board, which has received financial advice from Winterflood Securities, considers that the Tender Offer is in the best interests of the Company and Shareholders as a whole. In providing its financial advice, Winterflood Securities has taken into account the Board's commercial assessment of the Tender Offer.**

**The Board unanimously recommends Shareholders to vote in favour of the Resolution as the Directors intend to in respect of their own beneficial holdings amounting in aggregate to 107,380 Shares, representing 1.02 per cent of the issued share capital of the Company.**

Yours faithfully

**Harry Sheridan**  
*Chairman*

## PART III

### LETTER FROM WINTERFLOOD SECURITIES



The Atrium Building, Cannon Bridge, 25 Dowgate Hill, London. EC4R 2GA  
Tel: +44(0)20 7621 0004 Fax: +44(0)20 7623 7066 www.winsresearch.co.uk

8 September 2009

#### To Shareholders and Scheme Participants

Dear Sir or Madam,

#### TENDER OFFER

As explained in the letter from the Chairman in Part II of this document, Shareholders (other than certain Overseas Persons) are being given the opportunity to tender some or all of their Shares for purchase in the Tender Offer, subject to the scaling back of tenders in excess of the Basic Entitlement and on the basis set out in Part IV of this document. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer.

Winterflood Securities hereby invites Shareholders and Scheme Participants to tender Shares for purchase by Winterflood Securities for cash at the Tender Price. The Tender Price will be equal to 92 per cent of the Tender NAV determined as at the Calculation Date and will be paid in sterling. The Tender Offer is made on the terms and subject to the conditions set out in Part IV of this document and, where applicable, in the case of Shareholders holding their Shares in certificated form and Scheme Participants, in the accompanying Tender Forms and Scheme Tender Forms, as the case may be, the terms and conditions of which are deemed to be incorporated into this document and form part of the Tender Offer. **This letter is not a recommendation to Shareholders or Scheme Participants to tender their Shares.**

Shareholders (other than certain Overseas Persons) will be entitled to tender and have accepted their Basic Entitlement, being such number of Shares (rounded down to the nearest whole number) as represents 30 per cent of their registered holdings as at the Record Date, being 5.00 p.m. on 12 August 2009. Such Shareholders may tender fewer Shares than their Basic Entitlement, or they may tender Shares in excess of their Basic Entitlement. Any such excess tenders will only be satisfied to the extent that other Shareholders have not tendered all or any part of their Basic Entitlement, as the case may be. If the aggregate number of Shares tendered is greater than the number of Shares available to satisfy such tenders, such excess tenders will be satisfied *pro rata* in proportion to the excess over the Basic Entitlement tendered, rounded down to the nearest whole number of Shares.

The number of Shares to be acquired under the Tender Offer will not in any event exceed Shares representing 30 per cent of the Company's issued share capital as at the Record Date.

**Shareholders and Scheme Participants are not obliged to tender Shares and those who wish to continue their investment in the Company should not return their Tender Form or Scheme Tender Form.**

### **Procedure for Tendering Shares**

Shareholders who hold their Shares in certificated form and wish to tender some or all of those Shares should complete and sign the Tender Form in accordance with the instructions set out therein and return the completed form by post using the enclosed pre-paid envelope to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH so as to be received as soon as possible and in any event by no later than 1.00 p.m. on 30 September 2009. Shareholders who hold their Shares in certificated form should also return the share certificate(s) and/or other document(s) of title in respect of the Shares tendered.

Shareholders who hold their Shares in uncertificated form (i.e. in CREST) should not complete a Tender Form and should arrange for their Shares to be transferred to escrow by sending a TTE instruction in respect of such Shares, as described in paragraph 4 of Part IV of this document, as soon as possible and in any event so as to settle by not later than 1.00 p.m. on 30 September 2009.

Scheme Participants should refer to the accompanying letter from Gartmore Investment Limited for more information on how they may participate in the Tender Offer.

Full details of the procedure for tendering Shares are set out in paragraph 4 of Part IV of this document and (where applicable) the Tender Form and the Scheme Tender Form.

### **Validity of Tenders**

Tender Forms and TTE instructions which are received by the Receiving Agent after the deadline specified above or which are incorrectly completed or not accompanied by all relevant instructions or documents, or a satisfactory indemnity in lieu thereof, may be rejected and returned to Shareholders (or Scheme Participants) or their appointed agent, together with any accompanying share certificate(s) and/or other document(s) of title.

Winterflood Securities reserves the right to treat as valid only those Tender Forms or TTE instructions received by the Receiving Agent by the deadline specified above, which are entirely in order and which are accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

### **Overseas Persons**

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland may be prohibited or affected by the relevant laws of the overseas jurisdiction. Shareholders with registered or mailing addresses outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland should read paragraph 10 of Part IV of this document.

### **Conditions**

The Tender Offer is conditional on the passing of the special resolution set out in the notice of General Meeting at the end of this document by no later than 2 October 2009 or such later date (not being later than 20 Business Days after 2 October 2009) as the Company and Winterflood Securities may determine and upon Winterflood Securities being satisfied that the Company has sufficient funds available to meet its obligations under the Repurchase Agreement and the Company having paid such funds into an account or accounts, as set out in paragraph 2 of Part IV of this document.

### **Suspension or Termination of the Tender Offer**

The Tender Offer may be suspended or be terminated in certain circumstances referred to in paragraphs 2 and 9 of Part IV of this document.

### **Settlement**

Subject to the Tender Offer becoming unconditional, payment of the amount due to Shareholders whose tenders under the Tender Offer have been accepted will be made (by cheque, or payment through CREST, as appropriate) by 14 October 2009 or as soon as practicable thereafter, as described in paragraph 5 of Part IV of this document.

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

Shareholders should note the following important information relating to certain provisions of the City Code, which will be relevant to purchases of Shares after the date of this document.

Under Rule 9 of the City Code, any person or group of persons deemed to be acting in concert who acquires an interest in shares which carry 30 per cent or more of the voting rights of a company to which the City Code applies is normally required by the Panel to make a general offer to shareholders of that company to acquire their shares. Rule 9 of the City Code also provides that any person or group of persons deemed to be acting in concert who is interested in shares which in the aggregate carry between 30 per cent and 50 per cent of the voting rights of a company to which the City Code applies will be unable, without the Panel's consent, to acquire, either individually or together, any further voting rights in the company without being required to make a general offer to shareholders of that company to acquire their shares.

Under Rule 37.1 of the City Code, when a company purchases its own voting shares, a resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9. A shareholder not acting in concert with the directors will not incur an obligation to make a general offer under Rule 9 if, as a result of the purchase of its own shares by a company, he comes to exceed the percentage limits set out in Rule 9. However, this exception will not normally apply when a shareholder not acting in concert with the directors has acquired an interest in shares at a time when he had reason to believe that such a purchase of its own shares by the company would take place.

A Shareholder not acting in concert with the Directors may, therefore, incur an obligation under Rule 9 to make a general offer to Shareholders to acquire their Shares if, as a result of the purchase by the Company of its own Shares from other Shareholders, he comes to hold or acquires an interest in 30 per cent or more of the Shares following the Tender Offer or otherwise and he has purchased Shares or an interest in Shares when he had reason to believe that the Company would purchase its own Shares (under the Tender Offer or otherwise, and in particular after 7 August 2009, being the date on which the details of the proposed Tender Offer were announced). However, the Company is not aware of any Shareholder who, following completion of the Tender Offer, will have an interest in 30 per cent or more of the Shares.

