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If you sell or transfer or have sold or transferred all of your Sportech Shares, please send this document (but not the accompanying personalised Tender Form) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Sportech Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This document has been prepared for the purposes of complying with English law and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.



(incorporated and registered in Scotland with registered number SC069140)

Proposed Return of Cash to Shareholders by way of Tender Offer

Investec Bank plc, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Sportech and for no one else in connection with the matters described in this document and is not, and will not be, responsible to anyone other than Sportech for providing the protections afforded to its clients nor for providing advice in connection with the matters set out in this document. Investec has given, and not withdrawn, its written consent to the issue of this document with references to its name being included in the form and context in which they appear.

To the extent that any document or information incorporated by reference or attached to this document, itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this document, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information. Without prejudice to the documents incorporated by reference into this document, the contents of the website of Sportech and any website directly or indirectly linked to that website do not form part of this document and should not be relied upon.

Capitalised terms have the meaning ascribed to them in Part IV (*Definitions*) of this document.

If you are a Qualifying Shareholder and wish to sell Ordinary Shares held in certificated form under the Tender Offer you should complete the Tender Form and return it in accordance with the instructions set out in Part II of this document and on the Tender Form to be received by the Company’s Receiving Agent by no later than 1.00 p.m. on 20 March 2017. Acceptances of the Tender Offer in respect of Ordinary Shares held in uncertificated form (i.e. in CREST) should be made electronically through CREST so that TTE instructions settle no later than 1.00 p.m. on 20 March 2017.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	10 March 2017
Tender Offer opens	10 March 2017
Closing Date – latest time and date for receipt of Tender Forms and settlement of TTE instruction(s) from CREST	1.00 p.m. on 20 March 2017
Record Date for Tender Offer	5.00 p.m. on 20 March 2017
Result of Tender Offer announced	21 March 2017
CREST accounts credited with Tender Offer consideration and any unsold uncertificated Shares	by 28 March 2017
Despatch of cheques for Tender Offer consideration in respect of certificated Shares sold under the Tender Offer and any balance certificates in respect of any unsold certificated Shares	by 28 March 2017

The dates and times given in this document are London time and are based on the Company's current expectations and may be subject to change. Any changes to the expected timetable will be announced via a Regulatory Information Service.

If you have any questions about the procedure for tendering Shares or if you want help in completing and returning the Tender Form, please call Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART I

LETTER FROM THE CHAIRMAN OF SPORTECH

SPORTECH PLC

(Incorporated and registered in Scotland with registered number SC069140)

Directors:

Roger Withers *(Non-executive Chairman)*
Ian Penrose *(Chief Executive)*
Maneck Kalifa* *(Chief Financial Officer)*
Andrew Gaughan *(President, Sportech Racing/Digital)*
Richard McGuire *(Independent Non executive Director)*

* Familiar name Mickey.

Registered Office:

Collins House
Rutland Square
Edinburgh
Midlothian
Scotland
EH1 2AA

10 March 2017

Dear Shareholder

Proposed Return of Cash to Shareholders by way of Tender Offer

Introduction

This letter sets out the full details of the Tender Offer to purchase ordinary shares of 50 pence each in the Company (“Shares”), including the background to and reasons for the Tender Offer.

The Tender Offer is being made available to all Qualifying Shareholders who are on the Register at 5.00 p.m. on 20 March 2017. Shareholders can decide whether they want to tender any or all of their Shares in the Tender Offer. The maximum aggregate number of Shares to be purchased under the Tender Offer is 20,623,804 Shares. The Tender Price payable will be the lower of £1.015 per Share (being the closing price on the day prior to the publication of this document) and 105 per cent. of the average closing middle market price per Share for the five Business Days immediately preceding 21 March 2017, being the date on which the Shares are to be purchased.

The Tender Offer is being made by Investec, as principal on the basis that all Shares that it buys under the Tender Offer will be purchased from it by the Company under its existing buy-back authority. The Board is making no recommendation to Shareholders in relation to participation in the Tender Offer.

Shareholders are not obliged to tender any of their Shares if they do not wish to do so.

Background to and reasons for the Tender Offer

On 8 December 2016 the Company announced the successful outcome of the VAT Claim. The majority of the proceeds of the VAT Claim were received by Sportech by 28 June 2016 (amounting to £93.9 million) and the remaining balance (amounting to approximately £3 million) was received on 6 March 2017.

The proceeds received were partly used to pay down Sportech’s net debt through the prepayment and repayment of £68.1 million previously drawn down under the Company’s revolving credit facility, which in turn was reduced from £75 million to £50 million in December 2016 and as at 31 December 2016 was not drawn. The balance of the proceeds, totalling £28.9 million, has been subsumed within the Sportech’s available cash facilities.

The Company now has funds surplus to its current operational requirements and the Board believes that now is an appropriate time to return through the Tender Offer up to £21 million of cash to its Shareholders. In arriving at the level of cash available to be returned to Shareholders, the Board has taken account of the Company’s available distributable reserves and the levels of funding remaining in the group to enable it to meet both its working and expansionary capital requirements.

The Tender Offer will provide all Qualifying Shareholders with an opportunity to sell part or all of their respective shareholdings and to receive their respective share of the cash which the Company is seeking to return. The Tender Offer will allow the Company to broaden the return of cash to include those Shareholders whose shares might not otherwise be purchased by the Company through a buy back in the market. Tendering Shareholders may also be able to participate in the cash distribution in excess of their otherwise pro rata entitlement, up to their maximum shareholding in the Company, to the extent that other Shareholders do not wish to participate fully in the Tender Offer.

