

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART 2 OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your shares in Sarossa Capital plc (incorporated in England and Wales) (“Old Sarossa”), subject to applicable laws, you should immediately forward this document and the accompanying documents (including the forms 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. If you have sold or otherwise transferred only part of your holding of shares in Old Sarossa, you should retain these documents and contact the stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The distribution of this document and/or the accompanying documents in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying documents comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document should be read in conjunction with the accompanying Appendix to AIM Announcement relating to Sarossa Plc (incorporated in Jersey) (“New Sarossa”), prepared in accordance with the AIM Rules and made available to the public in accordance with Rule 3 of the AIM Rules. The Appendix to AIM Announcement can be accessed in electronic form via www.sarossacapital.com.

Sarossa Capital plc

(Incorporated in England and Wales with registered number 03248123)

Recommended proposals for the introduction of a new Jersey-incorporated holding company by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

WH Ireland Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting exclusively for Old Sarossa and, following completion of the Proposals, New Sarossa, and no one else in connection with the Proposals. WH Ireland Limited will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of WH Ireland Limited nor for providing advice in relation to the transactions or arrangements detailed in this document. The responsibilities of WH Ireland Limited as the nominated adviser and broker to Old Sarossa or New Sarossa, as appropriate, for the purposes of the AIM Rules are owed solely to the London Stock Exchange and are not owed to Old Sarossa, New Sarossa, any Director of New Sarossa or Old Sarossa or to any other person. WH Ireland Limited is not making any representation or warranty, express or implied, as to the contents of this document or for the omission of any material from this document, for which it is not responsible.

A letter from the Chairman of Old Sarossa, which contains the unanimous recommendation of the Directors of Old Sarossa to vote in favour of the Proposals, is set out in Part 1 of this document. Meetings to consider the Proposals will be held on 7 April 2014. The Court Meeting will start at 10.00 a.m. on that date and the General Meeting at 10.15 a.m. (or as soon thereafter as the Court Meeting concludes or is adjourned). Notices of the Court Meeting and the General Meeting are set out in Part 5 of this document. A summary of

the action recommended to be taken by holders of Old Sarossa Ordinary Shares is set out on pages 11, 12, 13 and 23 of this document.

You will find enclosed with this document a BLUE form of proxy for use in connection with the Court Meeting and a WHITE form of proxy for use in connection with the General Meeting. Whether or not you intend to be present at the meetings, please complete and return these forms of proxy to the Registrars, Neville Registrars at Neville House, 18 Laurel Lane, Halesowen B63 3DA as soon as possible and in any event so as to arrive by not later than 48 hours before the time appointed for the relevant meeting (although the BLUE form of proxy for the Court Meeting may be handed to the Registrars or to the Chairman immediately prior to the Court Meeting). The return of a completed form of proxy will not prevent you from attending the Court Meeting and/or General Meeting and voting in person if you so wish and are so entitled. If you hold your Old Sarossa Shares in uncertificated form and wish to appoint a proxy through the CREST electronic proxy appointment service, please read the notes to the notices of the Court Meeting and General Meeting in Part 5 of this document for further details.

Application will be made to the London Stock Exchange for the New Sarossa Shares to be admitted to trading on AIM. If the Scheme proceeds as presently envisaged, it is expected that dealings in Old Sarossa Ordinary Shares will continue until close of business on 1 May 2014 and that admission to AIM of the New Sarossa Shares will become effective, and that dealings in New Sarossa Shares on the London Stock Exchange will commence, on 2 May 2014.

NO NEW SAROSSA SHARES HAVE BEEN MARKETED TO, NOR ARE ANY NEW SAROSSA SHARES AVAILABLE FOR PURCHASE BY, THE PUBLIC IN THE UNITED KINGDOM OR ELSEWHERE IN CONNECTION WITH THE INTRODUCTION OF THE NEW SAROSSA SHARES TO AIM.

THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR EXCHANGE OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY OR EXCHANGE ANY SECURITY OR TO BECOME A MEMBER OF NEW SAROSSA. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAWS.

OVERSEAS SHAREHOLDERS

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the allotment and issue of New Sarossa Shares following the Scheme becoming effective, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

If, in respect of any Overseas Shareholder, New Sarossa is advised that the allotment and issue of New Sarossa Shares would or might infringe the laws of any jurisdiction outside Jersey or the United Kingdom, or would or might require New Sarossa to obtain any governmental or other consent or effect any registration, filing or other formality, New Sarossa may determine that no New Sarossa Shares shall be allotted and issued to such shareholder but instead those New Sarossa Shares shall be allotted and issued to a nominee appointed by New Sarossa as trustee for such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after the Scheme becomes effective, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder. Alternatively, New Sarossa may determine that the New Sarossa Shares shall be allotted and issued to that Overseas Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder at the Overseas Shareholder's risk.

This document has been prepared for the purpose of complying with English law and the AIM 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 of jurisdictions outside the United Kingdom.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

INFORMATION FOR UNITED STATES SHAREHOLDERS

In the US, this document is being furnished to Old Sarossa Ordinary Shareholders solely to explain the Proposals and describe the action recommended to be taken by Old Sarossa Ordinary Shareholders in relation to the Court Meeting and General Meeting. This document is personal to each Old Sarossa Ordinary Shareholder and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire New Sarossa Shares. This document is not an offer of securities for sale in the US. The New Sarossa Shares to be issued to Old Sarossa Ordinary Shareholders in connection with the Scheme will not be, and are not required to be, registered with the SEC under the US Securities Act in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) of that Act. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the New Sarossa Shares issued pursuant to the Scheme, Old Sarossa will advise the High Court that it will rely on the Section 3(a)(10) exemption based on the High Court's sanctioning of the Scheme, which will be relied upon by Old Sarossa as an approval of the Scheme following a hearing on its fairness to Old Sarossa Ordinary Shareholders at which hearing all such Old Sarossa Ordinary Shareholders will be entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been or will be given to all such Old Sarossa Ordinary Shareholders.

The New Sarossa Shares will not be registered under the securities laws of any state of the US, and will be issued pursuant to the Scheme in reliance on available exemptions from such state law registration requirements or the pre-emption of such requirements by the US Securities Act.

Neither the SEC nor any other securities commission or regulatory authority of any state or other jurisdiction of the US has approved or disapproved the New Sarossa Shares or passed an opinion on the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

The solicitation of proxies is not subject to the requirements of Section 14(a) of the US Exchange Act. Accordingly, this document has been prepared in accordance with the applicable disclosure requirements of England and Wales. Old Sarossa Ordinary Shareholders should be aware that such requirements are different from those of the US.

US Shareholders should note that no appraisal or similar rights of dissenting shareholders are to apply in connection with the Scheme as none are required as a matter of English law.

Old Sarossa Ordinary Shareholders who are citizens or residents of the US should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme and in their particular circumstances.

Enforceability of judgments

Old Sarossa is incorporated under the laws of England and Wales and New Sarossa is incorporated under the laws of Jersey. All of the officers and directors of Old Sarossa and New Sarossa are residents of countries other than the US. It may not be possible to sue Old Sarossa or New Sarossa in a non-US court for violations of US securities laws. It may be difficult to compel Old Sarossa or New Sarossa and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain “forward-looking statements”, including statements about current beliefs and expectations of the Directors. In particular, the words “expect”, “anticipate”, “estimate”, “may”, “should”, “plans”, “intends”, “will”, “believe” and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. These statements are based on the Board’s expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, and estimates and projections of Old Sarossa’s financial performance. Although the Board believes these expectations to be reasonable at the date of this document they may prove to be erroneous. Forward-looking statements involve known and unknown risks and uncertainties and speak only as of the date they are made. You are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of Old Sarossa or New Sarossa or industry results to differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, those described in the “Risk Factors” section of the Appendix to AIM Announcement and which can be accessed at www.sarossacapital.com.

Save as required by the AIM Rules, the London Stock Exchange or applicable law, Old Sarossa undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Board’s expectations or to reflect events or circumstances after the date of this document.

DIRECTORS, SECRETARY AND ADVISERS

Directors of Old Sarossa	Mike Bretherton Ross Hollyman Jonathan Morley-Kirk
Company secretary of Old Sarossa	Christopher Hill
Registered office of Old Sarossa	Mitre House 160 Aldersgate Street London EC1A 4DD
Registered office of New Sarossa	17 The Esplanade St Helier Jersey JE1 1WT
Old Sarossa's Website	www.sarossacapital.com
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Legal advisers to Old Sarossa and New Sarossa as to Jersey Law	CGI Legal 11 Roussel Street St Helier Jersey JE2 3PP
Nominated adviser and broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Auditors to the Sarossa Group	PricewaterhouseCoopers LLP 9 Greyfriars Road Reading RG1 1JR
Registrars to Old Sarossa	Neville Registrars Neville House 18 Laurel Lane Halesowen B63 3DA
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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

20 March 2014	Date of circulation of this document
10.00 a.m. on 5 April 2014	Latest time for receipt by the Registrars of BLUE forms of proxy from Old Sarossa Ordinary Shareholders for the Court Meeting ¹
10.15 a.m. on 5 April 2014	Latest time for receipt by the Registrars of WHITE forms of proxy from Old Sarossa Ordinary Shareholders for the General Meeting ¹
6.00 p.m. on 5 April 2014	Voting Record Time for the Court Meeting and the General Meeting ²
10.00 a.m. on 7 April 2014	Court Meeting
10.15 a.m. on 7 April 2014	General Meeting ³
6.00 p.m. on 30 April 2014	Scheme Record Time ⁴
1 May 2014	Court Hearing to sanction the Scheme ⁴
1 May 2014	Last day of dealings in Old Sarossa Ordinary Shares and for registration of transfers in Old Sarossa Ordinary Shares ⁴
2 May 2014	Scheme Effective Date ⁴
8.00 a.m. on 2 May 2014	Delisting of Old Sarossa Ordinary Shares, admission of New Sarossa Shares, crediting of New Sarossa Shares in uncertificated form to CREST accounts and commencement of dealings in New Sarossa Shares on AIM ⁴
Within 14 days of the Scheme Effective Date	Despatch of share certificates in respect of New Sarossa Shares in certificated form ⁴

All references to time in this document are to London time unless otherwise stated. The dates given are based on the Directors' expectations and may be subject to change. If the scheduled date of the Court Hearing is changed, then Old Sarossa will give adequate notice of the change by issuing an announcement through the Regulatory Information Service. All Old Sarossa Ordinary Shareholders have the right to attend the Court Hearing.

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- 1 BLUE forms of proxy for the Court Meeting not returned by this time may be handed to the Chairman or the Registrars at the Court Meeting prior to the vote being taken. However, to be valid, WHITE forms of proxy for the General Meeting must be lodged at least 48 hours before the time appointed for the General Meeting. If you hold your Old Sarossa Shares in uncertificated form and wish to appoint a proxy through the CREST electronic proxy appointment service, please read the notes to the notices of the Court Meeting and General Meeting in Part 5 of this document for further details.
 - 2 If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned meeting will be 6.00 p.m. on the date falling two days before the adjourned meeting.
 - 3 To commence at the time fixed or as soon thereafter as the Court Meeting concludes or is adjourned.
 - 4 These times and dates are indicative only and will depend, amongst other things, on whether the Court Meeting and the General Meeting are adjourned for any reason and the date on which the Court sanctions the Scheme.

PART 1

LETTER FROM THE CHAIRMAN

Sarossa Capital plc

(Registered in England and Wales Registered No: 03248123)

Directors:

Michael Bretherton (*Executive Chairman*)
Ross Hollyman (*Non-Executive Director*)
Jonathan Morley-Kirk (*Non-Executive Director*)

Registered Office:

Mitre House
160 Aldersgate Street
London
EC1A 4DD

20 March 2014

To the holders of Old Sarossa Ordinary Shares and, for information only, to the holder of the Old Sarossa Preference Shares

Dear Shareholder,

Recommended proposals relating to the introduction of a new holding company

1. Introduction

Today, Old Sarossa announced details of the Proposals to change its corporate structure by putting in place a new Jersey incorporated holding company, New Sarossa to be effected by way of a scheme of arrangement. If the Scheme is implemented, a new holding company of the Sarossa Group, New Sarossa, will be put in place, through a High Court approved scheme of arrangement under sections 895 to 899 of the Companies Act (the “**Scheme**”). New Sarossa, which is incorporated in Jersey, is called Sarossa Plc and an application will be made for its shares to be admitted to trading on AIM. It is also intended that the Old Sarossa Ordinary Shares be de-listed from AIM, Old Sarossa be re-registered as a private company and that Old Sarossa be called Sarossa Capital Limited. There will be no substantive changes to corporate governance and investor protection measures. In particular, New Sarossa will comply with the AIM Rules, the Takeover Code will apply to New Sarossa and New Sarossa intends to comply with the UK Corporate Governance Code to the same extent that Old Sarossa currently does.

If the Scheme is approved and becomes effective, it will result in Old Sarossa Ordinary Shareholders holding New Sarossa Shares in precisely the same proportions and numbers in which they held Old Sarossa Ordinary Shares immediately prior to the Scheme Effective Date and New Sarossa will own all of the ordinary shares then in issue in Old Sarossa. Under the Scheme, Old Sarossa Ordinary Shareholders at the Scheme Record Time will receive, in consideration for the cancellation of their Old Sarossa Ordinary Shares, New Sarossa Shares on the following basis:

for every one Old Sarossa Ordinary Share

one New Sarossa Share

Accordingly, immediately upon the Scheme becoming effective, a New Sarossa Shareholder will have the same proportionate interest in the profits, net assets and dividends of New Sarossa as they had in Old Sarossa immediately prior to the Scheme Effective Date. The Sarossa Group will have the same business and operations immediately after the Scheme Effective Date as it had immediately before the Scheme Effective Date. The assets and liabilities of the Sarossa Group immediately after the Scheme Effective Date will not differ from the assets and liabilities Old Sarossa had before the Scheme Effective Date, save that New Sarossa will hold all of the ordinary shares then in issue in Old Sarossa.

It is not intended that the Old Sarossa Preference Shares will be affected by the Scheme. They will remain in issue in the capital of Old Sarossa.

The rights attached to the New Sarossa Shares following the Scheme will be, for all practical purposes, the same as the rights attached to the Old Sarossa Ordinary Shares. A summary of the rights attaching to the New Sarossa Shares is set out in paragraph 2 of Part 3 of this document.

A number of differences exist between the Old Sarossa Articles and the New Sarossa Articles, arising as a consequence of New Sarossa being a company incorporated in Jersey and not in England and Wales (which means that all of the Jersey Companies Law will apply to New Sarossa). Where appropriate and subject to Jersey Companies Law, provisions have been incorporated into the New Sarossa Articles to enshrine certain rights that are not conferred by Jersey Companies Law but which shareholders in a company listed in London would normally expect to see. Certain amendments have also been made to reflect the fact that New Sarossa will have its registered office in Jersey. A summary of the principal differences between the Old Sarossa Articles and New Sarossa Articles is contained in paragraph 1 of Part 3 of this document. A further description of certain provisions of the New Sarossa Articles and the differences between English and Jersey law and the implications of New Sarossa being a company incorporated in Jersey are set out in paragraphs 2 and 3 respectively of Part 3 of this document.

The purpose of this document is to explain the Proposals to you and why your Board considers the Proposals to be in the best interests of Old Sarossa and its shareholders as a whole. **Your Board is unanimously recommending that you vote in favour of the Proposals as they intend to do in respect of their entire holding of Old Sarossa Ordinary Shares.** A summary of the action recommended to be taken is set out on pages 11, 12, 13 and 23 of this document and on the forms of proxy accompanying this document.