Winterflood Securities will purchase, as principal, Shares under the Tender Offer which could result in Winterflood Securities owning 30 per cent or more of the issued share capital of the Company. Winterflood Securities has undertaken that, immediately subsequent to such purchase, it will sell all the Shares to the Company at the Tender Price for cancellation. Accordingly, a waiver has been obtained from the Panel in respect of the application of Rule 9 to the purchase by Winterflood Securities of the Shares under the Tender Offer.

## **Regulatory**

In relation to the Tender Offer, Winterflood Securities is acting exclusively for the Company and no one else. Winterflood Securities will not be responsible to anyone other than the Company for providing the protections afforded to customers of Winterflood Securities nor for providing advice in relation to the Tender Offer nor any other matter referred to in this document.

## **Further Information**

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

Yours faithfully

## **Robin Archibald**

*Director, Corporate Finance & Broking  
Winterflood Securities Limited*

## PART IV

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### 1. Tenders

- 1.1 All Shareholders on the Register on the Record Date (other than Overseas Persons, save as provided in paragraph 10.5 below) may tender Shares for purchase by Winterflood Securities on the terms and subject to the conditions set out in this document and, where applicable, in the Tender Form (which, where applicable, together constitute the Tender Offer).
- 1.2 The Tender Offer is made at the Tender Price calculated in accordance with paragraph 3 below. The consideration for each tendered Share acquired by Winterflood Securities pursuant to the Tender Offer will be paid in sterling in accordance with the settlement procedures set out in paragraph 5 below.
- 1.3 Upon the Tender Offer becoming unconditional and unless the Tender Offer has been suspended or terminated in accordance with the provisions of paragraph 2.2 or 9 below, Winterflood Securities will accept tenders from Shareholders validly made in accordance with this Part IV, subject as follows:
  - (a) each Shareholder (other than certain Overseas Persons) on the Register on the Record Date will be entitled to sell to Winterflood Securities up to his, her or its Basic Entitlement, being such number of Shares rounded down to the nearest whole number, as represents 30 per cent of such Shareholder's holding of Shares entered on the Register on the Record Date; and
  - (b) Shareholders may tender in excess of their Basic Entitlement. Such excess tender requests will only be satisfied to the extent that other Shareholders tender Shares in respect of less, in aggregate, than the whole of their Basic Entitlement. Any excess tenders will be accepted, subject to the overall 30 per cent limit of the Tender Offer, *pro rata* in proportion to the amount tendered in excess of the Basic Entitlement (rounded down to the nearest whole number of Shares).
- 1.4 A maximum of 3,248,232 Shares, representing 30 per cent of the Shares in issue at the Record Date, will be acquired by Winterflood Securities under the Tender Offer.
- 1.5 Shareholders are not obliged to tender any Shares.

#### 2. Conditions and suspension

- 2.1 The Tender Offer is subject to the following conditions (together the "Conditions"):
  - (a) the passing of the Resolution set out in the notice of the General Meeting at the end of this document by no later than 2 October 2009 (or such later date, not being later than 20 Business Days after 2 October 2009, as the Company and Winterflood Securities may determine);
  - (b) Winterflood Securities being satisfied that the Company has in its control or to its order the aggregate amount payable under the Tender Offer and the Company having paid the same into an account or accounts in accordance with the Repurchase Agreement; and
  - (c) the Tender Offer not having been terminated in accordance with paragraph 9 below prior to the fulfilment of the conditions referred to in sub-paragraphs (a) and (b) above.

Winterflood Securities will not purchase any Shares pursuant to the Tender Offer unless the Conditions have been satisfied in full. If the Conditions are not satisfied prior to the close of business on 2 October 2009, the Company or Winterflood Securities may postpone the completion of the Tender Offer until no later than 30 October 2009, save as set out in paragraph 2.2 below, after which time the Tender Offer, if not then completed, will lapse.

- 2.2 If the Company (acting through the Directors) shall at any time prior to Winterflood Securities effecting the purchase as principal of the tendered Shares pursuant to the Repurchase Agreement notify Winterflood Securities in writing that in its reasonable opinion either: (a) there has occurred a change in national or international financial, economic, political or market conditions such that it has either become impractical or inappropriate for the Company to dispose of its investments or otherwise to raise finance to enable it to fund the repurchase of Shares pursuant to the Repurchase Agreement without materially harming the interests of Shareholders as a whole; or (b) the completion of the purchase of the Shares under the Tender Offer would have unexpected fiscal consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, the Company may either exercise its powers to terminate the Tender Offer in accordance with paragraph 9 below or may postpone the Tender Offer for up to 10 Business Days, after which the Tender Offer, if not then completed by reason of the postponement circumstances continuing, will lapse.

### **3. Calculation of the Tender Price**

The Tender Price and the Tender NAV will be calculated as follows:

- 3.1 The Company will calculate its Net Asset Value as at the Calculation Date which, for the purposes of the Tender Offer, shall mean the value of all the assets (including net amounts accrued on the revenue account for the period since 1 April 2009 not otherwise declared as dividends) less all the liabilities of the Company but excluding the costs of the Tender Offer (which costs include stamp duty payable by the Company on the repurchase of the tendered Shares). Such calculation shall be made in accordance with the Company's accounting policies as set out in the last audited accounts as at 31 March 2009.
- 3.2 The resulting Tender NAV, calculated in accordance with paragraph 3.1 above, will then be divided by the total number of Shares in issue or deemed to be in issue on the Calculation Date. The Tender NAV per Share will be calculated in pence to four decimal places.
- 3.3 The Tender Price will be calculated by applying an 8 per cent discount to the Tender NAV per Share resulting after the application of paragraphs 3.1 and 3.2 above.
- 3.4 The Tender Price will be calculated in pence to two decimal places.

### **4. Procedure for tendering Shares**

#### *4.1 Overview*

There are different procedures for tendering Shares depending on whether the Shares are held in certificated or uncertificated form (i.e. in CREST).

Shareholders who hold Shares in certificated form must complete, sign and return the Tender Form in accordance with this paragraph 4 and the instructions printed on the Tender Form. Shareholders should complete separate Tender Forms for Shares held in certificated form but under different designations. The share certificate(s) should be returned with the relevant Tender Form.

Additional Tender Forms are available from the Receiving Agent.

If the Shares are held in uncertificated form (i.e. in CREST), they may be tendered only by sending a TTE instruction in accordance with the procedure set out in paragraph 4.2.2 below. Shareholders should send separate TTE instructions for Shares held under different member account IDs.

#### *4.2 Return of Tender Forms or TTE instructions (as applicable)*

##### *4.2.1 Shareholders holding Shares in certificated form (i.e. not in CREST):*

The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If some or all of the share certificate(s) and/or

other document(s) of title are not readily available (for example, if they are with a stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and sent by post in the enclosed pre-paid envelope (for use in the UK only) to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH as soon as possible and in any event so as to be received by no later than 1.00 p.m. on 30 September 2009 together with such share certificate(s) and/ or other document(s) of title that may be available, accompanied by a letter stating that the remaining share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter. However, any share certificate(s) and/or other document(s) of title held by Shareholders must be received by the Receiving Agent by no later than 1.00 p.m. on 30 September 2009.