The Tender Offer

The Tender Offer is being made by Investec to all Qualifying Shareholders. Full details of the Tender Offer, including the terms and conditions on which it is being made, are set out in Part II of this document and, in relation to Shareholders holding Shares in a certificated form, on the Tender Form to be sent to Shareholders who hold their Shares in certificated form.

The Tender Offer is open to Qualifying Shareholders on the Company's register of members as at 5.00 p.m. on 20 March 2017.

Basic Entitlements and excess applications

Under the Tender Offer, Qualifying Shareholders will be entitled to have accepted in the Tender Offer valid tenders to Investec in respect of their Basic Entitlements. In addition, Qualifying Shareholders may tender Shares in excess of their Basic Entitlements. Such excess applications will be satisfied to the extent that:

- (A) other Qualifying Shareholders do not tender to the full amount of their Basic Entitlements; and
- (B) there are Overseas Shareholders in Restricted Jurisdictions who cannot participate in the Tender Offer.

To the extent that there is insufficient headroom to satisfy all excess applications, the excess applications will be scaled back proportionately to other excess applications. In the event of scaling back, tenders will be rounded down to the nearest whole number of Shares.

Any rights of Shareholders who choose not to tender their Shares will be unaffected. However, the reduction in the Company's issued share capital may result in a reduction in the liquidity of the Shares in the secondary market.

Taxation

The attention of Shareholders is drawn to Part III of this document, which provides a summary of certain UK taxation consequences for Shareholders of accepting the Tender Offer. This information is a general guide and is not exhaustive. **Shareholders who are in any doubt as to their taxation position or who are subject to tax in a jurisdiction outside the UK should consult their own professional advisers.**

Notification of interests

Under DTR 5, certain substantial Shareholders are required to notify the Company and the FCA of the percentage of voting rights they hold as Shareholders or through their direct or indirect holding of financial instruments within the limits referred to in the DTR. Following the completion of the Tender Offer, the percentage of voting rights held by a Shareholder may change, which may give rise to an obligation on the Shareholder to notify the Company and the FCA within two trading days of becoming aware (or being deemed to have become aware) of such change. Shareholders who are in any doubt as to whether they should notify the Company or as to the form of that notification should consult their own professional advisers.

Waiver of requirements of the Takeover Code

Under Rule 9 of the Takeover Code, when:

- any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or
- any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which has the effect that their percentage holding of voting rights is increased,

that person is normally required by the Panel to make a general offer to all shareholders of that company at not less than the highest price paid by that person (or any person acting in concert with him) for shares in that company during the previous 12 months.

Henderson Group plc acting as agent for and on behalf of its discretionary managed clients (“Henderson”) currently owns approximately 27.1 per cent. of the Company’s issued ordinary share capital. If the full number of Ordinary Shares were to be purchased under the Tender Offer (assuming Henderson does not tender any Ordinary Shares to the Company pursuant to the Tender Offer), then Henderson’s percentage interest in the Ordinary Shares would rise to 30.2 per cent.

Under Rule 37.1 of the Takeover Code, when a company purchases its own voting shares, any resulting increase in the percentage of voting rights of any person or group of persons acting in concert will be treated as an acquisition for the purpose of Rule 9.

Henderson is not connected with any of the Company’s directors nor is Henderson acting in concert, or presumed to be acting in concert, with any of the Company’s directors and, accordingly, the Panel has consented under Note 1 on Rule 37.1 that, should Henderson’s shareholding exceed the limits of Rule 9.1 as a consequence of the Tender Offer, Henderson would not incur an obligation to make a general offer under Rule 9.

Overseas Shareholders

Shareholders with registered or mailing addresses outside the UK, or who are citizens or nationals of, or resident in, a jurisdiction other than the UK, should read paragraph 8 of Part II of this document and the relevant provisions of the Tender Form. It is the responsibility of all Overseas Shareholders 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 holders to complete and return a Tender Form.

Repurchase Agreement

The Company and Investec entered into a repurchase agreement on 9 March 2017 pursuant to which the Company has agreed to purchase from Investec, on market, such number of Shares as Investec shall purchase pursuant to the Tender Offer, at an aggregate price equal to the amount paid by Investec for the Shares.

Investec may terminate the Tender Offer if it receives notice from the Company that, in the Company’s reasonable opinion, one or more of the Conditions set out in paragraph 7 of Part II of this document have not been satisfied. In acquiring Shares pursuant to valid tenders made in the Tender Offer and in selling such Shares to the Company, Investec will act as principal.

Existing Authority

By a resolution passed at the Company’s annual general meeting on 17 May 2016, the Company was authorised to make one or more market purchases of fully paid Shares subject to certain limitations, including that:

- (A) the maximum aggregate number of Ordinary Shares to be purchased is 20,623,804 Shares; and

- (B) the maximum price (exclusive of any expenses) which may be paid for an Ordinary Share shall not be more than 105 per cent. of the average of the closing middle market price for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the purchase is made.

Action to be taken

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

(A) ***Ordinary Shares held in certificated form***

Shareholders who hold Shares in certificated form and who wish to tender any or all of their existing holding of Shares should complete the Tender Form in accordance with the instructions printed thereon and in Part II of this document and return it by post or by hand (during normal business hours only) to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. A pre-paid envelope is enclosed for this purpose for holders in the UK only. Shareholders who hold their Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Shares tendered. Tender Forms and share certificate(s) and/or other document(s) of title must be received as soon as possible but in any event by no later than 1.00 p.m. on 20 March 2017.