2. Reasons for the Proposals

Old Sarossa is an investment holding and management company whose principal activity is investment in and growth and development of portfolio businesses which present opportunities for value creation. Old Sarossa has an investing strategy to identify investment opportunities offering the potential to deliver a favourable return to shareholders over the medium term, primarily in the form of capital gain. Old Sarossa is mainly focused on portfolio businesses with product and service platforms targeting major international markets through customers and partners with an international profile. Old Sarossa's equity interest in a potential investment may range from a minority position to 100 per cent. ownership and the company may be either quoted or unquoted.

All of the Directors of Old Sarossa are based in and resident in the Channel Islands.

The Board believes that putting in place a new holding company incorporated in Jersey will benefit the Sarossa Group due to:

- the flexibility in investing globally afforded by a holding company located in Jersey;
- the long-term economic and political stability of Jersey;
- the mature and well-respected Jersey commercial legal system much of which is based on English law principles;
- Jersey's status as a G20 white list approved jurisdiction and an associate member of the Organisation for Economic Co-operation and Development (OECD);
- Jersey offering a more efficient fiscal regime given the Sarossa Group's investment strategy; and
- the ability to continue settlement of trading in New Sarossa Shares through CREST.

Following implementation of the Scheme, the Directors of New Sarossa intend New Sarossa to adopt the existing dividend policy of Old Sarossa. This means that it is the intention of the Directors of New Sarossa not to make distributions by way of dividend payments in the short term but instead to achieve capital growth for New Sarossa Shareholders through the reinvestment of future profits into New Sarossa. The Directors of New Sarossa will consider the payment of dividends (which, under the Jersey Companies Law, will not be restricted to being paid out of distributable profits only) in the future when they consider it is appropriate to do so.

3. Outline of the Proposals

3.1 *The Scheme*

Under the Scheme, New Sarossa will issue New Sarossa Shares to Old Sarossa Ordinary Shareholders in the ratio set out in paragraph 1 of Part 1 of this document in consideration for the cancellation of the Scheme Shares and the issue of new ordinary shares in Old Sarossa to New Sarossa.

Following the cancellation of the Scheme Shares, the credit arising in the books of Old Sarossa as a result of the cancellation will be applied in paying up in full new ordinary shares in Old Sarossa such that the aggregate nominal value of those shares equals the aggregate nominal value of the Scheme Shares cancelled. The new ordinary shares in Old Sarossa will be issued to New Sarossa which will, as a result, hold all of the ordinary shares then in issue in Old Sarossa. New Sarossa will in turn issue New Sarossa Shares to former Old Sarossa Ordinary Shareholders on a one-for-one basis.

The New Sarossa Shares to be issued pursuant to the Scheme will have a nominal value of one pence each but will be recorded in New Sarossa's books of accounts at fair value (being equal to the Closing Price of the Old Sarossa Ordinary Shares on the day prior to their delisting). This will give rise to the creation of a substantial merger reserve account in New Sarossa.

Immediately following the Scheme becoming effective, New Sarossa shall repurchase the two New Sarossa Initial Ordinary Shares for one penny each, so as to ensure that, following the completion of the repurchase, New Sarossa has the same number of ordinary shares in issue that Old Sarossa currently has i.e. 639,360,364 ordinary shares of one pence each.

3.2 *New Sarossa*

The Sarossa Group will have the same business and operations immediately after the Scheme Effective Date as it had immediately before the Scheme Effective Date. The assets and liabilities of the Sarossa Group immediately after the Scheme Effective Date will not differ from the assets and liabilities it had before the Scheme Effective Date, save that New Sarossa will hold all of the ordinary shares then in issue in Old Sarossa.

Immediately upon the Scheme becoming effective, a New Sarossa Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of Old Sarossa as he/she currently has as an Old Sarossa Ordinary Shareholder immediately prior to the Scheme becoming effective.

Further information regarding New Sarossa is contained in the accompanying Appendix to AIM Announcement which is also available in electronic form on Old Sarossa's website at www.sarossacapital.com.

Application will be made for the New Sarossa Shares to be admitted to trading on AIM. It is expected that admission of New Sarossa Shares will become effective and that dealings will commence at 8.00 a.m. on 2 May 2014.

The last day of dealings in Old Sarossa Ordinary Shares is expected to be on 1 May 2014. The last day for registration of transfers of Old Sarossa Ordinary Shares is also expected to be on 1 May 2014.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the arrangements described in this document or if there is any delay in obtaining the Court's sanction of the Scheme or its confirmation of the Old Sarossa Reduction of Capital. In the event of a delay, the application for the Old Sarossa Ordinary Shares to be delisted will be deferred, so that the listing will not be cancelled until immediately before the Scheme takes effect.

3.3 *General*

The Scheme will not be implemented unless certain approvals are obtained, including the approval of the Scheme by the Old Sarossa Ordinary Shareholders at the Court Meeting and the approval by the Old Sarossa Ordinary Shareholders of the resolution required in connection with the Scheme at the

General Meeting and the sanction of the Court. The Court Meeting and the General Meeting have been convened for 10.00 a.m. and 10.15 a.m. respectively on 7 April 2014.

Further information on the New Sarossa Articles is contained in paragraphs 1 and 2 of Part 3 of this document.

A full explanation of the Scheme is contained in WH Ireland's explanatory letter in Part 2 of this document. Among other things, Part 2 of this document explains certain proposals relating to the treatment of Overseas Shareholders.

4. Taxation

Your attention is drawn to the general guidance on the tax position of Old Sarossa Ordinary Shareholders set out in paragraph 4 of Part 3 of this document.

Paragraph 4 of Part 3 of this document is intended as a guide only and any Old Sarossa Ordinary Shareholders who are in any doubt as to their tax position, or who are resident for tax purposes outside of the United Kingdom are strongly advised to consult an appropriate independent professional adviser.

5. Current trading and prospects

As described in the interim results released on 26 February 2014, the Sarossa Group delivered an after-tax profit for the six months ended 31 December 2013 of £0.47 million compared to a small loss of £0.03 million in the previous 2012 half year. The reported profit mainly reflects unrealised revaluation gains amounting to £0.51 million on portfolio investments and on a derivative trading asset in the six month period.

The Sarossa Group continues to benefit from a strong balance sheet with cash balances of £7.44 million at 31 December 2013 compared to cash balances of £6.87 million at the previous 30 June 2013 year end. Net assets as at 31 December 2013 were £14.00 million compared with £13.53 million as at 30 June 2013.

Old Sarossa currently holds two principal portfolio investments and one other investment, all of which are quoted on AIM, and for which the carrying value as at 31 December 2013 was £7.82 million (31 December 2012: £1.0 million represented by one quoted holding). In addition, Old Sarossa has subscription options in GVC Holdings plc for which the carrying value as a derivative trading asset as at 31 December 2013 was £0.46 million (31 December 2012: £nil).

The Board has continued to adopt a highly selective investment approach in these times of global economic uncertainty. Consequently, whilst the Board identified and reviewed a number of potential opportunities in the period, it did not make any further investments and nor did it seek any realisations of existing investments in the six months ended 31 December 2013.

Since the 31 December 2013 half year end, the Sarossa Group's cash balances have remained relatively unchanged but the value of its investments has increased by £2.39 million in the period to 13 March 2014 (being the latest practical date prior to publication of this document) reflecting further unrealised revaluation gains on its investments in the period. Net assets have increased by a similar amount, less any provision which may be required for deferred tax on these revaluation gains at the standard UK corporation tax rate of 23 per cent., to the extent that these gains are not offset by eligible tax losses brought forward.

Looking ahead, the backdrop for equity investors is generally positive with a global recovery thought to be underway and with inflation under control. There is, however, reason for continued caution in the near term as economies remain vulnerable to Europe's debt crisis and the slowing down of Federal Reserve bond purchases in the US. This environment is also adversely affecting the valuations of many good businesses and the Board will, therefore, continue to maintain a rigorous and highly selective investment approach with a view to exploiting opportunities as they emerge.

6. Action to be taken

The Scheme requires approval by a simple majority in number representing not less than 75 per cent. of the nominal value of the Old Sarossa Ordinary Shares of those Old Sarossa Ordinary Shareholders present and

voting (either in person or by proxy) at the Court Meeting. The passing of a special resolution at the General Meeting is also required to effect the Scheme.

The implementation of the Old Sarossa Reduction of Capital will require the passing of a special resolution of the Old Sarossa Ordinary Shareholders at the General Meeting.

Further particulars of the Court Meeting and the General Meeting are contained in the explanatory letter from WH Ireland contained in Part 2 of this document.

In addition, the Scheme requires the sanction of the Court and the Old Sarossa Reduction of Capital requires the confirmation from the Court. The Court Hearing to approve the Scheme and the Old Sarossa Reduction of Capital is expected to be held on 1 May 2014.

You will find enclosed with this document:

- a **BLUE form of proxy for use by Old Sarossa Ordinary Shareholders in respect of the Court Meeting; and**
- a **WHITE form of proxy for use by Old Sarossa Ordinary Shareholders in respect of the General Meeting.**

In order that the Court can be satisfied that the votes cast fairly represent the views of Old Sarossa Ordinary Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Old Sarossa Ordinary Shareholders are therefore urged to attend the Court Meeting in person or by proxy.

Whether or not you propose to attend in person at the meeting in question, you are requested to complete, sign and return the forms of proxy as soon as possible and in any event at least 48 hours before the time fixed for the relevant meeting or any adjournment thereof (alternatively the BLUE form of proxy for the Court Meeting, but not the WHITE form of proxy for the General Meeting, may be handed to the Chairman of the Court Meeting or the Registrars immediately prior to the commencement of that meeting). The completion and return of a form of proxy will not prevent you from attending and voting in person at the Court Meeting and General Meeting, if you so wish and are so entitled. If you hold your Old Sarossa Ordinary Shares in uncertificated form and wish to appoint a proxy through the CREST electronic proxy appointment service, please read the notes to the notices of the Court Meeting and General Meeting in Part 5 of this document for further details.

7. Overseas Shareholders

If you are a citizen, resident or national of a jurisdiction outside the United Kingdom, your attention is drawn to paragraph 9 of Part 2 of this document for further details concerning the Scheme.

8. Financial advice

The Board has received financial advice in relation to the Proposals from WH Ireland. In providing such advice to the Board, WH Ireland has relied upon the Directors' commercial assessment of the terms of the Proposals.

9. Recommendation

The Board, having been so advised by WH Ireland, considers the Proposals and their terms to be fair and reasonable. The Board also considers the Proposals and their terms to be in the best interests of shareholders of Old Sarossa as a whole and accordingly, the Board unanimously recommends Old Sarossa Ordinary Shareholders to vote in favour of the Scheme at the Court Meeting and to vote in favour of the resolution proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings of Old Sarossa Ordinary Shares, being in aggregate 9,744,140 Old Sarossa Ordinary Shares, which represent approximately 1.52 per cent. of the issued Old Sarossa Ordinary Shares as at 19 March 2014, the latest practicable date prior to publication of this document,

and which represents approximately 1.52 per cent. of the votes attached to Old Sarossa Ordinary Shares in issue on 19 March 2014 that could be cast at the General Meeting.

10. Further information

Your attention is drawn to:

- the explanatory letter from WH Ireland in Part 2 of this document;
- the additional information in Part 3 of this document;
- the Scheme in Part 4 of this document; and
- the notices of meetings in Part 5 of this document.

Yours faithfully,

Michael Bretherton

Chairman

PART 2

EXPLANATION OF THE SCHEME AND ITS EFFECTS

(IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006)

20 March 2014

To the holders of Old Sarossa Ordinary Shares and, for information only, to the holder of the Old Sarossa Preference Shares

Dear Shareholder,

Recommended proposals relating to the introduction of a new holding company to be effected by means of a scheme of arrangement

1. Introduction

Today, Old Sarossa announced its intention to change its corporate structure by putting in place a new Jersey incorporated holding company, New Sarossa. The change of the corporate structure is to be effected by way of a scheme of arrangement under sections 895 to 899 of the Companies Act, including a capital reduction. The Scheme is subject to various conditions and, once satisfied and the Scheme is approved and implemented in full, New Sarossa will own the entire issued ordinary share capital of Old Sarossa and each Old Sarossa Ordinary Shareholder will hold New Sarossa Shares in precisely the same proportions and numbers in which they held Old Sarossa Ordinary Shares immediately prior to the Scheme Effective Date. It is not intended that the Old Sarossa Preference Shares will be affected by the Scheme. They will remain in issue in the capital of Old Sarossa. It is proposed that application be made for the New Sarossa Shares to be admitted to trading on AIM upon implementation of the Scheme. It is also intended that the Old Sarossa Ordinary Shares be de-listed from AIM, Old Sarossa be re-registered as a private company and that Old Sarossa be called Sarossa Capital Limited.

Your attention is drawn to the letter from the Chairman of Old Sarossa in Part 1 of this document setting out the reasons for the Proposals and including the recommendation of the Board of Old Sarossa to Old Sarossa Ordinary Shareholders to vote in favour of the Scheme itself at the Court Meeting and the resolution relating to the Scheme to be proposed at the General Meeting.

We have been authorised by the Board of Old Sarossa to write to you to explain the terms of the Scheme and to provide you with other relevant information. The details of the Scheme are set out in Part 4 of this document. The notice of the Court Meeting at which approval for the Scheme will be sought and the notice of the General Meeting at which a resolution relating to the Scheme will be proposed are set out in Part 5 of this document respectively.

2. Reasons for the Proposals

Reasons for the Proposals are set out in paragraph 2 of the Chairman's letter in Part 1 of this document.

3. Outline of the Proposals

The principal steps involved in the Scheme are as follows:

(i) *Cancellation of Scheme Shares*

Under the Scheme, all the Scheme Shares will be cancelled on the Scheme Effective Date (which is expected to be 2 May 2014). In consideration for the cancellation of the Scheme Shares, the Scheme Shareholders will receive, in respect of any Scheme Shares held as at the Scheme Record Time:

for each Scheme Share held

one New Sarossa Share

With effect from the Scheme Effective Date, the rights attaching to the New Sarossa Shares will be, for all practical purposes, the same as those attaching to the existing Old Sarossa Ordinary Shares. Upon the Scheme becoming effective a New Sarossa Shareholder will have the same proportionate interest in the profits, net assets and dividends of New Sarossa as they have in Old Sarossa immediately prior to the Scheme becoming effective.

The Sarossa Group will have the same business and operations immediately after the Scheme Effective Date as it had immediately before the Scheme Effective Date. The assets and liabilities of the Sarossa Group immediately after the Scheme Effective Date will not differ from the assets and liabilities Old Sarossa had before the Scheme Effective Date, save that New Sarossa will hold all of the ordinary shares then in issue in Old Sarossa.

A summary of the rights attaching to the New Sarossa Shares is set out in paragraph 2 of Part 3 of this document. A summary of the principal differences between the Old Sarossa Articles and the New Sarossa Articles is set out in paragraph 1 of Part 3 of this document.

(ii) *Establishing New Sarossa as the new holding company of the Sarossa Group*

Following the cancellation of the Scheme Shares, the credit arising in the books of Old Sarossa as a result of the cancellation will be applied in paying up in full new ordinary shares in Old Sarossa such that the aggregate nominal value of those shares equals the aggregate nominal value of the Scheme Shares cancelled. The new ordinary shares in Old Sarossa will be issued to New Sarossa which will, as a result, hold all of the ordinary shares then in issue in Old Sarossa. New Sarossa will in turn issue New Sarossa Shares to former Old Sarossa Ordinary Shareholders on a one-for-one basis.

The New Sarossa Shares to be issued pursuant to the Scheme will have a nominal value of one pence each but will be recorded in New Sarossa's books of accounts at fair value (being equal to the Closing Price of Old Sarossa Ordinary Shares on 1 May 2014, being the day prior to their expected delisting). This will give rise to the creation of a substantial merger reserve account in New Sarossa.