Shareholders who have lost their share certificate(s) and/or other document(s) of title should write to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or telephone Computershare Investor Services PLC on 0870 707 1025 or, if calling from outside the United Kingdom, on +44 870 707 1025 to request a letter of indemnity in respect of the lost share certificate(s) which, when completed in accordance with the instructions given, should be returned to the Receiving Agent so as to be received by no later than 1.00 p.m. on 30 September 2009.

#### *4.2.2 Shareholders holding Shares in uncertificated form (i.e. in CREST)*

If the Shares which a Shareholder wishes to tender are held in uncertificated form, the Shareholder should take (or procure to be taken) the action set out below to transfer (by means of a TTE instruction) the number of Shares which he wishes to tender under the Tender Offer to an escrow balance, specifying Computershare Investor Services PLC (in its capacity as a CREST receiving agent under its participant ID referred to below) as the Escrow Agent, as soon as possible and in any event so that the transfer to escrow settles by no later than 1.00 p.m. on 30 September 2009.

If a Shareholder is a CREST sponsored member, he should refer to his CREST sponsor before taking any action. His CREST sponsor will be able to confirm details of his participant ID and the member account ID under which the Shares are held. Only the Shareholder's CREST sponsor will be able to send the TTE instruction to CREST in relation to the Shares which he wishes to tender.

A Shareholder should send (or, if he is a CREST sponsored member, procure that his CREST sponsor sends) a TTE instruction to CREST, which must be properly authenticated in accordance with CREST's specifications and which must contain, in addition to the other information that is required for the TTE instruction to settle in CREST, the following details:

- (i) the number of Shares to be transferred to an escrow balance;
- (ii) the Shareholder's participant ID;
- (iii) the Shareholder's member account ID;
- (iv) the participant ID of the Escrow Agent (i.e. Computershare Investor Services PLC) in its capacity as a CREST receiving agent. This is 3RA26;
- (v) the member account ID of the Escrow Agent. This is GARTMORE;
- (vi) the 'corporate action number' for the Tender Offer. This is allocated by CREST and can be found by viewing the relevant Corporate Action details in CREST;
- (vii) the intended settlement date for the transfer to escrow. This should be as soon as possible and in any event by no later than 1.00 p.m. on 30 September 2009;
- (viii) the corporate action ISIN of the Shares, which is GB0006152002;
- (ix) standard delivery instruction of priority 80; and
- (x) a contact name and telephone number for the Shareholder in the "shared note" field.

After settlement of the TTE instruction, a Shareholder will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding they will be held by the Receiving Agent as the Shareholder's escrow agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for purchase by Winterflood Securities to itself as their agent and thereafter to Winterflood Securities.

Shareholders are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above.

Shareholders should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. Shareholders should therefore ensure that all necessary action is taken by them (or by their CREST sponsor) to enable a TTE instruction relating to their Shares to settle prior to 1.00 p.m. on 30 September 2009. In this connection, Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

An appropriate announcement will be made if any of the details contained in this paragraph 4.2.2 are altered.

#### *4.2.3 Deposits of Shares into, and withdrawals of Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) by no later than 1.00 p.m. on 30 September 2009.

#### *4.3 General*

No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked in an Excluded Jurisdiction or otherwise appearing to Winterflood Securities, the Company or their agents to have been sent from an Excluded Jurisdiction will be rejected as an invalid tender. See paragraph 10 below for further information on Overseas Persons.

#### *4.4 Validity of tenders*

Notwithstanding the terms set out in paragraph 8.5 below, Winterflood Securities reserves the right to treat as valid only Tender Forms or TTE instructions which are received entirely in order by 1.00 p.m. on 30 September 2009 and which are accompanied (in the case of Shares held in certificated form) by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof in respect of the entire number of Shares tendered. The record date for the Tender Offer is 5.00 p.m. on 12 August 2009.

The decision of Winterflood Securities as to which Shares have been validly tendered shall be conclusive and binding on Shareholders.

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

If a Shareholder is in any doubt as to how to complete a Tender Form or as to the procedure for tendering Shares, he should contact Computershare Investor Services PLC by telephone on 0870 707 1025 or (if calling from outside the UK) on +44 870 707 1025. Calls may be recorded or randomly monitored for security and training purposes. Please note that no investment advice can be given by Computershare Investor Services PLC and if Shareholders are in any doubt as to what

action to take, they should consult an appropriate financial adviser authorised under FSMA or, in the case of Shareholders resident in the Republic of Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations, 2007 (as amended). Shareholders who are CREST sponsored members are reminded that they should consult their CREST sponsor before taking any action.

#### 4.5 *Return of Scheme Tender Forms - Scheme Participants*

The completed and signed Scheme Tender Form should be sent either by post to Gartmore Administration Centre, Gartmore Investment Limited, PO Box 9032, Chelmsford, Essex CM99 2WP or by hand (during normal business hours only) to International Financial Data Services – UK, Adams House, Springfield Lyons Approach, Chelmsford Business Park, Essex CM2 5LG so as to arrive by not later than 3.00 p.m. on 24 September 2009. No Scheme Tender Forms received after this time will be accepted. No acknowledgment of receipt will be given. Pre-paid envelopes for use by UK Scheme Participants are enclosed with each Scheme Tender Form.

### 5. **Settlement**

Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Winterflood Securities is expected to be made as follows:

- 5.1 *Shares held in certificated form (i.e. not in CREST)*: Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent by first class post by 14 October 2009, or as soon as practicable thereafter, to the person or agent whose name and address (outside an Excluded Jurisdiction) appears at the top of page 3 of the Tender Form or, if relevant, as set out in Box 3 of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder. All cash payments will be made in sterling by cheque drawn on a branch of a UK clearing bank.
- 5.2 *Shares held in uncertificated form (i.e. in CREST)*: Where an accepted tender relates to Shares held in uncertificated form in CREST, the consideration due will be paid by means of a CREST payment obligation in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements by 14 October 2009.

The payment of any consideration for Shares pursuant to the Tender Offer will only be made after the relevant TTE instruction has settled or (as the case may be) timely receipt by the Receiving Agent of the certificate(s) and/or other requisite document(s) evidencing such Shares, a properly completed and duly executed Tender Form and any other documents required by the Tender Form or this Part IV.

- 5.3 If only part of a holding of Shares is sold pursuant to the Tender Offer:
  - 5.3.1 where the Shares are held in certificated form, the Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares; or
  - 5.3.2 where the Shares are held in uncertificated form (i.e. in CREST), the unsold Shares will be transferred by the Receiving Agent by means of a TFE instruction to the original available balance from which those Shares came.
- 5.4 Delivery of cash to Shareholders for the Shares purchased pursuant to the Tender Offer will be made by the Receiving Agent. The Receiving Agent will be acting as agent of the tendering Shareholders for the purpose of receiving the cash and transmitting the cash to tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by Winterflood Securities or the Receiving Agent regardless of any delay in making such payment.
- 5.5 If any tendered Shares are not purchased because of an invalid tender, the relevant certificate(s) evidencing such Shares and other document(s) of title (if any) will be returned or sent as promptly as practicable, without expense to, but at the risk of, the tendering Shareholder, or in the case of Shares held in uncertificated form (i.e. in CREST), the Receiving Agent will provide instructions to CREST to transfer all such Shares held in escrow balances by TFE instruction to the original available balances from which those Shares came.