(B) ***Ordinary Shares held in uncertificated form***

Shareholders who hold their Shares in uncertificated form (i.e. in CREST) and who wish to tender any or all of their Shares should tender electronically through CREST so that the TTE instruction settles by no later than 1.00 p.m. on 20 March 2017. Further details of the procedures for tendering and settlement are set out in Part II of this document.

Further Information

Shareholders who do not wish to sell any Shares under the Tender Offer do not need to take any action, either in relation to the Tender Form or the sending of a TTE Instruction.

Shareholders are reminded that the Tender Offer is not being made to certain Overseas Shareholders.

If you have any questions about the procedure for tendering Shares or if you want help in completing and returning the Tender Form, please call Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Recommendation

Although the Board considers the Tender Offer to be in the best interests of the Company and Shareholders as a whole, the Board is not making, and does not intend to make, any recommendation to Shareholders as to whether tendering Ordinary Shares pursuant to the Tender Offer is in their own individual best interests. Whether or not Qualifying Shareholders decide to tender all or any of their Ordinary Shares is a decision for individual Qualifying Shareholders. Qualifying Shareholders should take into account their own individual circumstances, including their tax position, when deciding whether or not to participate in the Tender Offer. A summary of material UK taxation considerations in connection with the Tender Offer is set out in Part III of this Circular. Qualifying Shareholders are recommended to consult with their duly authorised independent advisers (including tax advisers).

Directors' Intentions

On the basis that 105 per cent. of the average closing price of an Ordinary Share for the five business days preceding 21 March 2017 is not lower than £1.015, the Directors who are Qualifying Shareholders currently intend to tender Ordinary Shares as follows (though the Directors reserve the right to tender Ordinary Shares at the Tender Price if lower than this level):

<i>Directors & Connected Parties</i>	<i>Intention to tender No. Shares</i>	<i>Per cent. of current holding</i>
Ian Penrose	88,200	9.28
Roger Withers	33,623	30.00
Mickey Kalifa	8,961	10.00
Richard McGuire	30,000	10.00

Yours faithfully
for and on behalf of Sportech PLC



Roger Withers
Non-executive Chairman

PART II

TERMS AND CONDITIONS OF THE TENDER OFFER

1. INTRODUCTION

- 1.1 Qualifying Shareholders on the Register on the Tender Offer Record Date are being invited to tender some, none or all of their Ordinary Shares for purchase by Investec on the terms and subject to the conditions set out in this Circular and, in the case of certificated Ordinary Shares only, in the Tender Form.
- 1.2 Shareholders who do not wish to participate under the Tender Offer need take no action. The rights of Shareholders who choose not to tender their Ordinary Shares will be unaffected.
- 1.3 All of the Ordinary Shares purchased by the Company under the Repurchase Agreement in connection with the Tender Offer will be cancelled.

2. TERMS OF THE TENDER OFFER

- 2.1 The Tender Offer is conditional upon the following (together, the "Tender Conditions"):
 - (A) the Repurchase Agreement not having been terminated in accordance with its terms;
 - (B) the Company being satisfied that it has available to it sufficient distributable profits (in accordance with section 705 CA 2006) to effect the purchase of all tendered shares in accordance with the Repurchase Agreement;
 - (C) the Tender Offer not having been terminated in accordance with paragraph 7 of this Part II on or prior to 20 March 2017 (or such later time and date as the Company and Investec may agree) prior to the fulfilment of the Tender Conditions referred to above;
 - (D) the Tender Price being the lower of £1.015 per Share and 105 per cent. of the average closing middle market price per Share for the five Business Days immediately preceding 21 March 2017, that being the date on which the Ordinary Shares are to be purchased;
 - (E) the Tender Price being not less than £0.50 per Ordinary Share the Tender Offer will lapse and no Shares will be Repurchased;
 - (F) the aggregate consideration to be paid by Investec in respect of the Tender Offer being no more than £21 million;
 - (G) the total number of Ordinary Shares purchased pursuant to the Tender Price being not more than 20,623,804 representing approximately 10 per cent. of the Company's issued share capital;

Investec will not purchase the Shares pursuant to the Tender Offer unless the Tender Conditions have been satisfied. The Tender Conditions may not be waived by Investec or the Company. If any of the above conditions are not satisfied on or prior to 20 March 2017 (or such later time and date as the Company and Investec may agree), the Tender Offer will not proceed and will lapse.

- 2.2 The Tender Offer is made at the Tender Price.
- 2.3 All Shares validly tendered by any Shareholder up to their Basic Entitlement will be accepted in full.
- 2.4 Tenders in excess of a Shareholders' Basic Entitlement will only be accepted to the extent that:
 - (A) other Qualifying Shareholders do not tender the full amount of their Basic Entitlements; and
 - (B) there are Overseas Shareholders in Restricted Jurisdictions who cannot participate in the Tender Offer.

To the extent that there is insufficient headroom to satisfy all excess applications, the excess applications will be scaled back proportionately to other excess applications.