4. Conditions to and implementation of the Proposals

4.1 The Scheme

The Scheme will not become effective and binding unless:

- (i) the Scheme is approved at the Court Meeting by a simple majority in number representing not less than 75 per cent. of the nominal value of the Old Sarossa Ordinary Shares of those Old Sarossa Ordinary Shareholders present and voting (either in person or by proxy) at the Court Meeting;
- (ii) the special resolution (requiring a majority of not less than 75 per cent. of the votes cast in person or by proxy) set out in the notice of the General Meeting approving certain matters necessary to give effect to the Scheme and the Old Sarossa Reduction of Capital is passed at the General Meeting;
- (iii) the Scheme is sanctioned by the Court and the Court confirms the Old Sarossa Reduction of Capital which occurs as a result of the cancellation of the Old Sarossa Ordinary Shares as part of the Scheme and the Court issues the Court order approving the Scheme and the Old Sarossa Reduction of Capital; and
- (iv) an office copy of the Court order sanctioning the Scheme and confirming the Old Sarossa Reduction of Capital, together with the Statement of Capital, have been delivered to the Registrar of Companies for registration (or, if so ordered by the Court, upon registration by him of the Court order and the Statement of Capital).

The Court Hearing (at which it is proposed that the Court sanctions the Scheme and confirms the Old Sarossa Reduction of Capital) is expected to be held on 1 May 2014. Old Sarossa Ordinary Shareholders or creditors who wish to oppose the Scheme will be informed by advertisement in a

newspaper with national distribution in the United Kingdom of their right to appear in person, or be represented by counsel, at the Court Hearing.

In addition, the Directors will not take the necessary steps to enable the Scheme to become effective unless, at the relevant time, the following condition has been satisfied:

- (v) the London Stock Exchange has agreed to admit (subject to the satisfaction of conditions (i)-(iv) above) the New Sarossa Shares to trading on AIM and its agreement has not been withdrawn prior to the Scheme Effective Date.

If the Scheme is sanctioned by the High Court and condition (v) above is satisfied, the Scheme is expected to become effective and dealings in the New Sarossa Shares are expected to commence on 2 May 2014.

If the Scheme has not become effective by 30 September 2014 (or such later date as the High Court may allow), it will lapse, in which event the Scheme will not proceed, Old Sarossa Ordinary Shareholders will remain holders of the Old Sarossa Ordinary Shares and the Old Sarossa Ordinary Shares will continue to be traded on AIM.

The Scheme contains a provision for Old Sarossa and New Sarossa jointly to consent on behalf of all persons concerned to any modification of or addition to the Scheme, or to any condition which the High Court may think fit to approve or impose. Old Sarossa has been advised by its legal advisers that the High Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Old Sarossa Ordinary Shareholders unless Old Sarossa Ordinary Shareholders were informed of any such modification, addition or condition. If the High Court does approve or impose a modification of, or addition or condition to, the Scheme which, in the opinion of the Directors, is such as to require consent of the Old Sarossa Ordinary Shareholders, the Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

The full text of the Scheme and the resolution to be proposed at the Court Meeting and the resolution to be proposed at the General Meeting, are set out in Parts 4 and 5 of this document.

5. Effect of the Proposals

The effect of full implementation of the Proposals will be as follows:

- (A) instead of Old Sarossa having its ordinary share capital owned by the Old Sarossa Ordinary Shareholders, New Sarossa will own all of Old Sarossa's ordinary share capital then in issue;
- (B) instead of owning (immediately upon the Scheme Effective Date) Old Sarossa Ordinary Shares, each Old Sarossa Ordinary Shareholder will own the same number of New Sarossa Shares as the number of Old Sarossa Ordinary Shares held by them immediately prior to the Scheme Effective Date;
- (C) it is not intended that the Old Sarossa Preference Shares will be affected by the Scheme and will remain in issue in the capital of Old Sarossa; and
- (D) through its controlling interest in Old Sarossa, New Sarossa will own all of the business of Old Sarossa.

6. CREST

It is proposed that the New Sarossa Shares be made eligible for settlement in CREST, the paperless system for settlement of securities which are, *inter alia*, admitted to trading on AIM. Further information on the CREST settlement system is set out in paragraph 11 of Part I of the accompanying Appendix to AIM Announcement, a copy of which is available on Old Sarossa's website at www.sarossacapital.com. Information on listing, dealings, share certificates and settlement is set out in paragraph 10 of this Part 2.

7. Taxation

Your attention is drawn to the general guidance on the tax position of Old Sarossa Ordinary Shareholders set out in paragraph 4 of Part 3 of this document.

Paragraph 4 of Part 3 of this document is intended as a guide only and any Old Sarossa Ordinary Shareholders who are in any doubt as to their tax position, or who are resident for tax purposes outside of the United Kingdom are strongly advised to consult an appropriate independent professional adviser immediately.

8. Articles of association of New Sarossa

There are a number of differences between the Old Sarossa Articles and the New Sarossa Articles. These arise by reason of New Sarossa being a company incorporated in Jersey and not in England and Wales (which means that the Jersey Companies Law will apply to New Sarossa).

Where appropriate and subject to the Jersey Companies Law, provisions have been incorporated into the New Sarossa Articles to enshrine certain rights that are not conferred by the Jersey Companies Law but which shareholders in a company listed in London would normally expect. Certain amendments have also been made to reflect the fact that New Sarossa will have its registered office in Jersey.

A summary of the principal differences between the New Sarossa Articles and the Old Sarossa Articles is set out in paragraph 1 of Part 3 of this document. A further description of certain provisions of the New Sarossa Articles and the differences between English and Jersey law and the implications of New Sarossa being a company incorporated in Jersey are set out in paragraphs 2 and 3 respectively of Part 3 of this document.

9. Overseas Shareholders

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any persons into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the allotment and issue of New Sarossa Shares following the Scheme becoming effective, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

If, in respect of any Overseas Shareholder, New Sarossa is advised that the allotment and issue of New Sarossa Shares would or might infringe the laws of any jurisdiction outside Jersey or the United Kingdom, or would or might require New Sarossa to obtain any governmental or other consent or effect any registration, filing or other formality, New Sarossa may determine that no New Sarossa Shares shall be allotted and issued to such shareholder but instead those New Sarossa Shares shall be allotted and issued to a nominee appointed by New Sarossa as trustee for such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after the Scheme becomes effective, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder. Alternatively, New Sarossa may determine that the New Sarossa Shares shall be allotted and issued to that Overseas Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder at the Overseas Shareholder's risk.

This document has been prepared for the purpose of complying with English law and the AIM 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 of jurisdictions outside the United Kingdom.

THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR EXCHANGE OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY OR EXCHANGE ANY SECURITY OR TO BECOME A MEMBER OF NEW SAROSSA. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAWS.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

Information for United States Shareholders

The New Sarossa Shares to be issued to Old Sarossa Ordinary Shareholders in connection with the Scheme will not be, and are not required to be, registered with the SEC under the US Securities Act in reliance on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) of that Act. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the New Sarossa Shares issued pursuant to the Scheme, Old Sarossa will advise the High Court that it will rely on the Section 3(a)(10) exemption based on the High Court's sanctioning of the Scheme, which will be relied upon by Old Sarossa as an approval of the Scheme following a hearing on its fairness to Old Sarossa Ordinary Shareholders at which hearing all such Old Sarossa Ordinary Shareholders will be entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been or will be given to all such shareholders.

The New Sarossa Shares will not be registered under the securities laws of any state of the US, and will be issued pursuant to the Scheme in reliance on available exemptions from such state law registration requirements or the pre-emption of such requirements by the US Securities Act.

Neither the SEC nor any other securities commission or regulatory authority of any state or other jurisdiction of the US has approved or disapproved the New Sarossa Shares or passed an opinion on the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

The solicitation of proxies is not subject to the requirements of Section 14(a) of the US Exchange Act. Accordingly, this document has been prepared in accordance with the applicable disclosure requirements of England and Wales. Old Sarossa Ordinary Shareholders should be aware that such requirements are different from those of the US.

US Shareholders should note that no appraisal or similar rights of dissenting shareholders are to apply in connection with the Scheme as none are required as a matter of English law.

Old Sarossa Ordinary Shareholders who are citizens or residents of the US should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme and in their particular circumstances.

Enforceability of judgments

Old Sarossa is incorporated under the laws of England and Wales and New Sarossa is incorporated under the laws of Jersey. All of the officers and directors of Old Sarossa and New Sarossa are residents of countries other than the US. It may not be possible to sue Old Sarossa or New Sarossa in a non-US court for violations of US securities laws. It may be difficult to compel Old Sarossa or New Sarossa and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

10. Listing, dealings, share certificates and settlement

Application will be made to the London Stock Exchange for 639,360,364 New Sarossa Shares to be admitted to trading on AIM. The ISIN of the New Sarossa Shares will be JE00BKWBZV64. It is expected that the New Sarossa Shares will be issued, their admission will become effective and that dealings will commence on 2 May 2014.

A copy of the Appendix to AIM Announcement relating to New Sarossa, prepared in accordance with the AIM Rules is available to the public in accordance with Rule 3 of the AIM Rules via www.sarossacapital.com.

If all the conditions to the Scheme are satisfied, Old Sarossa intends to seek the delisting of the Old Sarossa Ordinary Shares from AIM with effect from the Scheme Effective Date. The last day of dealings in Old

Sarossa Ordinary Shares is expected to be on 1 May 2014. The last day for registration of transfers of Old Sarossa Ordinary Shares is expected to be on 1 May 2014.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the Scheme as described in this document or there is any delay in obtaining the Court's sanction of the Scheme or the Old Sarossa Reduction of Capital. In the event of a delay, the application for cancellation of the Old Sarossa Ordinary Shares will be deferred so that the admission will not be cancelled until immediately prior to the Scheme Effective Date.

On the Scheme Effective Date, all certificates representing Old Sarossa Ordinary Shares will cease to be valid and binding in respect of such holdings and should be destroyed. Definitive share certificates for the New Sarossa Shares of Old Sarossa Ordinary Shareholders who held their Old Sarossa Ordinary Shares in certificated form are expected to be despatched within 14 days after the Scheme Effective Date. In the case of joint holders, certificates will be despatched to the joint holder whose name appears first in the register of members. All certificates will be sent by pre-paid first class post at the risk of the person entitled thereto.

Old Sarossa Ordinary Shares held in uncertificated form will be disabled in CREST on the Scheme Effective Date.

For Old Sarossa Ordinary Shareholders who hold their Old Sarossa Ordinary Shares in a CREST account, New Sarossa Shares are expected to be credited to the relevant CREST accounts on 2 May 2014. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The New Sarossa Articles permit the holding of New Sarossa Shares under the CREST system. The Directors will apply for the New Sarossa Shares to be admitted to CREST with effect from admission of the New Sarossa Shares. Accordingly, settlement of transactions in New Sarossa Shares following admission may take place within the CREST system. CREST is a voluntary system and holders of New Sarossa Shares who wish to receive and retain share certificates will be able to do so.

New Sarossa reserves the right to issue New Sarossa Shares to all shareholders in certificated form if, for any reason, it wishes to do so.

All mandates in force on the Scheme Effective Date relating to payment of dividends on Old Sarossa Ordinary Shares and all instructions then in force relating to notices and other communications will, unless and until varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to New Sarossa in relation to the corresponding holding of New Sarossa Shares. However, the Old Sarossa American Depositary Receipt (ADR) programme will not be replicated by New Sarossa.

11. Meetings and consents for implementation of the Proposals

The Scheme will require the approval of the Old Sarossa Ordinary Shareholders at the Court Meeting, convened pursuant to an order of the Court and the passing by Old Sarossa Ordinary Shareholders of the special resolution specified in the notice of the General Meeting. Both of the meetings have been convened for 7 April 2014.

The Scheme also requires a separate sanction from the Court and the Old Sarossa Capital Reduction requires confirmation from the Court. Notices of the Court Meeting and the General Meeting are contained in Part 5 of this document. New Sarossa has agreed to appear by Counsel at the Court Hearing and to undertake to be bound by the Scheme.

(A) Court Meeting

The Court Meeting has been convened for 10.00 a.m. on 7 April 2014 pursuant to an order of the Court. At the Court Meeting, or at any adjournment thereof, the Old Sarossa Ordinary Shareholders will consider and, if thought fit, approve the Scheme.

Voting will be by poll at the Court Meeting and each Old Sarossa Ordinary Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Old Sarossa Ordinary Share held. The statutory majority required to approve the Scheme at the Court Meeting is

a simple majority in number representing not less than 75 per cent. of the nominal value of the Old Sarossa Ordinary Shares of the Old Sarossa Ordinary Shareholders present and voting (either in person or by proxy) at the Court Meeting.

In order that the Court can be satisfied that the votes cast constitute a fair representation of the views of the Old Sarossa Ordinary Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Old Sarossa Ordinary Shareholders are therefore urged to take the action referred to in paragraph 17 below.

It is also particularly important for you to be aware that if the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether they attended the Court Meeting and irrespective of the manner in which they voted.

(B) *The General Meeting*

The General Meeting has been convened for 10.15 a.m. on 7 April 2014 (or as soon thereafter as the Court Meeting concludes or is adjourned). At the General Meeting, or at any adjournment thereof, Old Sarossa Ordinary Shareholders will consider and, if thought fit, pass the resolution set out in the notice of the General Meeting contained in Part 5. Voting at the General Meeting will be on a show of hands (unless a poll is called for) and each Old Sarossa Ordinary Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote. The holder of Old Sarossa Preference Shares has no rights to receive notice of or attend or vote at any general meeting of the shareholders of Old Sarossa.

The special resolution set out in the notice of the General Meeting is proposed in order to:

- (A) authorise the Directors of Old Sarossa to take all actions they consider necessary or appropriate for carrying the Scheme into effect;
- (B) approve the reduction of share capital by the cancellation of the Scheme Shares;
- (C) approve the creation of New Ordinary Shares to be issued to New Sarossa and/or its nominees by capitalisation of the reserve arising from the cancellation of the Scheme Shares;
- (D) approve the allotment of such New Ordinary Shares by the Directors (pursuant to the Scheme); and
- (E) approve the cancellation of the trading in Old Sarossa Ordinary Shares on AIM.

The majority required for the passing of the special resolution is not less than 75 per cent. of the votes cast.

12. Authorities relating to New Sarossa

The holders of the New Sarossa Initial Ordinary Shares have already approved, among other matters:

- (A) the authority of the Directors to allot and issue New Sarossa Shares in connection with the implementation of the Scheme;
- (B) the authority of the Directors to allot New Sarossa Shares;
- (C) the authority of the Directors to allot New Sarossa Shares otherwise than in accordance with pre-emption rights;
- (D) the authority of the Directors to make on-market acquisitions of New Sarossa Shares; and
- (E) the adoption of the New Sarossa Articles.

13. Appendix to AIM Announcement

The accompanying Appendix to AIM Announcement relating to New Sarossa which is required to be published to effect the introduction of the New Sarossa Shares to AIM, is available in electronic form on Old Sarossa's website at www.sarossacapital.com and shall remain available for at least one month after Admission on New Sarossa's website at www.sarossapl.com.

The London Stock Exchange has agreed that, because the Old Sarossa Ordinary Shares are already admitted to trading on AIM and because, following the Scheme becoming effective, the Old Sarossa Ordinary Shareholders will each hold exactly the same percentage interest in New Sarossa Shares as they previously held in Old Sarossa Ordinary Shares, the Appendix to AIM Announcement need not contain all the information that an admission document would normally be required to contain pursuant to the AIM Rules. Instead, the London Stock Exchange has agreed that New Sarossa may be treated as a quoted applicant and may use the "fast track" procedure. The Appendix to AIM Announcement therefore contains information including a description of the significant changes in the financial and trading position of Old Sarossa since 30 June 2013 (being the date to which the last audited statements of Old Sarossa have been published) but no other financial information, and a section of additional information, including details of the remuneration and interests of the Directors, material contracts and details of litigation concerning the Sarossa Group, all of which will be relevant to New Sarossa as the new holding company of the Sarossa Group.