## **6. Representations and warranties**

### **6.1 *Tender Form – Representations and warranties***

Each Shareholder who holds Shares in certificated form and by whom, or on whose behalf, a Tender Form is executed irrevocably undertakes, represents, warrants to and agrees with Winterflood Securities (for itself and as trustee for the Company) (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- 6.1.1 the execution of the Tender Form shall constitute an offer to sell to Winterflood Securities the number of Shares inserted or deemed inserted in Box 1A, 1B or 1C, as applicable, on page 3 of the Tender Form or accepted by Winterflood Securities in accordance with paragraph 8.5 below, in each case on and subject to the terms and conditions set out or referred to in this document and the Tender Form, and that, once lodged, such offer shall be irrevocable;
- 6.1.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Winterflood Securities, Winterflood Securities will acquire such Shares with full title guarantee, fully-paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the record date for the final and special dividends declared in respect of the financial year ended 31 March 2009, including the right to receive all distributions declared, paid or made after that record date;
- 6.1.3 the execution of a Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Winterflood Securities as such Shareholder's attorney and/or agent ("attorney"), and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in sub-paragraph 6.1.1 above in favour of Winterflood Securities or such other person or persons as Winterflood Securities may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Winterflood Securities or its nominee(s) or such other person(s) as Winterflood Securities may direct such Shares;
- 6.1.4 such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Winterflood Securities or any of its directors or officers or any person nominated by Winterflood Securities in the proper exercise of its or his or her powers and/or authorities hereunder;
- 6.1.5 such Shareholder will deliver to the Receiving Agent his share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 6.1.1 above, or an indemnity acceptable to Winterflood Securities in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 30 September 2009;
- 6.1.6 the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- 6.1.7 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Winterflood Securities to be desirable, in each case to complete the purchase of the Shares referred to in sub-paragraph 6.1.1 above and/or to perfect any of the authorities expressed to be given hereunder;
- 6.1.8 such Shareholder, if an Overseas Person: (a) is not in any Excluded Jurisdiction or in any territory in which it is unlawful to make or accept the Tender Offer or to use the Tender Form in any manner in which the person has or will use it; (b) has fully observed any

applicable legal and regulatory requirements of the territory in which such Overseas Person is resident or located; and (c) the invitation under the Tender Offer may be made to such Overseas Person and may be accepted by him under the laws of the relevant jurisdiction;

- 6.1.9 such Shareholder has not received or sent copies or originals of the Tender Form in, into or from an Excluded Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including without limitation facsimile transmission, internet, other electronic transmission and telephone) of interstate or foreign commerce, or of any facility of a national, state or other securities exchange, of an Excluded Jurisdiction, and that the Tender Form has not been mailed or otherwise sent in, into or from an Excluded Jurisdiction and such Shareholder is accepting the Tender Offer from outside an Excluded Jurisdiction;
- 6.1.10 on execution a Tender Form shall take effect as a deed;
- 6.1.11 the execution of a Tender Form constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form;
- 6.1.12 if the appointment of the attorney and/or agent under sub-paragraph 6.1.3 above shall be unenforceable or invalid or shall not operate so as to afford to Winterflood Securities the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Winterflood Securities to secure the full benefits of sub-paragraph 6.1.3 above; and
- 6.1.13 despatch of cheques in respect of the amount due to a Shareholder at his registered address or at such other address as is specified in the Tender Form will constitute a complete discharge of Winterflood Securities' obligation to make such payment to such Shareholder.

A reference in this paragraph 6.1 to a Shareholder includes a reference to the person or persons executing a Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

## 6.2 *Tenders through CREST – Representations and warranties*

Each Shareholder who hold Shares in uncertificated form (i.e. in CREST) and by whom, or on whose behalf, a tender through CREST is made irrevocably undertakes, represents, warrants to and agrees with Winterflood Securities (for itself and as trustee for the Company) and the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- 6.2.1 the input of the TTE instruction shall constitute an offer to sell to Winterflood Securities the number of Shares specified in the TTE instruction on and subject to the terms and conditions set out or referred to in this document, and that once the TTE instruction has settled such tender shall be irrevocable;
- 6.2.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Winterflood Securities, Winterflood Securities will acquire such Shares with full title guarantee, fully paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the record date for the final and special dividends declared in respect of the financial year ended 31 March 2009, including the right to receive all distributions declared, paid or made after that record date;
- 6.2.3 the input of the TTE instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as such Shareholder's escrow agent and an irrevocable instruction and authority to the escrow agent (i) subject

to the Tender Offer becoming unconditional, to transfer to itself and then to transfer to Winterflood Securities by means of CREST (or to such person or persons as Winterflood Securities may direct) all of the Relevant Shares (as defined below) accepted under the Tender Offer; and (ii) if the relevant Tender Offer does not become unconditional and lapse or is terminated, or there are Shares which have not been successfully tendered under the Tender Offer, as promptly as practicable after the lapsing or termination of the Tender Offer to transfer the Relevant Shares to the original available balances from which those Shares came. For the purposes of this sub-paragraph, Relevant Shares means Shares in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part IV;

- 6.2.4 such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Winterflood Securities or the Receiving Agent or any of their respective directors or officers or any person nominated by Winterflood Securities or the Receiving Agent in the proper exercise of its or his powers and/or authorities hereunder;
- 6.2.5 such Shareholder shall do all such acts and things as shall be necessary or expedient, and execute any additional documents deemed by Winterflood Securities to be desirable, in each case to complete the purchase of the Relevant Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 6.2.6 such Shareholder, if an Overseas Person: (a) is not in any Excluded Jurisdiction or in any territory in which it is unlawful to make or accept the Tender Offer; (b) has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Person is resident or located; and (c) the invitation under the Tender Offer may be made to such Overseas Person and may be accepted by him under the laws of the relevant jurisdiction;
- 6.2.7 the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5.2 above will, to the extent of the obligations so created, discharge fully any obligation of Winterflood Securities to pay to such Shareholder the cash consideration to which he is entitled under the Tender Offer;
- 6.2.8 the input of the TTE instruction constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer;
- 6.2.9 if, for any reason, any Shares in respect of which a TTE instruction has been made are, prior to 1.00 p.m. on 30 September 2009, converted into certificated form, the tender(s) through CREST in respect of such Shares shall cease to be valid;
- 6.2.10 if the appointment of the agent under sub-paragraph 6.2.3 above shall be unenforceable or invalid or shall not operate so as to afford to Winterflood Securities or the Receiving Agent the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Winterflood Securities and/or the Receiving Agent to secure the full benefits of sub-paragraph 6.2.3 above; and
- 6.2.11 such Shareholder shall not take any action which would prevent the Company or the Company's Registrars from cancelling the Shares to which the TTE instructions relate.

## **7. Additional provisions**

- 7.1 Each Shareholder (other than Overseas Persons, save as provided in paragraph 10.5 below) may tender some or all of their holding of Shares on the Record Date, subject to scaling back of tenders in excess of such Shareholder's Basic Entitlement. In respect of Shares held in certificated form, if none of Boxes 1A, 1B or 1C on page 3 of the Tender Form are completed or if any of those Boxes are completed with a number of Shares which is greater than the number of Shares in respect of which there are supporting certificate(s) or other document(s) of title, Winterflood

Securities may (in its absolute discretion), and provided that the relevant Tender Form is in all other respects in order and accompanied by all other relevant documents, accept such tender as a valid tender in respect of the number of Shares to which the certificate(s) or other document(s) of title accompanying the Tender Form relates, subject to scaling back where such Shares are in excess of that Shareholder's Basic Entitlement.