- 2.5 All or any part of a holding of Shares may be tendered. Only whole numbers of Shares may be tendered and, in the event of scaling-back, successful tenders will be rounded down to the nearest whole number of Shares.
- 2.6 The maximum aggregate consideration to be paid by Investec (and subsequently by the Company pursuant to the Repurchase Agreement) in respect of the Tender Offer shall be no more than £21 million.
- 2.7 The total number of Shares purchased pursuant to the Tender Offer will not exceed 20,623,804.
- 2.8 The Tender Offer is available only to Qualifying Shareholders on the Register on the Tender Offer Record Date and in respect of the number of Shares registered in those Shareholders' names at such time.
- 2.9 Tender Forms once duly completed (for Ordinary Shares held in certificated form) and submitted to the Receiving Agent and TTE instructions which have settled (for Ordinary Shares held in uncertificated form) will become irrevocable and cannot be withdrawn. All questions as to the validity (including time of receipt) of tenders will be determined by Investec in its sole discretion, which determination shall be final and binding (except as otherwise required under applicable law). None of the Company, Investec, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities and none of them will incur any liability for failure to give such notice.
- 2.10 The Tender Offer will close at 1.00 p.m. on 20 March 2017 and no tenders received after that time will be accepted unless otherwise approved by Investec (with the consent of the Company).
- 2.11 Ordinary Shares successfully tendered under the Tender Offer will be sold to Investec fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same. Under the Repurchase Agreement, Shares successfully tendered under the Tender Offer (or a corresponding number of Ordinary Shares) will be sold by Investec to the Company through the facilities of the London Stock Exchange and will subsequently be cancelled and will not rank for any dividends, distribution or other equity related rights declared by the Company after that date.
- 2.12 All tenders of Shares held in certificated form must be made on the accompanying Tender Form, duly completed in accordance with the instructions set out below and on the Tender Form, as applicable (which constitute part of the terms of the Tender Offer). Such tenders will be valid only when the procedures contained in this Circular and in the Tender Form are complied with.
- 2.13 All tenders of Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of an appropriate TTE instruction in CREST in accordance with the instructions set out below and the relevant procedures in the CREST Manual which together constitute part of the terms of the Tender Offer. Such tenders will be valid only when the procedures contained in this Circular and in the relevant parts of the CREST Manual are complied with.
- 2.14 The Tender Offer and all tenders will be governed by, and construed in accordance with, the laws of England and Wales and the delivery of a Tender Form or the input of a TTE instruction in CREST, as applicable, will constitute submission to the jurisdiction of the courts of England and Wales.
- 2.15 The results of the Tender Offer and, if applicable, the extent to which excess tenders will be scaled-back, are expected to be announced on 21 March 2017.
- 2.16 All documents and remittances sent by or to Shareholders and all instructions made by or on behalf of a Shareholder in CREST relating to the Tender Offer will be sent or made (as the case may be) at the risk of the sender or maker. If the Tender Offer does not become unconditional, or does not proceed, and lapses, in respect of Ordinary Shares held in certificated form, Tender Forms, share certificates and other documents of title will be returned by post to Shareholders not later than ten Business Days after the date of such lapse, or, in respect of Ordinary Shares held in uncertificated

form (that is, in CREST), the Receiving Agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow by TFE instruction to the original available balances to which those Ordinary Shares relate.

- 2.17 If only part of the number of Shares that are validly tendered is successfully tendered pursuant to the Tender Offer, the relevant Shareholder will be entitled to receive the following:
- (A) if Shares are held in certificated form, a certificate in respect of the unsold Shares; or
 - (B) if Shares are held in uncertificated form (that is, in CREST), the transfer by the Receiving Agent by TFE instruction to the original available balances of those unsold Shares or the credit of the balance of the unsold Shares by the Receiving Agent by an ARAN message.
- 2.18 Further copies of the Tender Form may be obtained on request from the Receiving Agent, or by telephone from the Shareholder Helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- 2.19 All Shares successfully tendered will be purchased by Investec, as principal, at the Tender Price.
- 2.20 All questions as to the number of Shares tendered and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Shares under the Tender Offer will be determined by Investec in its sole discretion, which determination shall be final and binding on all parties except as otherwise required under applicable law. Investec reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance of payment for which may, in the opinion of Investec, be unlawful. Investec also reserves the absolute right to waive any of the terms or conditions of the Tender Offer (other than the Tender Conditions) and any defect or irregularity in the tender of any particular Ordinary Shares or any particular holder thereof. Unless Investec determines otherwise, no tender of Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be despatched (in respect of Shares in certificated form) or made by way of CREST payment (in respect of Ordinary Shares in uncertificated form) to the relevant Shareholder until after (in the case of Shares in certificated form) the Tender Form is complete in all respects and the share certificate(s) and/or other document(s) of title satisfactory to Investec have been received or (in the case of Shares in uncertificated form) the relevant TTE instruction has settled. None of the Receiving Agent, Investec, the Company or any other person is or will be obliged to give notice of any defects or irregularities in any tender and none of them will incur any liability for failure to give any such notice.
- 2.21 Shares will be purchased from Qualifying Shareholders under the Tender Offer free of all commissions and dealing charges.
- 2.22 The failure of any person to receive a copy of this Circular or the Tender Form shall not invalidate any aspect of the Tender Offer.
- 2.23 The Board reserves the right to compel Investec to terminate the Tender Offer at any time prior to announcement of the results of the Tender Offer if it concludes that the implementation of the Tender Offer and the related Repurchase is no longer in the best interests of the Company and the Shareholders as a whole or if the purchase of Ordinary Shares by Investec and the subsequent Repurchase may have adverse fiscal consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company or Shareholders as a whole which were previously unexpected. If the Tender Offer is terminated, the Company will make an announcement through a Regulatory Information Service that such is the case.

- 2.24 The terms of the Tender Offer shall have effect subject to such non-material modifications as the Company and Investec may from time to time approve in writing and the times and dates referred to in this Circular may be amended by agreement in writing between the Company and Investec.