The Appendix to AIM Announcement contains forward-looking statements which involve known and unknown risks and uncertainties and speak only as of the date they are made. You are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of Old Sarossa or New Sarossa or industry results to differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, those described in the "Risk Factors" section of the Appendix to AIM Announcement and which can be accessed at www.sarossacapital.com.

14. Directors

All directors of Old Sarossa (i.e. Michael Bretherton, Ross Hollyman and Jonathan Morley-Kirk) have been appointed directors of New Sarossa.

The effect of the Scheme on the interests of the Old Sarossa Directors (details of which are set out in paragraph 15 below) does not differ from its effect on the like interests of other persons. Old Sarossa Ordinary Shareholders are, however, referred to the matters described in paragraphs 2 and 3 of Part 3 of this document in relation to the effect on Old Sarossa Directors (in their capacity as directors) arising from the differences between the Old Sarossa Articles and the New Sarossa Articles and the fact that New Sarossa is incorporated in Jersey.

After the Scheme Effective Date, the New Sarossa Directors will receive their remuneration from New Sarossa and the total emoluments receivable by each of those New Sarossa Directors will not be varied as a result of the Scheme.

Michael Bretherton and Jonathan Morley-Kirk have signed new non-executive director appointment letters with New Sarossa which are conditional upon the Scheme becoming effective and admission occurring before 30 June 2014 and which will replace their existing appointment letters with Old Sarossa referred to below. These new appointment letters have the same commercial terms as the corresponding existing appointment letters with Old Sarossa. The existing agreements with Old Sarossa referred to below under which Ross Hollyman's services are provided as a non-executive director to the Sarossa Group and under which Michael Bretherton's executive services are provided as finance director to the Sarossa Group, will continue unchanged but with the related fees to be paid by New Sarossa.

It is Old Sarossa's policy that all Old Sarossa Directors should have contracts with an indefinite term providing for a maximum of six months' notice and in the event of early termination, these provide for compensation up to a maximum of basic salary for the notice period. The fee payable to Michael Bretherton for his services as a non-executive director is £10,000 per annum under the terms of a letter of appointment. Ross Hollyman's services as a non-executive director are provided under the terms of a consultancy

agreement with Oraelian Trading Systems Limited which is paid £15,000 per annum for providing his services. The fee payable to Jonathan Morley-Kirk for his services as a non-executive director is £15,000 per annum under the terms of a letter of appointment.

In addition, on 7 December 2011, Old Sarossa, ORA Capital Services Limited (“OCS”) and Michael Bretherton entered into a consultancy agreement pursuant to which Mr Bretherton was appointed as finance director to Old Sarossa on its admission to AIM. The agreement is terminable on three months’ written notice by either party to the other. The fee payable to OCS for the provision of Mr Bretherton’s services is £12,000 for providing services for two and a half days per month for 48 weeks per annum. OCS receives a fee of £500 plus VAT per day for any further days worked by Mr Bretherton. In addition, OCS receives reimbursement for out of pocket expenses incurred by Mr Bretherton during the provision of the services. The consultancy agreement contains provision for early termination, *inter alia*, in the event of a breach by Mr Bretherton or OCS of the terms of the agreement. The agreement contains provisions protecting the Sarossa Group’s confidential information and intellectual property rights. It also contains post-termination restrictions which mean that both OCS and Mr Bretherton are restricted from competing with the business or soliciting or enticing employees or consultants of Old Sarossa or the Sarossa Group for a period of six months commencing on the date on which the consultancy agreement is terminated.

15. Directors’ interests

On the Scheme Effective Date, assuming that no further Old Sarossa Ordinary Shares have been purchased or issued after 19 March 2014 (the latest practicable date prior to the publication of this document) the Directors will have the following beneficial interests in New Sarossa Shares by virtue of the effect of the Scheme on their Old Sarossa Ordinary Shares.

<i>Director</i>	<i>Number of Old Sarossa Ordinary Shares</i>	<i>Number of New Sarossa Shares</i>	<i>Percentage of issued share capital of New Sarossa</i>
Michael Bretherton	9,744,140	9,744,140	1.52%

The interests of the Directors together represent approximately 1.52 per cent. of the issued Sarossa Ordinary Shares in existence as at 19 March 2014, the latest practicable date prior to publication of this document.

The above interests are based upon the interests of the Directors in Old Sarossa Ordinary Shares which (a) have been notified by each Director to Old Sarossa pursuant to Rule 17 of the AIM Rules before 19 March 2014 (the latest practicable date prior to publication of this document), or (b) are interests of a connected person (within the meaning of the Companies Act), of a Director which have been notified to Old Sarossa by each connected person (within the meaning of the Companies Act) pursuant to Rule 17 of the AIM Rules.

The effect of the Scheme on the interests of the Directors in their capacity as holders of Old Sarossa Ordinary Shares will not differ from the effect of the Scheme on the interests of other holders of Old Sarossa Ordinary Shares.

16. Further information

Your attention is drawn to the letter from your Chairman in Part 1 of this document and to the Scheme set out in Part 4 of this document. Copies of:

- (A) the New Sarossa Articles;
- (B) the proposed amended articles of association for Old Sarossa on its re-registration as a private company;
- (C) this document; and
- (D) the Appendix to AIM Announcement,

can be inspected at the registered office of Old Sarossa, being at Mitre House, 160 Aldersgate Street, London EC1A 4DD during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document to the close of business on the date of the Court Meeting and the General Meeting. This document and the Appendix to AIM Announcement are also available in electronic form on Old Sarossa's website at www.sarossacapital.com.

In the case of joint holders of Old Sarossa Ordinary Shares, subject to compliance with applicable laws, one copy of this document is being delivered to the first registered joint holder. Further copies of this document and the Appendix to AIM Announcement may be requested by joint holders other than the first registered joint holder by application in writing to the Company Secretary at Sarossa Capital, Mitre House, 160 Aldersgate Street, London EC1A 4DD.

17. Action to be taken

Forms of proxy are enclosed as follows:

- (A) for the Court Meeting, a BLUE form of proxy; and
- (B) for the General Meeting, a WHITE form of proxy.

Whether or not you propose to attend the meetings in person you are requested, if you hold Old Sarossa Ordinary Shares, to complete and return the BLUE and WHITE forms of proxy. If you hold your Old Sarossa Ordinary Shares in uncertificated form and wish to appoint a proxy through the CREST electronic proxy appointment service, please read the notes to the notices of the Court Meeting and General Meeting in Part 5 of this document for further details.

Completed forms of proxy should be returned to the Registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen B63 3DA, as soon as possible and in any event so as to be received by the Registrars not later than 48 hours before the time appointed for the relevant meeting. The return of the forms of proxy will not prevent you from attending either of the meetings and voting in person if you so wish and are so entitled. In each case, the forms should be completed in accordance with the instructions printed on them.

The BLUE form of proxy in respect of the Court Meeting may also be handed to the Registrars or the Chairman at the Court Meeting before the start of the meeting. However, in the case of the General Meeting, the WHITE form of proxy will be invalid unless it is lodged so as to be received at least 48 hours before the time appointed for the General Meeting.

If you hold your Old Sarossa Ordinary Shares in uncertificated form (i.e. in CREST), you can appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual. Your CREST Proxy Instruction must be received by the Registrars by 10.00 a.m. on 5 April 2014 for the Court Meeting and 10.15 a.m. on 5 April 2014 for the General Meeting or if either of the meetings is adjourned, 48 hours before the time appointed for the adjourned meetings.

Yours faithfully,

Chris Fielding

Head of Corporate Finance

for and on behalf of
WH Ireland Limited

PART 3

ADDITIONAL INFORMATION

1. Summary of the principal differences between the Old Sarossa Articles and New Sarossa Articles

As a company incorporated, existing and registered in Jersey with its registered office in Jersey, New Sarossa will be required to comply with Jersey law.

Under the Jersey Companies Law, the corporate objects of a Jersey company are deemed to be unlimited unless they are restricted.

The principal differences between the Old Sarossa Articles and the New Sarossa Articles are explained below. The memorandum of association of New Sarossa does not restrict the activities of New Sarossa and therefore New Sarossa, like Old Sarossa, has unrestricted objects. These differences arise by reason of New Sarossa being a company incorporated, existing and registered in Jersey instead of in England. As further described in paragraph 3 of this Part, there are a number of differences between the Jersey Companies Law and the Companies Act which may impact on the rights of holders of Old Sarossa Ordinary Shares when they become holders of New Sarossa Shares. As such, where appropriate and subject to the Jersey Companies Law, provisions have been incorporated into the New Sarossa Articles to enshrine certain rights which shareholders in a company whose shares are admitted to trading on AIM would normally expect to have.

The principal differences are:

- 1.1 as the Jersey Companies Law does not contain an equivalent to section 551 of the Companies Act, provision is made in the New Sarossa Articles to replicate the position under the Companies Act whereby directors must not exercise any power to allot shares unless they are authorised to do so by ordinary resolution in a general meeting. In addition, the New Sarossa Articles set a requirement that the maximum number of shares which can be allotted by the Board is to be approved by the New Sarossa Shareholders passing an ordinary resolution in general meeting with a requirement that the authority so granted may not be for a period exceeding five years;
- 1.2 as the Jersey Companies Law does not confer any statutory pre-emption rights on the allotment of shares for cash, the New Sarossa Articles include pre-emption provisions that are broadly similar to the pre-emption rights contained in section 570 of the Companies Act;
- 1.3 as the Jersey Companies Law does not have an equivalent to section 793 of the Companies Act, there have been incorporated into the New Sarossa Articles provisions that are based on section 793 of the Companies Act which entitle New Sarossa to serve notices on persons in order to establish details of ownership of its shares;
- 1.4 as the Jersey Companies Law does not provide for a nominee holder of shares to require that information rights' (the right to receive a copy of all communications sent by a company to its shareholders) be granted to the underlying beneficial owner, as permitted by section 146 of the Companies Act, the New Sarossa Articles include information rights provisions similar to those contained in the Companies Act;
- 1.5 as the Jersey Companies Law requires a lower threshold of class shareholders to consent to variations of rights attached to their class of shares, the New Sarossa Articles require that any variation of rights attached to any share or class of shares may, as per the Companies Act, only be varied or abrogated in such manner (if any) as may be provided by the New Sarossa Articles or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in number of the issued shares of the class of shares or with the sanction of a special resolution passed at a separate general meeting duly convened and held of the holders of shares of that class;

- 1.6 as the Jersey Companies Law does not expressly provide for the independent scrutiny of any poll taken, the New Sarossa Articles include provisions entitling the chairman to appoint scrutineers of any poll taken, or to be taken, at a general meeting;
- 1.7 as the Jersey Companies Law does not include an express ability (as per the Companies Act) for a board to authorise directors' conflicts of interest in order not to breach a director's duty to avoid conflicts of interest, the New Sarossa Articles do not include an equivalent provision;
- 1.8 as the Jersey Companies Law does not contain an equivalent to sections 215 to 221 of the Companies Act, such sections are incorporated by reference in the New Sarossa Articles as if New Sarossa were a company incorporated in the United Kingdom so that payments made to directors for loss of office are subject to shareholder approval;
- 1.9 to provide that New Sarossa Shareholders have a power, provided the relevant thresholds are met, equivalent to the right under section 314 of the Companies Act to request that other business be dealt with at an annual general meeting;
- 1.10 to provide that Board meetings be held only outside the United Kingdom and that all board resolutions in writing must be signed outside the United Kingdom and must be signed personally by every director in office;
- 1.11 to provide that after admission, at least 50 per cent. of the Directors of New Sarossa be persons resident outside of the United Kingdom for tax purposes and that after admission, a meeting of the Board is only quorate where a majority of directors present are not resident in the United Kingdom for tax purposes;
- 1.12 to provide that any Director, alternate Director, company secretary or other officer of New Sarossa shall be indemnified out of the assets of New Sarossa to the extent permitted by the Jersey Companies Law for any costs, charges, losses, damages or liabilities incurred in the actual or purported exercise of his duties or powers;
- 1.13 to provide for uncertificated shares in New Sarossa to be held in dematerialised form in CREST pursuant and subject to the CREST Rules;
- 1.14 under the Jersey Companies Law members holding not less than 10 per cent. (the same threshold being 5 per cent. under the Companies Act) of the issued share capital by voting rights may require the directors to convene a general meeting. In accordance with the Jersey Companies Law, a company then has a limit of 21 days in which the meeting must be called and the requisitioned meeting must be held within two months of the date of the requisition, failing which a requisitioning shareholder or shareholders holding individually or together at least 50 per cent. of the total voting rights of the requisitioning shareholders may convene the general meeting;
- 1.15 the power to pay dividends is subject to certain conditions under the Jersey Companies Law which does not include shareholders' consent nor a requirement that dividends be payable only out of profits and, therefore, the New Sarossa Articles provide that dividends, which are not dependent on available profits, may be declared by the shareholders by ordinary resolution and interim dividends may be paid by the Board if it appears to them to be justified by the financial position of the Company; and
- 1.16 as the Jersey Companies Law does not provide for the use of websites for the dissemination of information to shareholders or the use of electronic communications, the New Sarossa Articles contain detailed provisions in this respect.

Notwithstanding the differences between the New Sarossa Articles and the Old Sarossa Articles outlined above, with effect from the Scheme Effective Date, the voting rights relating to New Sarossa Shares will be substantially the same as the Old Sarossa Ordinary Shares and the New Sarossa Shares will rank *pari passu* for dividends and in all respects with other fully paid New Sarossa Shares in issue on the Scheme Effective Date.

The provisions of the New Sarossa Articles are further described in paragraph 2 of this Part. Copies of the Old Sarossa Articles and the New Sarossa Articles are also available for inspection as described in paragraph 16 of Part 2.

2. Summary of the New Sarossa Articles

The New Sarossa Articles contain, amongst other things, provisions to the following effect:

2.1 *Voting rights of members*

- (A) In general, all members who have properly registered their shares in time may participate in general meetings. If the notice of the meeting has specified a time (which is not more than 48 hours – ignoring any part of a day that is not a working day – before the time fixed for the meeting) by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting, no person registered after that time shall be eligible to attend and vote at the meeting by right of that registration, even if present at the meeting.
- (B) Subject to any special terms as to voting for the time being attached to any shares in New Sarossa, on a show of hands every member present in person or by duly appointed proxy at a general meeting and entitled to vote shall have one vote and on a poll every member present in person or by proxy and entitled to vote has one vote for every share held by him. In the case of joint holders, the person whose name stands first in the register of members and who votes in person or by proxy is entitled to vote to the exclusion of all other joint holders.
- (C) No holder of any share shall, unless the Board otherwise determines, be entitled (except as a proxy for another member) to be present or vote at a general meeting either personally or by proxy if any call or other sum presently payable by him to New Sarossa in respect of that share remains unpaid; or if he or any other person who appears to be interested in the share has been duly served with and is in default in respect of a disclosure notice (see paragraph 2.10(A) below).
- (D) A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised to do so on his behalf as long as evidence satisfactory to the Board of that person's authority is provided in accordance with the New Sarossa Articles.

2.2 *Dividends*

Subject to the Jersey Companies Law, which requires the directors authorising a dividend to make a 12 month forward looking solvency statement, New Sarossa may declare dividends by ordinary resolution, and interim dividends can be paid by the Board. No dividend declared in general meeting shall be payable in excess of the amount recommended by the Board. Unless otherwise resolved, all dividends are apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. There is no requirement that dividends be paid out of profits under the Jersey Companies Law. A dividend may, upon the recommendation of the Board and on being approved by ordinary resolution, be wholly or partly satisfied by the distribution of assets and, in particular, of paid up shares or debentures of any other company. No dividend shall bear interest against New Sarossa unless otherwise provided by the rights attached to the share. Any dividend, interest or other sums payable and unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of New Sarossa until claimed. Any dividend, interest or other sums unclaimed for a period of 12 years from the date of such dividend having been declared, or such interest or other sums becoming payable, shall be forfeited and shall revert to New Sarossa.