- 7.2 If a Shareholder holding Shares in certificated form does not return his share certificate(s) by 1.00 p.m. on 30 September 2009, Winterflood Securities may deem (in its absolute discretion) that such Shareholder has only tendered the number of Shares in respect of which share certificate(s) have been received by that time.
- 7.3 Shares acquired by Winterflood Securities under the Tender Offer will be purchased by Winterflood Securities as principal and such purchases will be market purchases in accordance with the rules of the London Stock Exchange, the FSA and the UK Listing Authority.
- 7.4 Shares sold by Shareholders pursuant to the Tender Offer will be acquired with full title guarantee, fully-paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the record date for the final and special dividends declared in respect of the financial year ended 31 March 2009, including the right to receive all distributions declared, paid or made after that record date.
- 7.5 The Tender Offer will close at 1.00 p.m. on 30 September 2009 and it is expected that the Company will announce the results of the Tender Offer by 8 October 2009, including:
  - (a) the total number of Shares validly tendered; and
  - (b) the Tender Price.
- 7.6 Each Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of Winterflood Securities agreeing to process his tender, such Shareholder will not revoke his tender or withdraw his Shares. Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 7.7 Any omission to despatch this document, the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 7.8 No acknowledgement of receipt of any Tender Form, TTE instruction, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.
- 7.9 All powers of attorney and authorities on the terms conferred by or referred to in this Part IV or (in the case of Shares held in certificated form) in the Tender Form, are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 7.10 All tenders in respect of Shares held in certificated form must be made on the Tender Form, duly completed in accordance with the instructions set out thereon which constitute part of the terms of the Tender Offer. A tender in respect of Shares held in certificated form will only be valid when the procedures contained in these terms and conditions and in the Tender Form are complied with. The Tender Offer and all tenders will be governed by and construed in accordance with English law. Delivery or posting of a Tender Form or the transmission of a TTE instruction in CREST will constitute submission to the jurisdiction of the English courts.
- 7.11 If the Tender Offer does not become unconditional and lapses or is terminated, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 days of the

Tender Offer lapsing or being terminated, to the person or agent whose name and address (outside an Excluded Jurisdiction) is set out in Box 3 of the Tender Form or, if none is set out, to the tendering Shareholder or, in the case of joint holders, the first-named at his/her registered address in the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland. In any of these circumstances, the Tender Form will cease to have any effect. In the case of Shares held in uncertificated form in CREST, Computershare Investor Services PLC, in its capacity as the Escrow Agent, will, within 14 days of the Tender Offer lapsing or being terminated, give instructions to CREST to transfer all such Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Tender Offer by TFE instruction to the original available balances from which those Shares came.

- 7.12 Subject to paragraphs 8 and 10 below, the Tender Offer is open to Shareholders who were on the Register at the Record Date. The Tender Offer will close at 1.00 p.m. on 30 September 2009. No Tender Form, share certificate(s) and/or other document(s) of title or indemnity or TTE instruction received after that time will be accepted.
- 7.13 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the terms of the Tender Offer applicable to Shares held in certificated form. The definitions set out on pages 29 to 31 (inclusive) of this document apply to the terms and conditions set out in this Part IV.
- 7.14 Where a Shareholder holds Shares in both certificated and uncertificated form, the holdings will be treated as separate holdings for the purposes of the Tender Offer.
- 7.15 Further copies of this document and the Tender Forms may be obtained on request from the Receiving Agent, at Corporate Actions Projects, Bristol BS99 6AH.

## **8. Miscellaneous**

- 8.1 Any changes to the terms, or any suspension, extension or termination of the Tender Offer will be followed by a public announcement thereof as promptly as practicable and in any event by no later than 1.00 p.m. on the Business Day following the date of the relevant event. Such an announcement will be released to an RIS. References to the making of an announcement by the Company include the release of an announcement on behalf of the Company by Winterflood Securities to the press and delivery of or telephone or facsimile or other electronic transmission of such announcement to an RIS.
- 8.2 Following the completion of the Tender Offer, Shares purchased pursuant to the Tender Offer will be acquired from Winterflood Securities by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and will subsequently be cancelled.
- 8.3 Tendering Shareholders will not be obliged to pay brokerage fees, commissions, transfer taxes or stamp duty in the UK on the purchase by Winterflood Securities of Shares pursuant to the Tender Offer. Expenses relating to the Tender Offer will be paid by the Company.
- 8.4 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer, and, if given or made, such other information or representations should not be relied on as having been authorised by Winterflood Securities or the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 8.5 Winterflood Securities reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and may consider void and reject any tender to sell Shares that does not, in Winterflood Securities' sole judgement (acting reasonably), meet the requirements of the Tender Offer. Winterflood Securities also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form (in whole or in part) which is not entirely in order or which is not accompanied by the related share certificate(s) and/or other document(s) of title in respect of Shares held in certificated form. For Shares held in certificated form, the

consideration under the Tender Offer will only be despatched when the Tender Form(s) is/are entirely in order and the share certificate(s) and/or other document(s) of title or indemnities satisfactory to Winterflood Securities has/have been received. None of Winterflood Securities, the Company, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

## **9. Termination of the Tender Offer**

If the Company (acting through the Directors) shall at any time prior to Winterflood Securities effecting the purchase as principal of the tendered Shares pursuant to the Repurchase Agreement notify Winterflood Securities in writing that in its reasonable opinion either: (a) there has occurred a change in national or international financial, economic, political or market conditions such that it has either become impractical or inappropriate for the Company to dispose of its investments or otherwise to raise finance to enable it to fund the repurchase of Shares pursuant to the Repurchase Agreement without materially harming the interests of Shareholders as a whole; or (b) the completion of the purchase of the Shares under the Tender Offer would have unexpected fiscal consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, Winterflood Securities and/or the Company shall be entitled at their complete discretion to terminate the Tender Offer by a public announcement and a subsequent written notice to Shareholders, in which event the Tender Offer shall terminate immediately or as otherwise specified in such announcement.

## **10. Overseas Persons**

- 10.1 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland or custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Persons should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Persons wishing to tender Shares to satisfy himself/herself as to the full observance of the laws 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 and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Overseas Persons will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Winterflood Securities and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Persons for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Forms in any territory outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland.
- 10.2 In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails, or by any means or instrumentality (including without limitation facsimile transmission, internet, other electronic transmission and telephone) of interstate or foreign commerce, or of any facility of a national, state or other securities exchange, of an Excluded Jurisdiction and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within an Excluded Jurisdiction.
- 10.3 Accordingly, originals and copies of the Tender Form and the Scheme Tender Form are not being and must not be mailed or otherwise distributed or sent in or into an Excluded Jurisdiction, including to Shareholders with registered addresses in an Excluded Jurisdiction or to persons whom Winterflood Securities knows to be custodians, nominees or trustees holding Shares for persons in an Excluded Jurisdiction. Persons receiving such documents or wishing to accept the Tender Offer should not distribute or send them in, into or from an Excluded Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and so doing will render invalid any related purported acceptance of the Tender Offer. Envelopes