3. PROCEDURE FOR TENDERING SHARES

3.1 *There are different procedures for tendering Shares depending on whether your Shares are held in certificated or uncertificated form.*

If you hold Shares in certificated form, you may only tender such Shares by completing and returning the Tender Form in accordance with the procedure set out in paragraph 3.2 of this Part II. Additional Tender Forms are available from the Receiving Agent by telephone on the number stated below.

If you hold Shares in uncertificated form (i.e. in CREST), you must tender such Shares by TTE Instruction in accordance with the procedure set out in paragraph 3.4 of this Part II and, if those Shares are held under different Member Account IDs, you should send a separate TTE Instruction for each Member Account ID.

If you are in any doubt as to how to complete the Tender Form or as to the procedure for tendering Shares, please contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

You are reminded that, if you are a CREST Sponsored Member, you should contact your CREST Sponsor before taking any action.

3.2 *Procedure for Shares held in certificated form (i.e. not in CREST)*

To tender your Shares held in certificated form you must complete, sign and have witnessed the Tender Form.

The completed, signed and witnessed Tender Form should be sent either by post in the accompanying reply-paid envelope (for use in the UK only) along with the relevant share certificate(s) or other document(s) of title or by hand during normal business hours only to the Receiving Agent, as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 20 March 2017. Investec shall be entitled (in its sole discretion) to accept late Tender Forms. No acknowledgement of receipt of documents will be given.

The completed, signed and witnessed Tender Form should be accompanied by the relevant Share certificate(s) and/or other document(s) of title.

If your Share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed, witnessed and returned as described above so as to be received by Capita Asset Services by no later than 1.00 p.m. on 20 March 2017 together with any Share certificate(s) and/or other document(s) of title you may have available, accompanied by a letter of explanation stating that the (remaining) Share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, by no later than 1.00 p.m. on 20 March 2017.

The Receiving Agent will effect such procedures as are required to transfer your Shares to Investec under the Tender Offer. If you have lost your Share certificate(s) and/or other document(s) of title, you should write to the Company's registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU, for a letter of indemnity in respect of the lost Share certificate(s) which, when completed in accordance with the instructions given, should be returned to the Receiving Agent so as to be received by no later than 1.00 p.m. on 20 March 2017.

By signing the Tender Form, Shareholders will be deemed to have instructed Investec to issue a contract note to the Receiving Agent on behalf of such Shareholder and to remit the cash consideration to the Receiving Agent with instructions that such consideration be remitted in accordance with the instructions set out in the Tender Form.

3.3 ***Validity of Tender Form***

Investec reserves the right to treat as valid only Tender Forms which are received entirely in order by 1.00 p.m. on 20 March 2017 and which are accompanied 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 20 March 2017.

Notwithstanding the completion of a valid Tender Form, the Tender Offer may be suspended, terminated or lapse in accordance with the terms and conditions set out in this Part II.

Investec shall be entitled to accept Tender Forms which are received after 1.00 p.m. on 20 March 2017 in its sole discretion. The decision of Investec as to which Shares have been validly tendered shall be conclusive and binding on all Shareholders.

3.4 ***Procedure for Shares held in uncertificated form (i.e. CREST)***

If the Shares which you wish to tender are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender under the Tender Offer to an escrow balance, specifying Capita Asset Services (in its capacity as a CREST receiving agent under its Participant ID and Member Account IDs 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 20 March 2017. Investec shall be entitled (in its sole discretion) to accept late transfers to escrow.

If you are a CREST Sponsored Member, you should refer to your CREST Sponsor before taking any action. Your CREST Sponsor will be able to confirm details of your Participant ID and the Member Account ID under which your Shares are held. In addition, only your CREST Sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender. You should send (or, if you are a CREST Sponsored Member, procure that your CREST Sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the details set out below.

After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Capita Asset Services as Escrow Agent until completion, termination or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, Capita Asset Services will transfer the Shares which are accepted for purchase by Investec to itself for the purposes of effecting the Tender Offer.

You are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above. You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST Sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 1.00 p.m. on 20 March 2017. In this connection, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. Investec shall be entitled (in its sole discretion) to accept late TTE Instructions to settle.

3.5 ***To accept the Tender Offer and elect in respect of your Shares held in uncertificated form***

To accept the Tender Offer and elect in respect of Shares held in uncertificated form, you should send (or if you are a CREST Sponsored Member, procure that your CREST Sponsor sends) to Euroclear a TTE instruction in relation to such Shares.

A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- (A) the number of Shares to be transferred to an escrow balance;
- (B) your Member Account ID;
- (C) your Participant ID;
- (D) the Participant ID of the Escrow Agent, in its capacity as a CREST receiving agent – this is RA10;
- (E) the Member Account ID of the Escrow Agent. This is 29044SPO
- (F) the Corporate Action Number – this is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (G) 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 20 March 2017;
- (H) the ISIN number for the Tender Offer – this is GB00B28ZPV64; and
- (I) the standard TTE instruction of priority 80.

An appropriate announcement will be made if any of the details contained in this sub-paragraph 3.5 are altered.

3.6 ***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 such 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 any Share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 20 March 2017.

4. SETTLEMENT

4.1 Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Investec (which will be rounded down to the nearest whole penny) will be effected by the despatch of cheques or the crediting of CREST accounts (as applicable).

(A) *Shares held in certificated form (that is, not in CREST)*

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by 28 March 2017 by first class post to the person or agent whose name and address is set out in Box 1 (or, if relevant, Box 4) of the Tender Form or, in the case of joint holders, the address of the first named. All cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

(B) *Shares held in uncertificated form (that is, in CREST)*

Where an accepted tender relates to Shares held in uncertificated form, settlement of the consideration due will be paid by means of CREST by the Receiving Agent procuring the creation of a CREST payment in favour of the tendering Shareholder's payment bank in accordance with CREST payment arrangements.