The Board may, if authorised by ordinary resolution, offer shareholders, in respect of any dividend, the right to elect to receive shares by way of scrip dividend instead of cash. The Board may withhold payment of all or any part of any dividends or other monies payable in respect of any shares that

represents at least 0.25 per cent. of the shares in issue (excluding any shares held as treasury shares) if a person who has, or appears to New Sarossa to have, an interest in those shares has failed to comply with a disclosure notice (see paragraph 2.10(A) below).

2.3 *Return of capital*

In accordance with the Jersey Companies Law and with the sanction of a special resolution, on a winding-up of New Sarossa, the liquidator may divide among the members the whole or any part of the assets of New Sarossa. For such purpose, the liquidator may set the value and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members.

2.4 *Redeemable shares*

Subject to the Jersey Companies Law and to the rights attached to existing shares, shares may be issued which are to be redeemed or which are liable to be redeemed at the option of New Sarossa or of the holder, and the Board may determine the terms, conditions and manner of redemption of any such shares.

2.5 *Form of holding of shares*

The shares are in registered form and a register of members is maintained by the New Sarossa Administrator and Registrars. Shares may be held in either certificated or (subject to the New Sarossa Articles) uncertificated form. The transferor of a share is deemed to remain the holder until the transferee's name is entered in the register.

2.6 *Transfer of shares*

Shares may be transferred, if in certificated form, by an instrument of transfer in writing in any usual form, or in such other form as the Board may approve or, if held in uncertificated form, in accordance with the CREST Regulations and the CREST Rules or otherwise in such manner as the Board in its absolute discretion shall determine. Any instrument of transfer must be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee. Subject to the Jersey Companies Law, the Board may refuse to register any transfer of a share:

- (A) if it is in certificated form, if the share is not fully paid or if New Sarossa has a lien on it (except that the Board's discretion to refuse the transfer may not be exercised so as to prevent dealings in shares of the relevant class from taking place on an open and proper basis);
- (B) if it is in certificated form, unless it is lodged, duly stamped (if required), at the registered office of New Sarossa and accompanied by the certificate for the shares to which it relates and/or evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (C) if the transfer is not in respect of one class of share only;
- (D) if the transfer is not in favour of four or fewer transferees;
- (E) if the transfer is in favour of a minor, bankrupt or person of mental ill-health;
- (F) if it is held in uncertificated form, in any other circumstances permitted by the CREST Regulations and/or the CREST Rules; or
- (G) where the Board is obliged or entitled to refuse to do so where a person has failed to comply with a disclosure notice (see paragraph 2.10(A) below).

2.7 *Pre-emption rights*

Subject to the Jersey Companies Law and any resolution passed by New Sarossa, shares may be issued with such rights and restrictions as New Sarossa may by ordinary resolution determine, or (if there is no determination) as the Board may determine. Subject to the Jersey Companies Law, the New

Sarossa Articles and any resolution passed by New Sarossa, unissued shares are at the disposal of the Board.

Under the Jersey Companies Law, if New Sarossa issues shares or certain other securities, current shareholders of New Sarossa will generally have pre-emption rights to those shares or securities on a pro-rata basis. The shareholders of New Sarossa may, by special resolution, grant authority to the Board to allot shares as if the pre-emption rights did not apply. This authority shall expire on the date (if any) specified in the resolution or, if no date is specified, 15 months after the date on which the resolution is passed or, if earlier, at the conclusion of the next annual general meeting of New Sarossa.

2.8 *Variation of rights*

The New Sarossa Articles provide that the rights attached to any class of shares may be altered or abrogated in such manner (if any) as may be provided for by the New Sarossa Articles or, in the absence of any such provision, with the written consent of the holders of not less than three-fourths in number of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of that class.

2.9 *Lien and forfeiture*

New Sarossa has a lien on every partly-paid up share for all monies called or payable in respect of that share. New Sarossa may serve notice on the members in respect of any amounts unpaid on their shares. The member shall be given not less than 14 clear days' notice to pay the unpaid amount. In the event of non-compliance, a share in respect of which the notice is given may be sold by determination of the Board.

2.10 *Disclosure of interests in shares and restrictions for failure to provide information*

- (A) If a person appearing to have an interest in the issued share capital of New Sarossa has failed to give New Sarossa within 14 days (or 28 days in respect of holders of less than 0.25 per cent of the issued share capital) information required by a notice requiring that information (a “**disclosure notice**”), the Board may, at its discretion, impose restrictions upon the relevant shares.
- (B) The restrictions available are the suspension of voting or other rights in relation to meetings of New Sarossa in respect of the relevant shares and, additionally, in the case of New Sarossa Shareholders representing at least 0.25 per cent. of that class of shares, the withholding of payment on and the restriction of transfers of the relevant shares. The restrictions shall continue until the date seven days after the Board is satisfied that the default is remedied, New Sarossa is notified that the default shares are the subject of an exempt transfer or the Board decides to waive the restrictions, in whole or in part. For these purposes, an exempt transfer means a transfer pursuant to acceptance of a takeover offer, sale of the share on a regulated market or an exchange regulated market in the United Kingdom on which shares of that class are normally traded or a sale of the whole beneficial interest in the shares to a person whom the Board is satisfied is not connected with the transferor or with any person appearing to be interested in the share.
- (C) The Disclosure and Transparency Rules require shareholders of New Sarossa (subject to certain exceptions) to notify New Sarossa if the voting rights directly or indirectly held (within the meaning of those rules) by such shareholder reaches, exceeds or falls below three per cent. and each one per cent. threshold above that.

2.11 *General meetings*

- (A) The Jersey Companies Law requires annual general meetings to be held by public companies on a regular basis and not more than 18 months should elapse between annual general meetings. The Board may call other general meetings whenever it thinks fit. The Board must

also convene a meeting upon the valid request of members holding not less than 10 per cent. of the total voting rights of New Sarossa's members who have the right to vote at the meeting requisitioned. If the Board fails to give notice of such meeting to members when required to do so, the members that requested the general meeting, or any of them representing more than one-half of the total voting rights of all members that requested the meeting, may themselves convene a meeting.

- (B) An annual general meeting shall be convened by at least 21 clear days' notice and all other general meetings shall be convened by at least 14 clear days' notice. Every notice calling a general meeting shall specify, amongst other things, the place, the day and the time of the meeting and the general nature of the business to be transacted.
- (C) Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. If a quorum is not present within five minutes of the commencement time of the meeting (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait), the meeting, if requisitioned by members, shall be dissolved or, in any other case, adjourned to such time (not being less than ten nor more than 28 days later) and place as the chairman of the meeting shall decide and at such adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) and entitled to vote shall be a quorum.
- (D) Members may attend and vote in person or by duly appointed proxy. A member may appoint more than one proxy in relation to a general meeting, provided that such proxy is appointed to exercise the rights attached to a different share or shares held by the member. The New Sarossa Articles contain provisions for the appointment of proxies, including time limits for making such appointments ahead of the meeting and provisions for appointment by means of electronic communication.
- (E) A simple majority of members entitled to vote and who are present in person or by duly appointed proxy may pass an ordinary resolution. To pass a special resolution, a majority of not less than three-fourths of the members entitled to vote and who are present in person or by duly appointed proxy at the meeting is required.
- (F) The Board may direct that persons entitled to attend any general meeting should submit to searches or other security arrangements or restrictions, and may refuse entry to a general meeting to any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions. If any person has gained entry to a general meeting and refuses to comply with any such security arrangements or restrictions or disrupts the proper and orderly conduct of the general meeting, the chairman of the meeting may at any time, without the consent of the general meeting, require the person to leave or be removed from the meeting.

2.12 *Notices to overseas New Sarossa Shareholders*

Shareholders of New Sarossa with registered addresses outside Jersey or the United Kingdom are not entitled to receive notices from New Sarossa unless they have given New Sarossa an address within Jersey or the United Kingdom at which notices may be served. Such address may, if the Board agrees, be an address for the purposes of electronic communications.

2.13 *The Board*

Subject to the New Sarossa Articles, the business of New Sarossa is managed by the Board, which may exercise all the powers of New Sarossa, subject to any directions given by New Sarossa in general meeting by special resolution. No alteration of the New Sarossa Articles, and no such directions by special resolution, shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed.

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee consisting of such person or persons as it thinks fit (whether a member or members of

its body or not), provided that the majority of the members of the committee are directors. Subject to any restriction on sub-delegation imposed by the Board, any committee so formed may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the Board or of the committee).

2.14 *Directors*

(A) *Appointment and retirement of directors*

The directors (excluding alternate directors) shall not, unless otherwise determined by ordinary resolution, be fewer than two but shall not be subject to any maximum number. A director need not be a member of New Sarossa.

Directors may be appointed by New Sarossa by ordinary resolution or by the Board. A director appointed by the Board holds office only until the end of the annual general meeting of New Sarossa following his appointment unless he is reappointed during the meeting.

At every annual general meeting one-third of the directors (or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third) must retire from office, as well as any director not appointed or re-appointed a director at either of the last two general meetings before that meeting. New Sarossa may fill any vacated office by re-electing the retiring director or some other person eligible for appointment.

No director may vote or be counted in the quorum on any resolution of the Board concerning his own appointment (including the settlement or variation of the terms, or the termination, of the appointment) as the holder of any office or place of profit within New Sarossa or any other company in which New Sarossa is interested.

(B) *Remuneration of directors*

The directors shall be entitled to receive fees for their services at a rate which shall not exceed an aggregate sum of £500,000 per annum or such higher amount as New Sarossa, by ordinary resolution, may determine from time to time.

Any director who holds any executive office, or who serves on any committee or devotes special attention to the business of New Sarossa, shall receive such remuneration or extra remuneration by way of salary, commission, participation in profits or otherwise as the Board, or any committee authorised by the Board, may determine.

New Sarossa may pay the directors' expenses properly incurred by them in connection with the business of New Sarossa, including their expenses of travelling to and from meetings of the directors, committee meetings or general meetings.

(C) *Directors' interests*

Subject to the Jersey Companies Law, provided the director has disclosed to the Board the nature and extent of any material interest of his, a director notwithstanding his office:

- (i) may hold any other office or place of profit with New Sarossa (except that of auditor) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for New Sarossa;
- (ii) may be a party to, or otherwise interested in, any contract with New Sarossa or in which New Sarossa is otherwise interested;
- (iii) may be a director or other officer of, or employed by, or a party to any contract with, or otherwise interested in, any body corporate promoted by New Sarossa or in which New Sarossa is otherwise interested or in relation to which New Sarossa has powers of appointment; and

- (iv) shall not, by reason of his office, be accountable to New Sarossa for any remuneration or benefit which he derives from any such office or employment or from any such contract or from any interest in such undertaking.

(D) *Restrictions on directors voting*

A director is not permitted to vote or be counted in the quorum on any resolution of the Board or of a committee of the Board concerning any matter in which he has, to his knowledge, directly or indirectly, an interest or duty that is material. This prohibition does not apply to any of the following matters:

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, New Sarossa or any of its subsidiary undertakings;
- (ii) the giving by New Sarossa of any guarantee, security or indemnity to a third party in respect of a debt or obligation of New Sarossa or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part (whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (iii) the director subscribing or agreeing to subscribe for, or purchasing or agreeing to purchase, any shares, debentures or other securities of New Sarossa or any of its subsidiary undertakings;
- (iv) any contract concerning any company (not being a company in which the director owns one per cent. or more) in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise;
- (v) any arrangement for the benefit of employees of New Sarossa or any of its subsidiary undertakings under which he benefits in a similar manner as the employees;
- (vi) any contract concerning any insurance which New Sarossa is empowered to purchase or maintain for, or for the benefit of, any directors or for persons who include directors; or
- (vii) any indemnity permitted by the New Sarossa Articles (whether in favour of the director or others as well) against any costs, charges, expenses, losses and liabilities sustained or incurred by him as a director of New Sarossa or of any of its subsidiary undertakings, or any proposal to provide funds to meet any expenditure incurred by him in defending himself in any criminal or civil proceeding in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to New Sarossa or any of its subsidiary undertakings, or any investigation, or action taken, by a regulatory authority in that connection, or for the purposes of any application for relief under the Jersey Companies Law.

2.15 ***Borrowing powers***

The Board may exercise all the powers of New Sarossa to borrow money, to mortgage or charge all or part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the Jersey Companies Law, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of New Sarossa or of any third party.

The Board shall restrict the borrowings of New Sarossa and exercise all voting and other rights and powers of control exercisable by New Sarossa in relation to the Sarossa Group to ensure that the aggregate borrowings of the Sarossa Group (excluding borrowings owed by one Sarossa Group member to another) does not, without the previous sanction of an ordinary resolution, exceed an amount equal to three times the adjusted capital and reserves.

2.16 *Indemnity of officers*

In so far as the Jersey Companies Law allows and subject to the rules made by the competent authority of any other regulated or exchange regulated market on which the shares of New Sarossa may be listed, every present and former director, alternate director, secretary or other officer of New Sarossa shall be indemnified out of the assets of New Sarossa against any costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution or discharge of his duties or exercise of his powers or otherwise in relation thereto, including (without prejudice to the generality of the foregoing) any liability incurred in defending any proceedings (whether civil or criminal) which relates to anything done or omitted or alleged to have been done or omitted by him in any such capacity, and in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Jersey Companies Law in which relief is granted to him by any court of competent jurisdiction.

2.17 *Power to insure*

The Board may purchase and maintain insurance at the expense of New Sarossa for the benefit of any person in their capacity as a director, officer, employee or trustee of New Sarossa or any member of the Sarossa Group, or any entity or trust in which New Sarossa or any other member of the Sarossa Group has an interest.

2.18 *Untraceable New Sarossa Shareholders*

New Sarossa shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by transmission if:

- (A) during a period of 12 years prior to the date of advertising its intention to sell such shares at least three dividends in respect of such shares have become payable but no dividend has been claimed;
- (B) after the expiry of that period, New Sarossa has published two advertisements stating it intends to sell the shares, one in a national newspaper published in the United Kingdom and Jersey and the other in a newspaper circulating in the area in which the last known address of the holder or the address at which service of notices may have been effected in the manner authorised by the New Sarossa Articles was located; and
- (C) during that period or three months following the publication of the advertisements and prior to the exercise of the power of sale, New Sarossa has not heard from the member or the person entitled to the shares by transmission.

The net proceeds of such sale shall belong to New Sarossa, which shall be obliged to account to the former member or other person who would have been entitled to the shares for an amount equal to the proceeds as a creditor of New Sarossa.

2.19 *Mandatory takeover bids, squeeze-out and sell-out rules*

Except as provided by the Jersey Companies Law and the Takeover Code, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to the New Sarossa Shares.

3. Differences between English and Jersey company law and implications of New Sarossa being a Jersey incorporated company

There are a number of differences between the Companies Act and the Jersey Companies Law which may impact upon the rights of Old Sarossa Ordinary Shareholders when they become New Sarossa Shareholders. However, where it was thought appropriate to confer similar rights on and protections to holders of New Sarossa Shares, and where permitted under the Jersey Companies Law, provisions which broadly replicate the position under English law have been incorporated into the New Sarossa Articles, as described in the summary setting out the principal differences between Old Sarossa Articles and New Sarossa Articles at

paragraph 1 of this Part. A fuller description of certain provisions of the New Sarossa Articles is set out in paragraph 2 of this Part.