containing Tender Forms or Scheme Tender Forms should not be postmarked in an Excluded Jurisdiction. All tendering Shareholders must provide addresses outside an Excluded Jurisdiction for the remittance of cash or the return of documents lodged pursuant to the Tender Offer. A Shareholder will be deemed not to have tendered his Shares under the Tender Offer if (i) such Shareholder is unable to make the representations and warranties set out in sub-paragraphs 6.1.8 and 6.1.9 (in respect of Shares held in certificated form) or sub-paragraph 6.2.6 (in respect of Shares held in uncertificated form), (ii) in the case of Shares held in certificated form (a) such Shareholder has an address in an Excluded Jurisdiction and such person does not insert where indicated on the Tender Form the name and address of a person or agent outside an Excluded Jurisdiction to whom he wishes the consideration to which he is entitled under the Tender Offer to be sent, subject to the provisions of this paragraph and the applicable laws, (b) such Shareholder inserts on a Tender Form the name and address of a person or agent in an Excluded Jurisdiction to whom he wishes the consideration to which he is entitled under the Tender Offer to be sent, or (c) a Tender Form or Scheme Tender Forms received from him is in an envelope postmarked in, or which otherwise appears to Winterflood Securities or its agents to have been sent from, an Excluded Jurisdiction. Winterflood Securities reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in sub-paragraphs 6.1.8 and 6.1.9 (in respect of Shares held in certificated form) or sub-paragraph 6.2.6 (in respect of Shares held in uncertificated form) given by any person are correct and, if such investigation is undertaken and as a result Winterflood Securities determines (for any reason) that such representations and warranties are not correct, such acceptance shall not be valid.

10.4 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including without limitation custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form, the Scheme Tender Form, or any related documents in, into or from an Excluded Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, internet, other electronic transmission and telephone) of interstate or foreign commerce, or any facility of a national, state or other securities exchange, of an Excluded Jurisdiction in connection with such forwarding, such persons 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 10.

10.5 The provisions of this paragraph 10 and any other terms of the Tender Offer relating to Overseas Persons may be waived, varied or modified as regards specific Overseas Persons or on a general basis by Winterflood Securities in its absolute discretion but only if Winterflood Securities is satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other law.

10.6 The provisions of this paragraph 10 supersede any terms of the Tender Offer inconsistent herewith.

**Overseas Persons should inform themselves about and observe any applicable or legal regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.**

## PART V

### TAXATION

#### UK Taxation

The information set out in this Part V relates to certain aspects of the UK taxation treatment applicable to Shareholders who are resident or ordinarily resident in the UK for tax purposes and who hold their Shares as investments (and not as securities to be realised in the course of a trade). The information is based on current legislation and HM Revenue & Customs practice as at the date of this document. Legislation and practice may change. The information is given by way of general summary only and does not constitute legal or tax advice to any Shareholder. Any Shareholder who is in any doubt as to their tax position or who is subject to taxation in a jurisdiction other than the UK should consult an independent professional adviser.

#### *Shareholders*

A Shareholder who sells Shares in the Tender Offer should be treated, for the purposes of UK taxation, as though the Shareholder has sold them in the normal way to a third party. Accordingly, and subject to the comments in the next paragraph, any such Shareholder who is UK resident may, depending on that Shareholder's personal circumstances, be subject to capital gains tax (or, in the case of a corporate Shareholder, corporation tax on chargeable gains) in respect of any gain arising on such sale. For individuals, the rate of capital gains tax is 18 per cent and, for companies, is 28 per cent. Indexation relief may be available to companies to reduce the gain (but not to increase any loss). Shareholders who are not resident or ordinarily resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from the sale of their Shares unless those Shares are held through a UK permanent establishment, although they may be subject to foreign taxation depending on their personal circumstances. Individual Shareholders who are temporarily neither resident nor ordinarily resident in the UK for tax purposes may be liable to capital gains tax under tax anti-avoidance legislation.

Application has not been made to HM Revenue & Customs for clearance under section 707 ICTA 1988 or section 701 ITA 2007 that the anti-avoidance provisions of section 703 ICTA 1988 and section 684 ITA 2007 should not apply to the Tender Offer. Under section 707 ICTA 1988 or section 684 ITA 2007, HM Revenue & Customs may assess certain Shareholders to income tax, rather than capital gains tax, on the portion of the purchase price which exceeds the amount originally subscribed (including any premium) for the Shares if they consider that certain specified requirements apply to the Tender Offer. The Company has been advised, however, that 707 ICTA 1988 or section 684 ITA 2007 should not apply to Shareholders who sell their Shares under the Tender Offer. If HM Revenue & Customs does not raise any such assessment as is described above, then the capital gains tax treatment set out above will apply to all Shareholders.

#### *Stamp Duty*

Stamp duty at the rate of 0.5 per cent of the Tender Price on the Shares repurchased will be payable by the Company as a result of the Tender Offer.

If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay.

#### Irish Taxation

The information given below is not exhaustive and does not constitute tax advice. Shareholders should consult their own professional advisers as to the implications of selling their Shares in the Tender Offer. The following is a brief summary of certain aspects of Irish taxation law and practice (which are subject to change) relevant to the Tender Offer in respect of Irish tax resident and/or ordinarily resident Shareholders who are holding their Shares as an investment (and not holding them in the course of a trade nor holding them under a special tax regime, such as for example, pension funds, charities, life insurance companies etc.).

The disposal of Shares should fall within the normal Irish capital gains tax rules. Therefore, accepting the Tender Offer will in such circumstances give rise to a liability to capital gains tax or corporation tax on chargeable gains (if any) depending on the circumstances of the Shareholder. The gain or loss on such sale will be calculated as the difference between the Tender Price and the base cost attributable to those Shares. The calculation will need to be performed in euros and therefore any sterling cost or proceeds will need to be translated into euros at the foreign exchange rate prevailing at the relevant time. Depending on when the Shares were acquired the base cost may be increased (when calculating a gain but not a loss) by inflation relief due for some of the period of ownership. Any gain resulting after deducting available capital gains tax losses and, in the case of individuals only, the annual capital gains exemption available will be subject to capital gains tax at the prevailing rate, which is currently 25 per cent. Shareholders who are Irish tax resident and/or ordinarily tax resident in Ireland are required to file a tax return in Ireland under the self-assessment tax system.

There is a possibility that the Shares in the Company may be regarded as an investment in an offshore fund for some Irish tax resident and/or ordinarily tax resident Shareholders. Special tax rules would apply in such a case. Individuals would be taxed at 28 per cent and corporates at 25 per cent on any gain arising. The rules for calculating such a gain (or loss) are somewhat different from those applying to capital gains tax (as described above). Shareholders should seek appropriate tax advice if they believe that their investment in the Company falls under Ireland's offshore funds tax regime.

**If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay.**

## PART VI

### GENERAL

#### 1. Directors' Interests

As at 4 September 2009 (the latest practicable date prior to the publication of this document), the interests of each Director, all of which are beneficial, in the Shares were as follows:

| <i>Name</i>      | <i>Number of Shares</i> | <i>% of issued ordinary share capital</i> |
|------------------|-------------------------|---|
| Harry Sheridan   | 75,000                  | 0.71                                      |
| Robin Baillie    | 6,000                   | 0.06                                      |
| Gavin Caldwell   | 6,000                   | 0.06                                      |
| William Cotter   | 6,880                   | 0.07                                      |
| Richard Milliken | 13,500                  | 0.13                                      |

#### 2. Major Shareholders

As at 4 September 2009 (the latest practicable date prior to the publication of this document) the Company was aware of the following persons who had declared a notifiable interest in the Company's voting rights under the Disclosure and Transparency Rules:

| <i>Name</i>  | <i>Number of Shares</i> | <i>% of issued ordinary share capital</i> |
|--|-------------------------|---|
| East Riding of Yorkshire Council   | 1,150,000               | 10.92                                     |
| F&C Asset Management plc<br>(including 703,333 Shares<br>(6.68 per cent) held by<br>FPP Investment Trust Fund) | 962,119                 | 9.14                                      |
| Jupiter Asset Management Limited   | 945,664                 | 8.98                                      |
| 1607 Capital Partners LLC  | 669,051                 | 6.36                                      |
| Legal & General Group Plc  | 492,131                 | 4.67                                      |

The nature of the Tender Offer is such that the Directors are unable to determine at the date of this document the parties that will have a notifiable interest in the Company's voting rights following the implementation of the Tender Offer.