4.2 If only part of a holding of Shares is sold pursuant to the Tender Offer or if, because of scaling back, any Shares tendered in excess of the Basic Entitlement are not purchased pursuant to the terms of the Tender:

- (A) 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
- (B) where the Shares are held in uncertificated form (that is, in CREST), the unsold Shares will be transferred by the Escrow Agent by means of a TFE Instruction to the original CREST account from which those Shares came.

5. TENDER FORM

5.1 Each Shareholder by whom, or on whose behalf, a Tender Form is executed in respect of certificated Shares hereby irrevocably undertakes, represents, warrants and agrees to and with Investec (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (A) the execution of the Tender Form shall constitute an offer to sell to Investec the number of Shares inserted, or deemed to be inserted, in Box 2 of the Tender Form, 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;
- (B) 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 Investec, Investec 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 Closing Date including the right to receive all dividends and other distributions declared paid or made after that date and that such representation shall be deemed to be repeated at the time Investec purchases such Shares;
- (C) the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, in respect of the Shares referred to in paragraph 5.1 of this Part II constitute the irrevocable appointment of any director or officer of Investec as such Shareholder's attorney and/or agent (the "attorney"), and an irrevocable instruction and authority 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 such Shares in favour of Investec or such other person or persons as Investec may direct and to deliver such instrument(s) of transfer and/or other document(s) of title relating to such Shares, for registration 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 Investec or its nominee(s) or such other person(s) as Investec may direct such Shares;
- (D) such Shareholder will ratify and confirm each and every act or thing which may be done or effected by Investec or any of its directors, officers or any person nominated by Investec in the proper exercise of its or his or her respective powers and/or authorities hereunder (including any attorney);
- (E) such Shareholder will deliver to the Receiving Agent their Share certificate(s) and/or other document(s) of title in respect of the Shares referred to in paragraph 5.1 of this Part II, or an indemnity acceptable to Investec and the Receiving Agent in lieu thereof, or will procure the

delivery of such document(s) to such person as soon as possible thereafter and, in any event, not later than the Closing Date;

- (F) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Investec to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
 - (G) such Shareholder has not received or sent copies or originals of the Tender Form or any related documents to any overseas 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, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any overseas jurisdiction, that the Tender Form has not been mailed or otherwise sent in, into or from any overseas jurisdiction and that such Shareholder is not accepting the Tender Offer from any overseas jurisdiction;
 - (H) if such Shareholder is an Overseas Shareholder, (a) it is not resident or located in any Restricted 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 used or will use it, (b) it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the invitation under the Tender Offer may be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
 - (I) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
 - (J) the despatch of a cheque in respect of the consideration payable to such Shareholder at his registered address or such other address as is specified in the Tender Form will constitute a complete discharge by Investec of its obligations to make such payment to such Shareholder;
 - (K) the execution of the Tender Form constitutes a warranty by such Shareholder that the information given by or on behalf of the Shareholder in the Tender Form will be true in all respects at the time Investec purchases the Ordinary Shares referred to in paragraph 5.1 of this Part II as if it had been given afresh at such time and shall not be extinguished by such purchase;
 - (L) on execution, the Tender Form takes effect as a deed;
 - (M) the execution of the Tender Form constitutes such Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer and/or the Tender Form; and
 - (N) if the appointment of an attorney provision under sub-paragraph (C) of this Part II shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Investec 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 Investec to secure the full benefits of sub-paragraph (C) of this Part II.
- 5.2 A reference in this paragraph 5 to a Shareholder includes a reference to the person or persons executing the Tender Form and, in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.
- 5.3 Each Shareholder may tender all or part of their holding, subject to the scaling back of tenders in excess of that Shareholder's Basic Entitlement on the basis provided in paragraph 2 of this Part II. If: (i) Box 2 of the Tender Form is not completed; or (ii) in Investec's determination (in its absolute discretion) Box 2 has not been validly completed, provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, the tender may be accepted as a tender in respect

of that part of the holding of such Shareholder as evidenced by the Share certificate(s) and/or other document(s) of title accompanying such Tender Form.

6. TENDERS THROUGH CREST

6.1 Each Shareholder by whom, or on whose behalf, a tender through CREST is made in respect of uncertificated Shares hereby irrevocably undertakes, represents, warrants and agrees to and with Investec (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (A) the input of the TTE Instruction shall constitute an offer to sell to Investec such number of Shares as is 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;
- (B) 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 Investec, Investec 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 Closing Date including the right to receive all dividends and other distributions declared, paid or made after that date and that such representation shall be deemed repeated at the time Investec purchases such Shares;
- (C) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, in respect of the Shares, constitute the irrevocable appointment of the Receiving Agent and any director or officer of Investec as an attorney and/or agent as may be necessary or expedient for the purposes of, or in connection with, the Tender Offer (each an “agent”) and an irrevocable instruction and authority to the agent (i) to complete and execute the transfer to itself by means of CREST and then to transfer to Investec (or to such person or persons as Investec may direct) by means of CREST all of the Relevant Shares (as defined below) (but not exceeding the number of Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer lapses or is terminated, or there are Shares which have not been successfully tendered under the Tender Offer, to give instructions to Euroclear, 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 (C), “Relevant Shares” means Shares in uncertificated form in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part II;
- (D) such Shareholder will ratify and confirm each and every act or thing which may be done or effected by Investec or any of its directors, officers or any person nominated by Investec or the Receiving Agent in the proper exercise of its or his or her respective powers and/or authorities hereunder (including its appointed agent);
- (E) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Investec to be desirable, in each case to complete the purchase of the Relevant Shares (as defined in sub-paragraph (C) above) and/or to perfect any of the authorities expressed to be given hereunder;
- (F) if such Shareholder is an Overseas Shareholder, (a) it is not resident or located in any Restricted Jurisdiction or in any territory in which it is unlawful to make or accept the Tender Offer, (b) it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the invitation under the Tender Offer may be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
- (G) 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 4 of this Part II will, to the