The principal differences between the Companies Act and the Jersey Companies Law include (without limitation) the following:

- 3.1 the Jersey Companies Law does not confer statutory pre-emption rights on shareholders relating to new share issues; however, pre-emption rights broadly based on the provisions of the Companies Act have been enshrined in the New Sarossa Articles;
- 3.2 under the Jersey Companies Law, the directors of a company do not need the sanction of the shareholders to allot and issue shares; however, the requirement to obtain such sanction has been enshrined in the New Sarossa Articles;
- 3.3 the Jersey Companies Law allows for partly paid shares to be allotted even if they are not paid up to at least one-quarter of their nominal value;
- 3.4 under the Jersey Companies Law, any change to the authorised share capital of a company requires a special resolution (minimum of a two-thirds majority – see below). Pursuant to the Companies Act, English law abolished the requirement for a company to have an authorised share capital, although it is still possible to restrict the number of shares that can be issued by a company in its articles of association;
- 3.5 under the Jersey Companies Law a special resolution is required to be passed by two-thirds of shareholders present (in person or by proxy) at the relevant meeting, compared with a three-quarters majority required under English law. Thus, for example, a buy-back of shares requiring the sanction of a special resolution will only ordinarily require a two-thirds majority instead of a three-quarters majority. However, the Jersey Companies Law allows a company to stipulate a higher threshold for the passing of a special resolution and the New Sarossa Articles provide for a three-quarters majority;
- 3.6 the circumstances in which the Jersey Companies Law permits a Jersey company to indemnify its directors in respect of liabilities incurred by its directors in carrying out their duties are limited, and differ slightly to the analogous rules under English law. There is, however, no general prohibition on the granting of loans by a company to its directors (but directors remain subject to fiduciary duties when considering the grant of any such loans) and any costs incurred in defending any proceedings which relate to anything done or omitted to be done by that director in carrying out his duties may be funded by way of loans;
- 3.7 Jersey law does not require that shareholders approve compensation payments made to directors for loss of office, whereas under English law a payment by a company for loss of office to a director of a company or its holding company must be approved by a resolution of shareholders. The New Sarossa Articles adopt the relevant parts of the Companies Act so that New Sarossa is required to obtain members' approval to make payments for loss of office;
- 3.8 unless the articles of association of a public company provide otherwise, proxies are not entitled to speak or vote on a show of hands under Jersey law. The New Sarossa Articles provide that the appointment of a proxy shall be deemed to include all the relevant member's rights to attend and speak at the meeting and vote in respect of the share or shares concerned (including voting on a show of hands). Jersey law does not permit the appointment of more than one corporate representative by a member in respect of the same shareholding;
- 3.9 any general meeting of a Jersey company may be convened on 14 days' notice (rather than 21 days' notice required under English law for the calling of an annual general meeting). However, the New Sarossa Articles provide for the convening of annual general meetings by at least 21 clear days' notice, as per the English law requirement;
- 3.10 the Jersey Companies Law does not require the directors of a Jersey company to disclose to a company their beneficial ownership of any shares in that company (although they must disclose to the

company the nature and extent of any direct or indirect interest which conflicts, or may conflict to a material extent, with a transaction into which a company or any of its subsidiaries is proposing to enter). As per paragraph 3.11 below, the directors of New Sarossa can request information (including from other directors) to establish beneficial ownership of shares in New Sarossa;

- 3.11 the Jersey Companies Law does not grant the directors of a Jersey company a statutory power to request information concerning the beneficial ownership of shares, but powers based on section 793 of the Companies Act have been incorporated into the New Sarossa Articles entitling the directors to request information to establish details of interests in shares in New Sarossa;
- 3.12 under the Jersey Companies Law, shareholders holding not less than one-tenth of the total voting rights of the shareholders of a company may requisition a meeting of shareholders (whereas under the Companies Act, this right may be exercised by shareholders representing at least 5 per cent. of the paid up voting capital of a company);
- 3.13 the Jersey Companies Law does not confer on members the right to an independent scrutiny of a poll taken, or to be taken, at a general meeting, nor does it confer rights on members to require a company to circulate resolutions proposed to be moved by members at the next annual general meeting, or to circulate explanatory statements relating to any matter relating to a proposed resolution at a general meeting, or rights for a nominee holder of shares to have information rights granted to the underlying beneficial owner of the share. However, to address some of these issues, the New Sarossa Articles contain the right for shareholders to include other matters in business to be dealt with at an annual general meeting and the right to nominate persons to enjoy information rights;
- 3.14 there is no restriction on donations by a company to political organisations under Jersey law;
- 3.15 Jersey companies are permitted to make distributions to shareholders without reference to distributable reserves. Instead, distributions may be made out of a company's assets (other than its nominal capital account or any capital redemption reserve), provided the directors approving the distribution give the appropriate solvency statement required by the Jersey Companies Law (to the effect that New Sarossa will be able to continue its business and meet its liabilities as they fall due for the next 12 months);
- 3.16 a Jersey company's redeemable shares may be redeemed out of any capital source which, in particular, allows shares to be redeemed in whole or in part out of share capital accounts without the need for capital redemption reserves, provided such shares are fully paid;
- 3.17 a Jersey company may, by special resolution, apply a capital redemption reserve in issuing shares to be allotted as fully paid bonus shares;
- 3.18 under Jersey law, it is harder for shareholders to bring a derivative claim against a company than is the case under the Companies Act. However, Jersey law includes an equivalent provision relating to protection of shareholders against unfair prejudice and Jersey has (subject to certain exceptions) a broadly similar position under customary law to the common law position under English law; and
- 3.19 under Jersey law, the two procedures for dissolving a Jersey company are winding up and having the property of an insolvent company declared *en désastre*. Concepts such as receivership, administration and voluntary arrangements do not exist under Jersey law. The concept of a winding up is broadly similar to that under English law, except that under Jersey law, a winding up may only be commenced by the Jersey company and not by one of its creditors. If the company is solvent the winding up will be a summary winding up. If the company is insolvent, the winding up will be a creditors' winding up. A creditor wishing to dissolve a Jersey company would seek to have the company's property declared *en désastre* (literally meaning "in disaster"). If the company's property is declared *en désastre*, all of the powers and property of the company (whether present or future or situated in Jersey or elsewhere) are vested in the Viscount (an officer of the court). The role of the Viscount is similar to that of a liquidator. The Viscount's principal duty is to act for the benefit of the company's creditors. He is not under an obligation to call any creditors' meetings, although he may do so.

This list is intended to be illustrative only and does not purport to be exhaustive or to constitute legal advice. Any Old Sarossa Ordinary Shareholder wishing to obtain further information regarding his rights as a New Sarossa Shareholder under Jersey law should consult his Jersey legal advisers.

Following and subject to admission, New Sarossa will be required to comply with the AIM Rules, (including rules relating to related party transactions) and certain parts of the Disclosure and Transparency Rules. In certain of the instances where the AIM Rules and the Disclosure and Transparency Rules apply differently to an overseas company, provision has been made in the New Sarossa Articles to apply the rules as if New Sarossa was a company incorporated in the UK. For example, the New Sarossa Articles provide that shareholders must comply with the rules contained in DTR 5 of the Disclosure and Transparency Rules relating to disclosure of major shareholdings and other controlling voting rights in New Sarossa as if it were a UK-incorporated company.

New Sarossa intends, upon implementation of the Scheme, to comply with the UK Corporate Governance Code to the same extent that Old Sarossa does.

New Sarossa will continue to be subject to the provisions of the Takeover Code. The insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to New Sarossa and dealings with New Sarossa Shares, alongside the parallel provisions of Jersey law, to the extent that they are applicable.

4. Taxation

The Directors intend to conduct New Sarossa's affairs such that, based on current law and practice of the relevant tax authorities, New Sarossa will not become resident for tax purposes in any other territory other than Jersey. It is assumed that New Sarossa does not become resident in a territory other than Jersey.

4.1 Jersey taxation

The following summary of the anticipated treatment of New Sarossa and holders of New Sarossa Shares is based on Jersey taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. Old Sarossa Shareholders should consult their professional advisers on the implications of acquiring, buying, holding, selling or otherwise disposing of New Sarossa Shares under the laws of the jurisdictions in which they may be liable to taxation. Old and New Sarossa Shareholders should be aware that tax laws, rules and practice and their interpretation may change.

4.1.1 General

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue, conversion, redemption or transfer of New Sarossa Shares. On the death of an individual holder of New Sarossa Shares (whether or not such individual was domiciled in Jersey), duty at rates of up to 0.75 per cent. of the value of the relevant New Sarossa Shares may be payable on the registration of any Jersey probate or letters of administration which may be required in order to transfer, convert, redeem or make payments in respect of New Sarossa Shares held by a deceased individual sole New Sarossa Shareholder.

4.1.2 Income tax – New Sarossa

Under the Income Tax (Jersey) Law 1961 (as amended) ("**Tax Law**"), from 1 January 2009, the standard rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey is zero per cent. ("**zero tax rating**"). Certain exceptions from zero tax rating apply, namely:

- (a) companies which are regulated by the Jersey Financial Services Commission under certain sections of the Financial Services (Jersey) Law 1998, the Banking Business (Jersey) Law 1991 or the Collective Investment Funds (Jersey) Law 1988 shall be

subject to income tax at a rate of 10 per cent. (these companies are defined as “**financial services companies**” in the Tax Law);

- (b) specifically identified utility companies shall be subject to income tax at a rate of 20 per cent. (these companies are defined as “**utility companies**” in the Tax Law); and
- (c) any income derived from the ownership or disposal of land in Jersey shall be subject to income tax at a rate of 20 per cent.

It is anticipated that New Sarossa will be subject to a zero tax rating.

4.1.3 *Income tax – New Sarossa Shareholders*

Persons holding New Sarossa Shares who are not resident for income tax purposes in Jersey are not subject to taxation in Jersey in respect of any income or gains arising in respect of New Sarossa Shares held by them.

New Sarossa Shareholders who are resident for income tax purposes in Jersey will be subject to income tax in Jersey at the standard rate of 20 per cent. on any dividends paid on New Sarossa Shares held by them or on their behalf.

The provisions of Article 134A (Power of Comptroller to make assessment to prevent avoidance of income tax) of the Tax Law may, in certain circumstances, render investors who are resident in Jersey liable to income tax on the undistributed income of New Sarossa.

4.1.4 *Withholding tax – New Sarossa*

Jersey companies chargeable to corporate income tax at the zero per cent. rate are not obliged or entitled to deduct withholding tax on dividends. Where companies are chargeable to Jersey income tax at the 10 per cent. or 20 per cent. rates, dividends will be paid to shareholders following the payment of such tax by the company. The Jersey income tax paid on the company’s income represented by such dividend will be available to the relevant shareholders as tax credits against such shareholders' personal liabilities to Jersey income tax.

4.1.5 *Goods and Services Tax*

Pursuant to the Goods and Services Tax (Jersey) Law 2007 (“**2007 Law**”), tax at a rate which is currently 5 per cent. applies to the supply of retail goods and services, unless the relevant supplier or recipient of such goods and services is registered as an “international services entity”.

New Sarossa is an “international services entity” within the meaning of the 2007 Law, having satisfied the requirements of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended and, as long as it continues to be such an entity, a supply of goods or of a service made by or to New Sarossa shall not be a taxable supply for the purposes of the 2007 Law.

4.1.6 *European Union Saving Tax Directive*

Jersey is not subject to the European Union, or EU, Council Directive (2003/48) on the Taxation of Savings Income, or the EU Savings Tax Directive. However, in keeping with Jersey’s policy of constructive international engagement and in line with steps taken by other relevant third countries, the States of Jersey introduced with effect from 1 July 2005 a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Jersey (the terms “**beneficial owner**” and “**paying agent**” are defined in the EU Savings Tax Directive).

The retention tax system will apply for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. The transitional period will end only after all EU Member States and other relevant

third countries and territories apply automatic exchange of information and the EU Member States unanimously agree that the United States of America has committed to exchange of information upon request as defined in the 2002 OECD Model Agreement on Exchange of Information on Tax Matters.

During this transitional period, such an individual beneficial owner resident in an EU Member State is entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident.

The retention tax system and the disclosure arrangements are implemented in Jersey by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey.

The effect of the Jersey provisions is that where a person is not willing to agree to an information exchange between the Jersey tax authorities and the tax authorities of the EU Member State in which he resides in respect of an interest payment, the Jersey based paying agent will be required to retain, out of any interest payment to that individual, tax at a rate, at the date of this document, of 20 per cent., and which will increase in later years to a maximum of 35 per cent. The individual will therefore be able to choose between information exchange or the retention tax, though the paying agent can choose not to offer the exchange of information option.

Based on these provisions and the current practice of the Jersey tax authorities, distributions to New Sarossa Shareholders in respect of New Sarossa Shares and income realised by New Sarossa Shareholders upon the sale, or redemption of New Sarossa Shares do not constitute interest payments for the purposes of the retention tax system and therefore neither New Sarossa nor any paying agent appointed by it in Jersey is obliged to levy retention tax in Jersey under these provisions in respect of such payments. However, the retention tax system could apply in the event that an individual resident in an EU Member State, otherwise receives an interest payment in respect of a debt claim (if any) owed by New Sarossa to that individual. Accordingly, in so far as is reasonably possible, New Sarossa will act in such a way as not to incur debt claims from such individuals that would require the making of interest payments to them.

4.1.7 Identification of New Sarossa Shareholders

New Sarossa can be required to make a return to the Comptroller of Income Tax in Jersey, on request, of the names, addresses and shareholdings of Jersey resident shareholders (in practice this return is not required at more frequent intervals than once a year).

4.2 UK taxation

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current legislation and on what is understood to be current HM Revenue and Customs practice as at the date of this document having regard to changes expected to be enacted in the Finance Act 2014. They summarise certain limited aspects of the UK taxation consequences of the Scheme and the holding and disposing of New Sarossa Shares. Unless otherwise expressly stated, they apply only to Old Sarossa Ordinary Shareholders (or New Sarossa Shareholders) who are resident or ordinarily resident in the United Kingdom for taxation purposes, who hold their Old Sarossa Ordinary Shares (and who will hold their New Sarossa Shares) as an investment (other than under a personal equity plan or an individual savings account), who are the absolute beneficial owners of those shares and who have not (and are not deemed to have) acquired those shares by virtue of an office or employment (whether current, historic or prospective). In addition, these comments may not apply to certain classes of Old Sarossa Ordinary Shareholder or New Sarossa Shareholder such as collective investment

schemes and insurance companies. If you are in any doubt about your tax position in relation to the Proposals or the holding of New Sarossa Shares, you should consult your own professional adviser without delay.

The following paragraphs have been prepared on the basis that New Sarossa will be resident in Jersey, and not resident in the United Kingdom, for tax purposes.

4.2.1 *UK taxation consequences of the Scheme*

An Old Sarossa Ordinary Shareholder who does not hold (either alone or together with other persons connected with him) more than 5 per cent. of, or of any class of, shares in or debentures of Old Sarossa should not be treated as having made a disposal or part disposal of his Old Sarossa Ordinary Shares for the purposes of UK taxation of chargeable gains on implementation of the Scheme. Instead any chargeable gain or allowable loss which would otherwise have arisen on a disposal of such holder's Old Sarossa Ordinary Shares should be "rolled over" into his New Sarossa Shares. As a result, the New Sarossa Shares should be treated as the same asset and as having been acquired at the same time and for the same consideration as the Old Sarossa Ordinary Shares from which they derived.

