

Redmayne-Bentley's

Rights Issue Information Sheet

When we hold shares for you in a company which calls a rights issue, we will write to you asking for your instructions. The Financial Services Authority (FSA) has reduced the timeline for rights issues subscription periods from a minimum of 21 days to a minimum of ten business days. We endeavour to communicate with custody clients in writing as swiftly as possible and also by e-mail if we hold a valid e-mail address. Please note our deadline may expire before that set by the company or their registrars in order to ensure that we have a reasonable amount of time to process instructions in relation to that corporate action for all of our clients. Below are some usual questions associated with rights issues.

What is a Rights Issue?

A rights issue is one way in which a company may choose to raise money. This may be from a position of strength to fund expansion or from a weak position to fill a hole in the balance sheet. Shareholders are given the opportunity to purchase additional shares in proportion to their existing holding at a discount to the market price. If the discount is particularly large it will raise questions as to why?

What are Nil-Paid Rights?

Shareholders receive these rights pro-rata to their holding of ordinary shares. These give the shareholder the right to purchase additional ordinary shares in the rights issue at the offer price. A shareholder can also sell and buy these rights in the market.

Should I take part in the Rights Issue?

Are you happy to give more of your money to the company or could your money be working better for you elsewhere? If you decide not to take up the rights your overall shareholding in the company will be diluted. You can usually sell them in the market to compensate for some or all of the loss. If you don't sell your rights you can let them lapse and you may receive lapsed rights proceeds, although this will usually be after the underwriters have taken their costs. In adverse circumstances the share price may fall below the rights price. In these circumstances the rights become worthless.

Why am I entitled to participate in the Rights Issue?

All shareholders are entitled to take part but you must be a shareholder on a particular date. The company undertaking the rights issue will announce the 'ex entitlement date'. This is the date on which shareholders must hold their shares in order to be entitled. If you purchase ordinary shares prior to this date you are entitled to participate in the rights issue. If you purchase ordinary shares after this date you are not entitled to participate. If you buy shares on this date, you are not entitled to participate. If you sell shares on this date you are entitled to participate.

I have heard that you have to hold shares on the 'Record Date' in order to be entitled. Is this different to the 'Ex Entitlement Date'?

Yes. The record date is the date on which the company registrar will write to all holders of the stock informing them of the rights issue. The record date will usually be approximately three working days prior to the ex entitlement date, however, this can vary. If you sell your ordinary shares after the record date and before the ex entitlement date you will not be entitled to participate in the rights issue. If you continue to hold your ordinary shares on the ex entitlement date you will be entitled to participate in the rights issue.

I do not have sufficient funds in my ISA and I wish to take up the rights, what are my options?

- If you have not fully subscribed to your ISA for the current tax year you may wish to use your subscription allowance. You can send a cheque along with the application form you have received or alternatively you can make a debit card payment to your account by contacting your usual Redmayne-Bentley contact or our Accounts team on **0113 200 6500**.
- You can take up as many shares as possible within the ISA with the funds available and let the remainder lapse.
- You can take up as many shares as possible within the ISA with the funds available and take up the remainder outside of your ISA in your own name at an additional cost of £10 plus VAT, or alternatively in an existing Redmayne-Bentley Nominee account at no additional cost.
- You can take up your entitlement outside of your ISA in your own name at an additional cost of £10 plus VAT, or alternatively in an existing Redmayne-Bentley Nominee account at no additional cost.
- You can sell all or part of your entitlement in the market (normal dealing charges apply).

I do not have sufficient funds in my account but my family member/friend has sufficient funds in their account, can they take up my rights?

No, only the entitled shareholder can take up the rights.

Can I take up more shares in the offer than I am entitled to?

Rights issues do not have a facility to apply for a number of shares in excess of the basic entitlement. However, holders with a Redmayne-Bentley Nominee account can purchase nil-paid shares in the market (normal dealing charges apply) with an instruction to exercise these rights and buy additional shares in the offer at the offer price. However, additional nil-paid shares can not be bought in the market in to an ISA account.

What will happen if I do not participate in the Rights Issue?

Your nil-paid rights will lapse. The company will sell these entitlements and any net proceeds, after deduction of the offer price and costs, will be distributed to shareholders who allowed their rights to lapse. The amount of lapsed proceeds, if any, will not be known until the offer has closed. Lapsed proceeds are not guaranteed.



Contact your branch:

To discuss further please contact your usual Redmayne-Bentley contact, for details visit

www.redmayne.co.uk/branch



Register your email address:

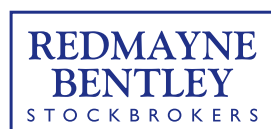
If you have a Redmayne-Bentley Nominee account to help speed up communications we recommend that you register an email address with us. Send an e-mail to

info@redmayne.co.uk quoting your name and account number.



Add us to your safe senders list:

To avoid e-mail correspondence from Redmayne-Bentley being blocked by filtering software employed by e-mail programs and providers, add info@redmayne.co.uk to your safe senders list.



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RIGHTS INFO 11/09/001 BBB4746