extent of the obligations so created, discharge fully any obligation of Investec to pay to such Shareholder the cash consideration to which he is entitled under the Tender Offer;

- (H) the input of the TTE Instruction constitutes such Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer; if, for any reason, any Shares in respect of which a TTE Instruction has been made are, prior to the Closing Date, converted into certificated form, the tender through CREST in respect of such Shares shall cease to be valid and the Shareholder will need to comply with the procedures for tendering Shares in certificated form as set out in this Part II in respect of the Shares so converted, if he wishes to make a valid tender of such Shares pursuant to the Tender Offer; and
- (I) if the appointment of an agent provision under sub-paragraph (C) of this Part II shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Investec 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 Investec or the Receiving Agent to secure the full benefits of sub-paragraph (C) of this Part II.

7. TERMINATION OF THE TENDER OFFER

If: (i) the Company (acting by the Directors) shall, at any time prior to Investec effecting the purchase as principal of the tendered Shares, notify Investec in writing that in its reasonable opinion the completion of the purchase of Shares in the Tender Offer is no longer in the best interests of the Company and/or the Shareholders as a whole or that there would or may be unexpected adverse tax 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, or (ii) at any time after 5.00 p.m. on 20 March 2017, any of the Conditions have not been satisfied, Investec shall either (a) postpone the Tender Offer until such time as the Company (acting by the Directors) and Investec agree that no such circumstances exist as set out in (i) above or the Conditions have been satisfied or (b) by a public announcement withdraw the Tender Offer (and in such event the Tender Offer shall cease and determine absolutely without any liability on the part of the Company or Investec).

8. OVERSEAS SHAREHOLDERS

- 8.1 Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.
- 8.2 The making of the Tender Offer in, or to persons resident in, jurisdictions outside the United Kingdom or to persons who are citizens, residents or nationals of other countries may be affected by the laws of the relevant jurisdiction. Shareholders who are not resident in the United Kingdom, or who are citizens, residents or nationals of countries outside the United Kingdom should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to take up the Tender Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental 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. Any Overseas Shareholder will be responsible for any such transfer or other taxes or other requisite payments by whomsoever payable and the Company, Capita Registrars and Investec and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder on an after-tax basis 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 extension of the Tender Offer or the distribution of the Tender Form in any territory outside the United Kingdom.
- 8.3 In particular, the Tender Offer is not being made directly or indirectly in, into or from or by use of the mail or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and email) of interstate or foreign commerce of, or of any facility of a national securities

exchange of, a Restricted Jurisdiction and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction.

- 8.4 Accordingly, copies of this Circular, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed or sent in, into, or from a Restricted Jurisdiction, including to Shareholders with registered addresses in a Restricted Jurisdiction, or to persons who are custodians, nominees or trustees holding Ordinary Shares for persons in a Restricted Jurisdiction.
- 8.5 Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from a Restricted Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and doing so will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to acceptance of the Tender Offer. Envelopes containing a Tender Form should not be postmarked in or otherwise despatched from a Restricted Jurisdiction and all accepting Shareholders must provide addresses outside a Restricted Jurisdiction for the remittance of cash or return of Tender Forms and share certificates.
- 8.6 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 Circular, the Tender Form or any related documents in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and email) of interstate or foreign commerce of, or any facility of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such persons should:
- (A) inform the recipient of such fact;
 - (B) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (C) draw the attention of the recipient to this section of this Circular.
- 8.7 The provisions of this paragraph and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Investec in its absolute discretion, but only if Investec is satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law. Subject to this, the provisions of this paragraph headed "Overseas Shareholders" supersede any terms of the Tender Offer inconsistent therewith.
- 8.8 References to a Shareholder shall include references to the persons executing a Tender Form and in the event of more than one person executing Tender Forms, the provisions of this paragraph shall apply to them jointly and severally.

PART III

UNITED KINGDOM TAXATION

General

The following comments provide a summary of certain UK taxation consequences of accepting the Tender Offer, based on existing law and on what is understood by the Directors to be current H.M. Revenue and Customs published practice at the date of this document. They are intended to be a general guide only and apply to Shareholders resident and, in the case of individuals domiciled, for tax purposes in (and only in) the UK (except where stated otherwise) who hold Ordinary Shares as an investment (other than in an individual savings account or exempt pension arrangement) and who are the absolute beneficial owners of those shares.

The comments do not purport to be a comprehensive analysis of all of the UK tax consequences applicable to all types of shareholders and in particular may not apply to certain classes of persons such as dealers, persons holding Ordinary Shares in connection with employment, insurance companies, collective investment schemes, or trustees of certain trusts. **Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers immediately.**

United Kingdom taxation of chargeable gains

As Investec will be making the Tender Offer as principal, a Shareholder who sells Shares to Investec pursuant to the Tender Offer should be treated, for the purposes of UK taxation, as though he had sold them on market to a third party in the normal way. A chargeable gain or allowable loss for the purposes of UK taxation on chargeable gains could therefore arise depending on that Shareholder's particular circumstances (including the availability of any exemptions, reliefs and allowable losses).