An Old Sarossa Ordinary Shareholder who does hold (either alone or together with other persons connected with him) more than 5 per cent. of, or of any class of, shares in or debentures of Old Sarossa should not be treated as having made a disposal or part disposal of his Old Sarossa Ordinary Shares for the purposes of UK taxation of chargeable gains on the implementation of the Scheme and should be able to "roll over" any chargeable gain or allowable loss into his New Sarossa Shares as described above provided the Scheme (i) is effected for *bona fide* commercial reasons and (ii) does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of liability to capital gains tax or corporation tax. If these conditions are met, the New Sarossa Shares should be treated as the same asset and as having been acquired at the same time and for the same consideration as the Old Sarossa Ordinary Shares from which they derived. If these conditions are not met, then such an Old Sarossa Ordinary Shareholder who is resident or, in the case of an individual, ordinarily resident, in the UK will be treated, on receiving New Sarossa Shares as consideration for the cancellation of his Old Sarossa Ordinary Shares, as having made a disposal of his Old Sarossa Ordinary Shares which may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains. Application has been made to HM Revenue and Customs under section 138 of the Taxation of Chargeable Gains Act 1992 and clearance has been granted that these conditions will be met.

4.2.2 *UK taxation consequences of disposing of New Sarossa Shares*

A subsequent disposal of New Sarossa Shares by a New Sarossa Shareholder may, depending on their individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

A subsequent disposal of New Sarossa Shares by a New Sarossa Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired the New Sarossa Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on their individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

A New Sarossa Shareholder who is an individual not domiciled in the UK may, if all relevant claims are made and charges paid, be liable to UK capital gains tax only to the extent that chargeable gains made on the disposal of New Sarossa Shares are remitted or deemed to be remitted to the UK.

A New Sarossa Shareholder who is an individual and who is temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK taxation on a chargeable gain realised on the disposal or part disposal of his New Sarossa Shares during the period when he is non-resident.

On the basis that a New Sarossa Shareholder was able to “roll over” any chargeable gain or allowable loss which would otherwise have arisen on the disposal of such holder’s Old Sarossa Ordinary Shares on implementation of the Scheme (as set out above in the section entitled “UK taxation consequences of the Scheme”), any chargeable gain or allowable loss on the disposal of New Sarossa Shares should be calculated taking into account the allowable original cost to the Old Sarossa Ordinary Shareholder of acquiring the Old Sarossa Ordinary Shares from which the New Sarossa Shares are derived.

For corporate shareholders only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of their New Sarossa Shares. No indexation allowance or taper relief will be available to individual shareholders on disposals of their New Sarossa Shares.

4.2.3 *Taxation on dividends*

New Sarossa Shareholders who are individuals who own less than a 10 per cent. shareholding in New Sarossa

A New Sarossa Shareholder who is an individual will, if he owns less than 10 per cent. of the issued share capital in New Sarossa, be entitled to a tax credit equal to one-ninth of the dividend received from New Sarossa. Such an individual will be taxable on the total of the dividend before deduction of any Jersey tax withheld and the related tax credit (the “**gross dividend**”), which will be regarded as the top slice of the individual’s income.

Provided that the relevant individual New Sarossa Shareholder is not claiming the remittance basis of taxation, the tax credit will be treated as discharging the individual’s liability to UK income tax in respect of the gross dividend, unless and except to the extent that: (i) the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay UK income tax on the gross dividend of 32.5 per cent. of the gross dividend less the related tax credit. So, for example, a dividend of £100 will carry a tax credit of £11.11 and the UK income tax payable on the dividend by an individual liable to income tax at the higher rate would be 32.5 per cent. of £111.11, namely £36.11, less the tax credit of £11.11, leaving a net tax charge of £25, less the amount of any withholding tax which had been deducted in respect of Jersey dividend withholding tax; and (ii) the gross dividend exceeds the additional rate of income tax threshold (the individual’s total income is above the additional rate threshold, currently £150,000) the individual will, to that extent, pay UK income tax on the gross dividend of 37.5 per cent. of the gross dividend less the related tax credit. For example, a dividend of £100 will carry a tax credit of £11.11 and the UK income tax payable on the dividend by an individual liable to income tax at the additional rate would be 37.5 per cent. of £111.11, namely £41.67 less the tax credit of £11.11, leaving a net tax charge of £30.56, less the amount of any withholding tax which has been deducted in respect of Jersey dividend withholding tax.

If the relevant individual New Sarossa Shareholder is eligible to receive and is claiming the remittance basis of taxation and remits a dividend paid on the New Sarossa Shares, the individual will pay UK income tax on the gross dividend of 20 per cent. of the gross dividend less the related tax credit, unless and except to the extent that: (i) the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent pay UK income tax on the gross dividend of 40 per cent. of the gross dividend less the related tax credit, less the amount of any withholding tax which has been deducted in respect of Jersey dividend withholding tax; and (ii) the gross dividend falls above the additional rate of income

tax threshold, in which case, the individual will, to that extent, pay UK income tax on the gross dividend of 45 per cent. of the gross dividend less the related tax credit, less the amount of any withholding tax which has been deducted in respect of Jersey withholding tax.

New Sarossa Shareholders who are individuals who own a 10 per cent. or greater shareholding in New Sarossa

An individual New Sarossa Shareholder who will own 10 per cent. or more of the issued share capital in New Sarossa is not currently entitled to a tax credit in respect of dividends received from New Sarossa. Such an individual will generally be subject to UK income tax on the total of the dividend paid by New Sarossa (before deduction of any Jersey tax withheld) at the dividend ordinary rate (currently 10 per cent.) (or if he is eligible to and claiming the remittance basis of taxation the basic rate (currently 20 per cent.)), unless and except to the extent that: (i) the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay UK income tax on the total of the dividend paid (before deduction of any Jersey tax withheld) at the dividend upper rate (currently 32.5 per cent.) (or if he is claiming the remittance basis of taxation the higher rate (currently 40 per cent.)); and (ii) the gross dividend exceeds the additional rate of income tax threshold and will, therefore, to that extent, pay UK income tax on the total of the dividend paid (before deduction of any Jersey tax withheld) at the dividend additional rate (currently 37.5 per cent.) or, if he is claiming the remittance basis of taxation, the additional rate of income tax (currently 45 per cent.).

Corporate New Sarossa Shareholders

A corporate New Sarossa Shareholder who is resident in the UK or who carries on a trade in the UK through a permanent establishment in connection with which its New Sarossa Shares are held will generally be subject to UK corporation tax on the gross amount of any dividends paid by New Sarossa before deduction of any Jersey tax withheld.

4.2.4 *Transfer of assets abroad*

The attention of individuals resident in the UK for taxation purposes is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007, which may render them liable to income tax in respect of the undistributed income or profits of New Sarossa. These provisions apply where a UK resident person makes a “relevant transfer” to a non-resident person and as a result income from which the individual may benefit becomes payable to that non-resident person.

However, the provisions do not apply if such a shareholder can satisfy HM Revenue and Customs that either:

- (a) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or
- (b) that all the relevant transactions were genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of those transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

4.2.5 *Taxation on chargeable gains*

Subject to the application of the offshore funds legislation (see below), disposal of New Sarossa Shares by a New Sarossa Shareholder may, depending on their individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

A disposal of New Sarossa Shares by a New Sarossa Shareholder who is not resident in the UK for tax purposes but who carries on a trade, profession or vocation in the UK through a branch,

agency or permanent establishment and has used, held or acquired the New Sarossa Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on their individual circumstances, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

A New Sarossa Shareholder who is an individual not domiciled in the UK may, if all relevant claims are made and charges paid, be liable to UK capital gains tax only to the extent that chargeable gains made on the disposal of New Sarossa Shares are remitted or deemed to be remitted to the UK.

A New Sarossa Shareholder who is an individual and who is temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK taxation on a chargeable gain realised on the disposal or part disposal of his New Sarossa Shares during the period when he is non-resident.

For corporate shareholders only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of their New Sarossa Shares. No indexation allowance or taper relief will be available to individual shareholders on disposals of their New Sarossa Shares.

4.2.6 *Controlled Foreign Companies*

If New Sarossa will be owned by a majority of persons resident in the UK, the legislation applying to controlled foreign companies may apply to any corporate shareholders who are resident in the UK. Under these rules, part of any undistributed income accruing to New Sarossa or its non-UK resident subsidiaries may be attributed to such a shareholder, and may in certain circumstances be chargeable to UK corporation tax in the hands of the shareholder. However, this will only apply if the apportionment to that shareholder (when aggregated with persons connected or associated with it) is at least 25 per cent. of New Sarossa's relevant profits.

4.2.7 *Attribution of gains to members of non-resident Companies*

The attention of persons resident in the UK for taxation purposes (whether or not domiciled in the UK) is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992. Generally, if a non-UK resident company (such as New Sarossa) is controlled by five or fewer persons, or by participants who are directors, then its capital gains are apportioned amongst the participators in the company's income or capital and taxed in their hands if they are UK taxpayers according to each person's proportionate interest in the company. These rules do not apply to any person who does not have greater than a 10 per cent. interest in the company. However, in calculating the size of interest, the interests of connected persons are aggregated. The rules apply to non-domiciled persons in a modified way.

4.2.8 *Offshore Funds Legislation*

Depending upon the relationship between New Sarossa's share price and the value of its underlying assets, New Sarossa may be an "offshore fund" for the purposes of the Offshore Funds (Tax) Regulations 2009.

The effect of the offshore funds legislation is to tax as income, rather than as capital gain, the profit on a "material disposal" of a UK resident investor's shares in the company unless the company is accepted to be a "reporting fund" throughout each accounting period during which the investor has held their interest.

4.2.9 *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

Under current law, no stamp duty or SDRT will be payable on the cancellation of the Old Sarossa Ordinary Shares or the allotment and the issue of New Sarossa Shares pursuant to the Scheme.

The conveyance or transfer on sale of shares will generally be subject to *ad valorem* stamp duty, normally at a rate of 0.5 per cent. (rounded up to the nearest £5) of the amount or value of the consideration. No duty will be payable on transactions, the total value of which is less than £1,000. However, since New Sarossa is incorporated outside of the UK, no SDRT should be payable in respect of agreements to transfer New Sarossa Shares provided that the New Sarossa Shares are not registered on any register kept in the UK and are not paired with shares issued by a body corporate incorporated in the UK. Instruments effecting or evidencing the transfer of New Sarossa Shares should not be within the scope of UK stamp duty provided that such instruments are executed outside the UK and do not relate to any matter or thing done or to be done in the UK.

It is currently proposed that the Finance Act 2014 will abolish stamp duty and SDRT on the transfer of shares quoted on AIM with effect from 28 April 2014.

5. WH Ireland

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

In accordance with customary practice in providing financial advice WH Ireland has not provided legal or taxation advice in relation to the Scheme.

PART 4

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 1966 of 2014

between

Sarossa Capital plc

and

the Scheme Shareholders (as hereinafter defined)

Preliminary

(A) In this scheme of arrangement, references to Clauses are references to clauses of this scheme of arrangement and the following expressions shall, unless inconsistent with the subject or context, bear the following meanings:

Business Day	means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in the City of London;
Companies Act	means the Companies Act 2006;
Court	means the High Court of Justice in England and Wales;
Court Hearing	the hearing of the claim form to sanction the Scheme and confirm the Old Sarossa Reduction of Capital;
Court Meeting	means the meeting of Old Sarossa Ordinary Shareholders convened by order of the Court pursuant to sections 895 to 899 of the Companies Act, notice of which is set out on pages 48 to 50 of this document, or any adjournment thereof;
CREST	means the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
CREST Regulations	means the Uncertificated Securities Regulations 2001 (S1 2001 No. 3755), as amended from time to time including by the Uncertificated Securities (Amendment) Regulations 2013 (S1 2013 No. 632);
Euroclear	means Euroclear UK & Ireland Limited, the operator of CREST;
General Meeting	means the general meeting of Old Sarossa convened for 10.15 a.m. on 7 April 2014 or if later, as soon as possible after the conclusion or adjournment of the Court Meeting;

Holder	means a registered holder and includes any person entitled by transmission;
New Ordinary Shares	means ordinary shares of one pence each in the capital of Old Sarossa to be issued to New Sarossa;
New Sarossa	Sarossa Plc, a company incorporated in Jersey with registered number 115158;
New Sarossa Shares	means ordinary shares of one pence each in the capital of New Sarossa;
Old Sarossa	means Sarossa Capital plc, a company incorporated in England and Wales with registered number 03248123;
Old Sarossa Articles	means the articles of association of Old Sarossa as at the date of this Scheme;
Old Sarossa Ordinary Shares	means ordinary shares of one pence each in the capital of Old Sarossa in issue prior to the Scheme Effective Date;
Old Sarossa Reduction of Capital	the reduction of capital in Old Sarossa through the cancellation of the Scheme Shares pursuant to sections 641 to 653 of the Companies Act;
Overseas Shareholders	means a Scheme Shareholder who is a citizen, resident or national of any jurisdiction outside the United Kingdom;
Scheme	means this scheme of arrangement in its present form or with any modification thereof or addition thereto or condition approved or imposed by the Court;
Scheme Effective Date	means the date on which the Scheme becomes effective in accordance with Clause 6.1;
Scheme Record Time	means 6.00 p.m. on the Business Day immediately preceding the date of the Court Hearing;
Scheme Shareholder	means a holder of Scheme Shares;
Scheme Shares	means: <ul style="list-style-type: none"> (a) all Old Sarossa Ordinary Shares in issue at the date of the Scheme and which remain in issue at the Scheme Record Time; (b) all (if any) additional Old Sarossa Ordinary Shares in issue at the Voting Record Time and which remain in issue at the Scheme Record Time; and (c) all (if any) further Old Sarossa Ordinary Shares issued on or after the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders shall be bound or shall have agreed in writing by such time to be bound by the Scheme and which remain in issue at the Scheme Record Time, <p>in each case, excluding any Old Sarossa Ordinary Shares held by New Sarossa;</p>

Statement of Capital means the statement of capital approved by the Court showing the information required by section 649 of the Companies Act with respect to Old Sarossa's share capital as altered by the Old Sarossa Reduction of Capital; and

Voting Record Time 6.00 p.m. on 5 April 2014 or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before such adjourned meeting.

- (B) The share capital of Old Sarossa as at the date of this Scheme is £10,725,286.64 divided into 639,360,364 ordinary shares of one pence each and 4,331,683 preference shares of one pound each, all of which are in issue and fully paid up, there being no treasury shares.
- (C) New Sarossa was incorporated and registered in Jersey on 7 March 2014 under Jersey Companies Law as a company limited by shares under the name Sarossa Plc with registered number 115158.
- (D) The share capital of New Sarossa at the date of this Scheme is £10,000,000 divided into 1,000,000,000 ordinary shares of one pence each of which two are issued and fully paid and are intended to be re-purchased by New Sarossa immediately after the Scheme Effective Date.
- (E) New Sarossa has agreed to appear by Counsel on the hearing of the claim form to sanction the Scheme and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme.

The Scheme

1. Cancellation of Scheme Shares

- 1.1 The share capital of Old Sarossa shall be reduced by cancelling and extinguishing the Scheme Shares.
- 1.2 Old Sarossa shall be re-registered as a private company pursuant to section 651 of the Companies Act and the Old Sarossa Articles shall be amended accordingly.
- 1.3 Forthwith and contingently upon the cancellation of the Scheme Shares referred to in Clause 1.1 taking effect, Old Sarossa shall apply the credit arising in its books of account as a result of such cancellation in paying up in full at par such number of New Ordinary Shares of one pence each as shall be of an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled pursuant to Clause 1.1 above, and shall allot and issue the same, credited as fully paid, to New Sarossa and/or its nominee(s).

2. New Shares

- 2.1 In consideration of the cancellation of the Scheme Shares and the issue of the New Ordinary Shares to New Sarossa pursuant to Clause 1.3 of this Scheme, New Sarossa shall (subject to the provisions of Clause 2.2) allot and issue (credited as fully paid) New Sarossa Shares to the Scheme Shareholders on the following basis:

one **New Sarossa Share** for each **Scheme Share** held at the Scheme Record Time.