As at 4 September 2009, the Company held no Shares in treasury.

#### 3. Company's performance

The following table sets out the Net Asset Value performance record of the Company, together with the capital return of the ISEQ Index, the Davy Mid-Cap Index, the HG Smaller Companies (excluding investment companies) Index and the FTSE All-Share Index over differing time periods.

| <b>NAV Performance</b>        | <i>Gartmore<br/>Irish Growth<br/>Fund PLC<br/>%</i> | <i>ISEQ<br/>Index<br/>%</i> | <i>Davy<br/>Mid-Cap<br/>Index<sup>1</sup><br/>%</i> | <i>FTSE<br/>All-Share<br/>%</i> | <i>HGSC<br/>Ex Inv<br/>Cos<br/>%</i> |
|-------------------------------|---|-----------------------------|---|---------------------------------|--------------------------------------|
| <i>As at 31 August 2009</i>   |   |                             |   |                                 |                                      |
| 3 months                      | 21.4  | 14.1                        | 26.6  | 11.9                            | 18.7                                 |
| Year to date                  | 41.7  | 20.3                        | 77.3  | 14.1                            | 50.6                                 |
| 1 year                        | -2.5  | -24.9                       | 16.5  | -12.1                           | 0.6                                  |
| 3 years                       | -6.8  | -49.7                       | 2.4   | -16.2                           | -9.6                                 |
| 5 years                       | 59.6  | -26.0                       | 91.4  | 13.8                            | 33.2                                 |
| Since inception (7 June 1995) | 642.3   | 73.6                        | 450.9   | 52.3                            | 112.5                                |

Source: Datastream/Gartmore

"Fund Returns – NAV" are calculated from NAV (ex revenue) prices until 31 May 2008, after which NAV (cum revenue) prices are used.

All index returns are capital only. All returns in sterling.

<sup>1</sup> Please refer to the paragraph below

During 2007 and 2008, the steep falls in the share prices of the Irish banks had a sizeable affect on the ISEQ, significantly depressing the returns of the overall index. The reduction in the market capitalisation of Irish banks resulted in their forming part of the Davy Mid-Cap Index from 2 April 2009. During the following months, the rapid recovery in Irish banks' share prices had a disproportionate affect on the performance of the Davy Mid-Cap Index, inflating its returns well above those of the remainder of the universe.

#### **4. No Significant Change**

Save for the rise in the value of the Company's net assets from £48.8 million (audited) as at 31 March 2009 to £73.8 million (unaudited) as at 4 September 2009 (being the latest practicable date prior to the publication of this document) and a corresponding rise in the NAV per Share from 444.91 pence per Share to 700.3 pence per Share over the same period, there has been no significant change in the financial or trading position of the Company since 31 March 2009, being the date to which the latest audited annual financial statements have been prepared.

#### **5. Repurchase Agreement**

On 8 September 2009 the Company entered into the Repurchase Agreement with Winterflood Securities. Under the Repurchase Agreement, upon the Tender Offer becoming unconditional in accordance with its terms, Winterflood Securities has agreed to sell to the Company at the Tender Price, and the Company has agreed to purchase, at the Tender Price, the tendered Shares (the resulting position being that Winterflood Securities will no longer hold any Shares tendered by Shareholders under the Tender Offer). The Company is required to pay funds into a bank account sufficient to enable the Company to purchase such Shares from Winterflood Securities. Winterflood Securities' obligation to purchase tendered Shares from Shareholders pursuant to the Tender Offer is conditional, among other things, upon receipt of confirmation that the Company has paid funds into the bank account.

#### **6. Consent**

Winterflood Securities has given and has not withdrawn its written consent to the issue of this document and its letter with the references to its name in the form and context in which it is included.

#### **7. Documents Available for Inspection**

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays expected) from the date of this document until the completion, lapse or termination of the Tender Offer at the offices of Norton Rose LLP, 3 More London Riverside, London SE1 2AQ:

- (a) the Articles of Association of the Company;
- (b) the Repurchase Agreement referred to in paragraph 5 above;
- (c) the consent letter from Winterflood Securities referred to in paragraph 6 above;
- (d) this document; and
- (e) the audited accounts of the Company for the years ended 31 March 2007, 31 March 2008 and 31 March 2009.

## DEFINITIONS

|                                      |   |
|--------------------------------------|---|
| Basic Entitlement                    | the entitlement to tender up to 30 per cent of the Shares registered in the Shareholder's or Scheme Participant's name on the Record Date                                   |
| Board or Directors                   | the board of directors of the Company   |
| Business Day                         | any day other than a Saturday, Sunday or public holiday in England and Wales  |
| Calculation Date                     | the date on which the Tender Price is calculated, expected to be close of business on 2 October 2009  |
| certificated or in certificated form | not in uncertificated form  |
| City Code                            | The City Code on Takeovers and Mergers  |
| Company                              | Gartmore Irish Growth Fund PLC  |
| CREST                                | the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations |
| CREST participant                    | a person who is, in relation to CREST, a system participant (as defined in the Regulations)   |
| CREST Regulations                    | the Uncertificated Securities Regulations 2001 (SI 2001/3755)   |
| CREST sponsor                        | a CREST participant admitted to CREST as a CREST sponsor  |
| CREST sponsored member               | a CREST member admitted to CREST as a sponsored member  |
| Euroclear                            | Euroclear UK & Ireland Limited, the operator of CREST   |
| Excluded Jurisdictions               | the United States, Canada, Australia, the Republic of South Africa and Japan  |
| Form of Proxy                        | the form of proxy accompanying this document, for use by Shareholders in connection with the General Meeting  |
| FSA                                  | the Financial Service Authority   |
| FSMA                                 | the Financial Services and Markets Act 2000   |
| Gartmore Savings Schemes             | the Gartmore Savings Plan for Investment Trusts ("SAVEit") and the Gartmore Individual Savings Account ("ISAit")  |
| General Meeting                      | the general meeting of the Company convened for 10.30 a.m. on 2 October 2009 (or any adjournment thereof) notice of which is set out at the end of this document            |
| ICTA 1988                            | Income and Corporation Taxes Act 1988   |
| ITA 2007                             | Income Tax Act 2007   |
| Listing Rules                        | the listing rules of the UK Listing Authority made pursuant to section 73A of FSMA  |
| Manager                              | Gartmore Investment Limited   |