A Shareholder who is not resident for tax purposes in the UK who sells his Shares pursuant to the Tender Offer will not normally be liable for UK taxation on chargeable gains on any gain which is realised. A liability to tax may arise in respect of a gain if such Shareholder (i) carries on a trade in the UK through a branch or agency (or, in the case of a corporate shareholder, a permanent establishment) and the Shares are or have been used, held or acquired for the purposes of such trade, branch, agency or permanent establishment or (ii) is an individual who becomes resident for tax purposes in the United Kingdom during the tax year in which the sale of the Shares occurs or (iii) is an individual who, though non-resident during the tax year in which the sale of the Shares occurs, is non-resident for fewer than five years.

Chapter 1 of Part 13 of the Income Tax Act 2007 (in respect of individual Shareholders) and Part 15 of the Corporation Tax Act 2010 (in respect of corporate Shareholders) ("tax advantage provisions") permit HMRC to counteract tax advantages arising from transactions in securities in certain circumstances. Even where the relevant circumstances are present, the tax advantage provisions do not apply where the relevant Shareholder can show that the transaction was entered into for genuine commercial reasons and did not involve, as one of its main objects, the obtaining of a tax advantage.

If the tax advantage provisions were applicable in respect of the Tender Offer and HMRC sought to apply them, then some individual UK resident Shareholders and trustees selling their Shares in the Tender Offer might be liable to taxation as if they had received income, or partly income and partly capital, rather than wholly capital.

No application has been made to HMRC for clearance that the tax advantage provisions will not apply to any sale of Shares pursuant to the Tender Offer. **Shareholders are advised to take independent professional advice as to the potential application of the tax advantage provisions.**

United Kingdom stamp duty/stamp duty reserve tax

Shareholders will have no liability to UK stamp duty or stamp duty reserve tax in respect of the sale of their Shares pursuant to the Tender Offer.

PART IV

DEFINITIONS

“Basic Entitlement”	up to 10.0 per cent. (rounded down to the nearest whole number) of the Shares held by a Qualifying Shareholder as at the Record Date
“Business Day”	any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business
“Capita Asset Services”	a trading name of Capita Registrars Limited
“Company”	Sportech PLC
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST Member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 20013755)
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST Sponsored Member”	a CREST member admitted to CREST as a CREST sponsored member
“Directors” or the “Board”	the board of directors of the Company
“DTR”	The Disclosure Guidance and Transparency Rules
“Escrow Agent”	Capita Registrars Limited
“Euroclear”	Euroclear UK and Ireland Limited
“Existing Authority”	the authority of the Company to make one or more market purchases of fully paid Ordinary Shares pursuant to a resolution passed on 17 May 2016 more particularly described in Part I of this document
“Investec”	Investec Bank plc
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“Ordinary Shares” or “Shares”	ordinary shares of 50p each in the capital of the Company
“Overseas Shareholders”	a Shareholder whose address in the Company’s register of members is outside the UK
“Panel”	the UK Panel on Takeovers and Mergers

“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Qualifying Shareholders”	Shareholders who are entitled to participate in the Tender Offer, being a Shareholder on the register of members of the Company at the Record Date other than those with registered addresses in a Restricted Jurisdiction
“Receiving Agent”	Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
“Record Date”	5.00 p.m. on 20 March 2017
“Repurchase”	the purchase by the Company of Ordinary Shares by way of an on market purchase pursuant to the Repurchase Agreement
“Repurchase Agreement”	the agreement dated 9 March 2017 between (1) the Company and (2) Investec for the repurchase by the Company of the Ordinary Shares purchased by Investec pursuant to the Tender Offer (or otherwise a corresponding number of Ordinary Shares) by way of an on market purchase
“Restricted Jurisdiction”	each of the United States, Canada, Australia, South Africa and Japan and any other jurisdiction which the making of the Tender Offer and mailing of this document and/or the Tender Form into or inside would constitute a violation of the laws and regulations of such jurisdiction.
“Shareholders”	holders of Ordinary Shares in the Company
“Takeover Code”	the City Code on Takeovers and Mergers
“tender” and “tendered”	refers to tenders of Shareholders in relation to the Tender Offer
“Tender Form”	the form of tender enclosed with this document for use in respect of Ordinary Shares held in certificated form in relation to the Tender Offer
“Tender Offer”	the invitation by Investec to Qualifying Shareholders to tender Ordinary Shares for sale to Investec on the terms and subject to the conditions set out in this document and also, in the case of certificated Ordinary Shares only, in the Tender Form
“Tender Price”	the lower of £1.015 per Share and 105 per cent. of the average closing middle market price per Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the five Business Days immediately preceding the date of calculation, being the price at which Investec is to purchase Ordinary Shares under the Tender Offer
“TFE instruction”	a transfer from escrow instruction (as defined by the CREST Manual)
“TTE instruction”	a transfer to escrow instruction (as defined by the CREST Manual)
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland

“VAT Claim”

the claim relating to the repayment of VAT paid in relation to “Spot the Ball” games that has been the subject of the appeals numbered TC/2011/0562, TC/2011/00736-0744 (inclusive), FTC/69/2013, A3/2014/3908 and UKSC/2016/0120 (and the related decisions at [2013] UKFTT 210 (TC), [2014] UKUT 0398 (TCC) and [2016] EWCA Civ 436)