|                                 |  |
|---------------------------------|--|
| Net Asset Value or NAV          | the aggregate value of all assets less all liabilities of the Company calculated in accordance with the Company's accounting policies as set out in the last audited annual accounts   |
| Overseas Person                 | a Shareholder who is a citizen or national of, or resident in, a jurisdiction outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland or a custodian, nominee or trustee for a citizen, national or resident of a jurisdiction outside the United Kingdom, the Channel Islands, the Isle of Man or the Republic of Ireland |
| Panel                           | the Panel on Takeovers and Mergers   |
| Receiving Agent or Escrow Agent | Computershare Investor Services PLC  |
| Record Date                     | the date on which Shareholders (or the registered holder for the relevant Gartmore Savings Scheme, in the case of Scheme Participants) had to be on the Register in order to participate in the Tender Offer, being 5.00 p.m. on 12 August 2009  |
| Register                        | the register of Shareholders of the Company  |
| Registrars                      | Computershare Investor Services PLC  |
| Repurchase Agreement            | the letter agreement between the Company and Winterflood Securities for the repurchase by the Company on the London Stock Exchange of Shares purchased by Winterflood Securities pursuant to the Tender Offer as described in paragraph 5 of Part VI of this document  |
| Resolution                      | the special resolution to be proposed at the General Meeting as set out in the notice of the General Meeting at the end of this document   |
| RIS                             | a Regulatory Information Service approved by the FSA and on the list of regulatory information services maintained by the FSA  |
| Scheme Participant              | beneficial owners of Shares held through one or more of the Gartmore Savings Schemes   |
| Scheme Tender Form              | the scheme tender form accompanying this document for use by Scheme Participants in connection with the Tender Offer   |
| Share                           | an ordinary share of 25 pence in the capital of the Company  |
| Shareholders                    | holders of Shares  |
| Tender Form                     | the tender form accompanying this document for use by Shareholders who hold Shares in certificated form in connection with the Tender Offer  |
| Tender NAV                      | the NAV as calculated for the purposes of the Tender Offer in accordance with paragraph 3 of Part IV of this document  |
| Tender Offer                    | the invitation by Winterflood Securities to Shareholders and Scheme Participants (other than certain Overseas Persons) to tender Shares for purchase on the terms and subject to the conditions set out in this document and, where applicable, the Tender Form or the Scheme Tender Form, as the case may be  |

|  |  |
|--|--|
| Tender Price                             | the price at which the Shares will be purchased pursuant to the Tender Offer representing 92 per cent of the Tender NAV determined as at the Calculation Date, as described in paragraph 3 of Part IV of this document |
| TFE instruction                          | a transfer from escrow instruction (as defined in the CREST Manual)  |
| TTE instruction                          | a transfer to escrow instruction (as defined in the CREST Manual)  |
| UK or United Kingdom                     | the United Kingdom of Great Britain and Northern Ireland   |
| UK Listing Authority                     | the FSA acting in its capacity as competent authority for the purpose of Part VI of FSMA   |
| uncertificated or in uncertificated form | recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST  |
| Voting Direction Form                    | the form of direction for use by Scheme Participants in connection with the General Meeting  |
| Winterflood Securities                   | Winterflood Securities Limited, acting through its division Winterflood Investment Trusts  |

# Gartmore Irish Growth Fund PLC

*(an investment company within the meaning of section 833 of the Companies Act 2006; incorporated in England and Wales under the Companies Act 1985 with registered number 3031629)*

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Gartmore Irish Growth Fund PLC will be held at Gartmore House, 8 Fenchurch Place, London EC3M 4PB on 2 October 2009 at 10.30 a.m., for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution, namely:

### SPECIAL RESOLUTION

THAT, in addition to the Company's existing authority to purchase its own shares and in accordance with the terms and conditions of the tender offer (the "Tender Offer") as set out in the circular to shareholders dated 8 September 2009 (the "Circular"), the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693 of the Act) of its ordinary shares of 25 pence each (the "Shares") pursuant to the Tender Offer, provided that:

- (a) the maximum number of Shares hereby authorised to be purchased shall be 3,248,232, being the number representing 30 per cent of the issued capital of the Company at the Record Date (as defined in the Circular);
- (b) the price which shall be paid for a Share shall be the Tender Price (as defined in the Circular) which shall be both the maximum and minimum price for the purposes of section 701 of the Act; and
- (c) the authority hereby conferred shall expire on 30 November 2009, save that the Company may, prior to such expiry, enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry and make a purchase of such Shares pursuant to any such contract.

Dated this 8 September 2009

*By order of the Board*

**Capita Sinclair Henderson Limited**

*Secretary*

Notes:

- 1 A Shareholder is entitled to attend and vote at the meeting and may appoint one or more proxies to exercise all or any of the rights of the Shareholder to attend and speak and vote in his/her place. A proxy need not be a Shareholder. A Shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. If a Shareholder wishes to appoint more than one proxy and so requires additional proxy forms, the Shareholder should contact the Company's Registrars, Computershare Investor Services PLC by telephone on 0870 707 1025 or (if calling from outside the UK) on +44 870 707 1025.
- 2 Forms of proxy are enclosed for Shareholders' use at the meeting. To be valid, the forms of proxy and any power of attorney or other authority (if any) under which it/they is/are signed (or a notarially certified copy thereof) must be deposited with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by not later than 10.30 a.m. on 30 September 2009. Alternatively, Shareholders may lodge their proxy electronically by not later than 10.30 a.m. on 30 September 2009 by using the internet by visiting the following website, [www.eproxyappointment.com](http://www.eproxyappointment.com). Completion and return of a form of proxy or the giving of a CREST Proxy Instruction (as described in Notes 8 and 9 below) will not preclude a Shareholder from attending and voting at the meeting if he or she wishes to do so.

- 3 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Register in respect of the joint holding (the first-named being the most senior).
- 4 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001/3755) (the CREST Regulations), the Company has specified that only those Shareholders entered on the register of members of the Company as at 6.00 p.m. on 30 September 2009 or, if the meeting is adjourned, on the register of members 48 hours before the time of the adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of Shares registered in their name at that time. Changes to the register of members after 6.00 p.m. on 30 September 2009 or, if the meeting is adjourned, after 48 hours before the time of the adjourned meeting, will be disregarded in determining the rights of any person to attend and vote at the meeting or adjourned meeting (as the case may be).
- 5 A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same Shares:
- (a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;
  - (b) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.
- 6 If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Rules and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any Shareholder holding 3 per cent or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights, and so would otherwise have a notification obligation under the Disclosure Rules and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.
- 7 Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person, as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the Shareholder by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the Shareholder as to the exercise of voting rights at the meeting.
- 8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to the CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.
- 9 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message ("CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to an instruction given to a previously appointed proxy must, in order to valid, be transmitted so as to be received by the Company's agent (ID number 3RA50) not less than 48 hours before the time of the holding of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instruction to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsor member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure the message is transmitted by means of the CREST system by any particular time. In this connection CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.
- 10 Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. A Shareholder may alternatively submit a question in advance by a letter addressed to the Company Secretary at the registered office.

In accordance with section 319A of the Companies Act 2006, the Company must cause any question relating to the business of the meeting put by a Shareholder attending the meeting to be answered. No such answer need be given if:

- (a) to do so would:
  - (i) interfere unduly with the preparation for the meeting; or
  - (ii) involve the disclosure of confidential information;
- (b) the answer has already been given on a website in the form of an answer to a question; or
- (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

- 11 As at 4 September 2009, which is the latest practicable date before the publication of this Notice, the Company's issued share capital comprised 10,527,442 ordinary shares of 25 pence each carrying one vote each. Therefore, the total voting rights in the Company as at 4 September 2009 are 10,527,442.
- 12 A copy of this Notice of General Meeting is available on the Company's website, [www.gartmoreirishgrowthfund.com](http://www.gartmoreirishgrowthfund.com), and from the Manager's website, [www.gartmore.co.uk](http://www.gartmore.co.uk).