- 2.2 The provisions of Clause 2.1 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Overseas Shareholders, New Sarossa is advised that the allotment and issue of New Sarossa Shares pursuant to this Clause would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require New Sarossa to obtain any governmental or other consent or effect any registration, filing or other formality, then New Sarossa may in its sole discretion determine that:

- 2.2.1 New Sarossa Shares shall not be allotted and issued to such Overseas Shareholder under this Clause but shall instead be allotted and issued to a nominee appointed by New Sarossa, as trustee for such Overseas Shareholder, on terms that they shall, as soon as reasonably practicable following the Scheme Effective Date, be sold on behalf of such Overseas Shareholder at the best price which can reasonably be obtained and the net proceeds of such sale shall (after the deduction of all expenses and commissions) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 3. None of Old Sarossa, New Sarossa, any nominee referred to in this Clause 2.2.1 or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale; or
- 2.2.2 such New Sarossa Shares shall be sold, in which event the New Sarossa Shares shall be allotted and issued to such holder and New Sarossa shall appoint a person to act pursuant to this Clause 2.2.2 and such person shall be authorised on behalf of such holder to procure that any shares in respect of which New Sarossa has made such determination shall, as soon as practicable following the Scheme Effective Date, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable comprised therein) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 3. To give effect to any such sale, the person so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give instructions and do all such things which he may consider necessary or expedient in connection with such sale. None of Old Sarossa, New Sarossa, any appointee referred to in this Clause 2.2.2 or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale.

3. *Certificates and payment*

- 3.1 Not later than fourteen (14) days after the Scheme Effective Date, New Sarossa shall allot and issue all the New Sarossa Shares which it is required to allot and issue pursuant to Clause 2.1 and not later than fourteen (14) Days after the Scheme Effective Date, New Sarossa shall send by post to the allottees of the allotted and issued New Sarossa Shares certificates in respect of such shares, save that where Scheme Shares are held in uncertificated form, New Sarossa shall procure that Euroclear is instructed to cancel the entitlement to Scheme Shares of each of the Scheme Shareholders concerned and to credit to the appropriate stock account in CREST of the Scheme Shareholder concerned such shareholder's entitlement to New Sarossa Shares.
- 3.2 Not later than fourteen (14) days after the Scheme Effective Date, Old Sarossa shall arrange for the delivery to New Sarossa of certificates in respect of its holdings of New Ordinary Shares.
- 3.3 Not later than fourteen (14) days following the sale of any relevant New Sarossa Shares pursuant to Clause 2.2, New Sarossa shall procure that the nominee or appointee, as the case may be, shall account for the cash payable by despatching to the persons respectively entitled thereto cheques by post.
- 3.4 All certificates required to be sent by New Sarossa pursuant to Clause 3.1 and all cheques required to be sent pursuant to Clause 3.3 shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of Old Sarossa at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of Old Sarossa prior to the Scheme Record Time.

- 3.5 None of Old Sarossa, New Sarossa, or any agent of them shall be responsible for any loss or delay in transmission of certificates or cheques or condition imposed by law.
- 3.6 The preceding sub-clauses of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
- 3.7 All cheques shall be made payable to the holder or, in the case of joint holders, to all such holders of the Scheme Shares concerned and the encashment of any such cheque shall be a complete discharge of New Sarossa for the moneys represented thereby.

4. *Certificates representing Scheme Shares*

With effect from and including the Scheme Effective Date, all certificates representing holdings of Scheme Shares will cease to be valid and binding in respect of such holdings and should be destroyed. Definitive share certificates for the New Sarossa Shares of the Scheme Shareholders who held their Scheme Shares in certificated form are expected to be despatched within 14 days after the Scheme Effective Date. In the case of joint holders, certificates will be despatched to the joint holder whose name appears first in the register of members. All certificates will be sent by pre-paid first class post at the risk of the person entitled thereto.

5. *Mandates*

Each mandate in force on the Scheme Effective Date relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications from Old Sarossa shall, unless and until varied or revoked, be deemed from and including the Scheme Effective Date to be a valid and effective mandate or instruction to New Sarossa in relation to the corresponding New Sarossa Shares to be allotted and issued pursuant to the Scheme. However, the Old Sarossa American Depositary Receipt (ADR) programme will not be replicated by New Sarossa.

6. *Scheme Effective Date*

- 6.1 The Scheme shall become effective as soon as an office copy of the Court order of the Court sanctioning the Scheme under section 899 of the Companies Act and confirming the Old Sarossa Reduction of Capital under the Scheme pursuant to section 648 of the Companies Act, together with the Statement of Capital, have been duly delivered to the Registrar of Companies for registration.
- 6.2 Unless the Scheme shall have become effective on or before 30 September 2014 or such later date, if any, as Old Sarossa and New Sarossa may agree and the Court may allow, it shall lapse.

7. *Modification*

Old Sarossa and New Sarossa may jointly consent on behalf of all persons concerned to any modification of or addition to the Scheme or to any condition which the Court may think fit to approve or impose.

8. *Costs*

Old Sarossa is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

PART 5

NOTICE OF MEETINGS

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
MR DEPUTY REGISTRAR SCHAFFER

No. 1966 of 2014

IN THE MATTER OF SAROSSA CAPITAL PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an order dated 19 March 2014 made in the above matters the Court has granted permission for a meeting (the “**Court Meeting**”) to be convened of the holders of the ordinary shares of one pence each (hereinafter called the “**Old Sarossa Ordinary Shares**”) in Sarossa Capital plc (incorporated in England and Wales with registered number 03248123) (hereinafter called the “**Company**”) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between the Company and the holders of the Old Sarossa Ordinary Shares expressed to be subject to that scheme of arrangement and that such meeting will be held at the offices of the Company’s solicitors, CMS Cameron McKenna LLP at Mitre House, 160 Aldersgate Street, London EC1A 4DD at 10.00 a.m. on 7 April 2014 at which place and time all the holders of Old Sarossa Ordinary Shares are requested to attend.

A copy of the Scheme and a copy of the Explanatory Statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part. Capitalised terms used but not defined herein shall have the meaning given to them in Part 6 of the document of which this notice forms part.

Holders of Old Sarossa Ordinary Shares entitled to vote at the Court Meeting may vote thereat in person or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A BLUE form of proxy for use at the Court Meeting is enclosed herewith.

It is requested that the BLUE forms of proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority) be lodged by post or by courier or by hand with the Registrars of the Company, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen B63 3DA no later than 48 hours before the time appointed for the Court Meeting but, if forms are not so lodged, they may be handed to the Registrars or the Chairman at the Court Meeting. The return of a completed form of proxy will not prevent you from attending the Court Meeting and voting in person if you so wish and are so entitled.

If shares are held in uncertificated form, a proxy may also be appointed through CREST as detailed in the Notes for CREST Members below.

To change your proxy instructions, you may return a new proxy appointment using the methods set out herein. Where you have appointed a proxy using the hard copy BLUE form of proxy and would like to change the instructions using another hard copy BLUE form of proxy, please contact Neville Registrars at Neville House, 18 Laurel Lane, Halesowen B63 3DA. The deadline specified above also applies in relation to amended instructions.

The Court has specified that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 5 April 2014 (or, in the case of adjournment, as at 6.00 p.m. on the date two days preceding the date 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 entries on the register after such time will be disregarded in determining the right of any person to attend and/or vote at the meeting.

A shareholder which is a corporate and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and on a poll (a corporate representative) must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company.

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a “**Nominated Person**”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names appear in the register of members of the Company in respect of the joint holding.

As at 19 March 2014 (being the last business day prior to the publication of this document) the Company’s issued share capital (there being no treasury shares) consists of 639,360,364 ordinary shares, carrying one vote each, and 4,331,683 preference shares carrying no right to vote in respect of the proposed resolution. Therefore, the total voting rights in respect of the Old Sarossa Ordinary Shares as at 19 March 2014 are 639,360,364.

By the said order, the Court has appointed Michael Bretherton, or failing him Ross Hollyman, or failing him Jonathan Morley-Kirk to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent sanction of the Court.

CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Solicitors for the Company

Dated 20 March 2014

NOTES FOR CREST MEMBERS

Electronic proxy appointment through CREST

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(s) thereof by using the procedures described in the CREST manual which can be viewed at www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’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 to an

amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by 10.00 a.m. on 5 April 2014 (or 48 hours preceding the date and time for any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 sponsored member or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time). In this connection, CREST members and, where applicable, their CREST sponsors or voting 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 Uncertificated Securities Regulations 2001.

Sarossa Capital plc

(registered in England and Wales with No. 03248123)

Notice of General Meeting

NOTICE IS HEREBY GIVEN that a General Meeting of Sarossa Capital plc (the “**Company**”) will be held at the offices of CMS Cameron McKenna LLP at Mitre House, 160 Aldersgate Street, London EC1A 4DD on 7 April 2014 at 10.15 a.m. (or as soon as possible after the meeting of the holders of ordinary shares of one pence each in the capital of the Company convened by the High Court of Justice in England and Wales for the same place and date has been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

SPECIAL RESOLUTION

THAT, for the purposes of giving effect to the scheme of arrangement dated 20 March 2014 (the “**Scheme**”) proposed to be made between the Company and the holders of the Scheme Shares (as defined in the Scheme) in its original form, or with or subject to any modification, addition or condition approved or imposed by the Court:

- (i) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (ii) the share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares;
- (iii) forthwith and contingently upon the said reduction of capital taking effect, the Company shall apply the reserve arising in its books of account as a result of the cancellation of Scheme Shares in paying up, in full at par, such number of new ordinary shares of one pence each (the “**New Ordinary Shares**”) as is equal to the aggregate number of Scheme Shares so cancelled, which shall be allotted and issued, credited as fully paid, to Sarossa Plc (incorporated in Jersey with registered number 115158) and/or its nominee or nominees;
- (iv) conditionally upon the Scheme becoming effective, the directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of section 551 of the Companies Act 2006, to give effect to this special resolution and accordingly to effect the allotment of the New Ordinary Shares, provided that (a) the maximum aggregate nominal amount of the relevant securities which may be allotted hereunder shall be the aggregate nominal amount of the New Ordinary Shares created pursuant to paragraph (iii) above, (b) this authority shall expire on the date which is 18 months following the date of this resolution unless renewed prior to that date and (c) this authority shall be without prejudice and in addition to any subsisting authority conferred on the directors of the Company pursuant to the said section 551; and
- (v) pursuant to Rule 41 of the AIM Rules for Companies, the admission to trading on AIM (a market operated by the London Stock Exchange plc) of all of the issued ordinary shares of one pence each in the capital of the Company be cancelled with effect from the date that the Scheme becomes effective and that application be made and all other necessary steps be taken in order to effect such cancellation.

20 March 2014

By Order of the Board
Christopher Hill
Company Secretary

Registered Office:
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A WHITE form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you have any questions relating to this document, the General Meeting and the completion and return of the WHITE form of proxy, please telephone Neville Registrars between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays) on 0121 585 1131 from within the UK or +44 121 585 1131 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.
2. To be valid the WHITE form of proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority) must be lodged with the Registrars, Neville Registrars, by post or by courier or by hand (during normal business hours only) at Neville House, 18 Laurel Lane, Halesowen B63 3DA, not later than 10.15 a.m. on 5 April 2014 (or 48 hours preceding the date and time for any adjourned meeting).
3. The return of a completed WHITE form of proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so. To change your proxy instructions, you may return a new proxy appointment using the methods set out herein. Where you have appointed a proxy using the hard copy WHITE form of proxy and would like to change the instructions using another hard copy WHITE form of proxy, please contact Neville Registrars at Neville House, 18 Laurel Lane, Halesowen B63 3DA. The deadline specified above also applies in relation to amended instructions.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**Nominated Person**”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
6. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 5 April 2014 (or, in the case of adjournment, as at 6.00 p.m. on the date two days preceding the date 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 entries on the register after such time will be disregarded in determining the right of any person to attend and/or vote at the meeting.
7. As at 19 March 2014 (being the last business day prior to the publication of this document) the Company’s issued share capital (there being no treasury shares) consists of 643,692,047 shares divided into 639,360,364 ordinary shares of one pence each, carrying one vote each, and 4,331,683 preference shares of one pound each, carrying no right to vote on the proposed resolution. Therefore, the total voting rights in respect of the Scheme Shares as at 19 March 2014 are 639,360,364.
8. In the case of joint shareholders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
9. A shareholder which is a corporate and which wishes to be represented at the General Meeting by a person with authority to speak, vote on a show of hands and on a poll (a corporate representative) must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST manual which can be viewed at www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’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 an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID 7RA11) by 10.15 a.m. on 5 April 2014 (or 48 hours preceding the date and time for any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 sponsored member or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message

is transmitted by means of the CREST system by any particular time). In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

14. Voting on the resolution will be on a show of hands (unless a poll is called for).

15. Copies of:

(A) the Company's existing Articles of Association; and

(B) the Articles of Association of Sarossa Plc (incorporated in Jersey)

are available for inspection at the offices of CMS Cameron McKenna LLP at Mitre House, 160 Aldersgate Street, London EC1A 4DD during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this notice until close of business on the date of the meeting.

PART 6

DEFINITIONS

The following definitions apply throughout this document (except in Part 4 and Part 5 which contain separate definitions) unless the context requires otherwise:

“admission”	admission of New Sarossa Shares to AIM becoming effective in accordance with the AIM Rules
“Appendix to AIM Announcement”	the Appendix to AIM Announcement dated 20 March 2014 relating to New Sarossa and the admission of the New Sarossa Shares to AIM prepared in accordance with the AIM Rules
“AIM”	the AIM market of the London Stock Exchange
“AIM Rules”	the rules for AIM companies issued by the London Stock Exchange
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in the City of London
“Closing Price”	the closing, middle market quotation of a relevant share, as published in the AIM Appendix of the Daily Official List of the London Stock Exchange
“Companies Act”	the UK Companies Act 2006
“Court” or “High Court”	the High Court of Justice of England and Wales
“Court Hearing”	the hearing of the claim form to sanction the Scheme and confirm the Old Sarossa Reduction of Capital
“Court Meeting”	the meeting of Old Sarossa Ordinary Shareholders convened for 10.00 a.m. on 7 April 2014 by order of the Court pursuant to sections 895 to 899 of the Companies Act, notice of which is set out on pages 48 to 50 of this document and any adjournment of that meeting
“CREST”	the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof and which can be accessed at www.euroclear.com/CREST
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S1 2001 No. 3755), as amended from time to time including by the Uncertificated Securities (Amendment) Regulations 2013 (S1 2013 No. 632), or the Uncertificated Securities (Jersey) Order 1999, as amended from time to time (as applicable)
“CREST Rules”	the rules, regulations, procedures, facilities and requirements of Euroclear as operator (within the meaning of the CREST Regulations) of CREST
“Directors” or “Board”	the directors of Old Sarossa or the directors of New Sarossa, from time to time, as the context requires, whose names are set out on page 8 of this document, including a duly constituted committee thereof

“Disclosure and Transparency Rules”	the rules in the publication of that title made by the FCA in accordance with section 73A of FSMA
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“FCA”	the United Kingdom Financial Conduct Authority
“FSMA”	the UK Financial Services and Markets Act 2000
“General Meeting”	the general meeting of Old Sarossa convened for 10.15 a.m. on 7 April 2014, notice of which is set out on pages 51 to 53 and any adjournment of that meeting
“Jersey Companies Law”	the Companies (Jersey) Law 1991 (as amended) and subordinate legislation made thereunder and every modification or re-enactment thereof for the time being in force
“London Stock Exchange”	London Stock Exchange plc
“Neville Registrars”	a trading name for Neville Registrars Limited
“New Ordinary Shares”	the new ordinary shares in Old Sarossa of one pence each to be issued to New Sarossa pursuant to the Scheme
“New Sarossa”	Sarossa Plc, a company limited by shares incorporated in Jersey with registered number 115158
“New Sarossa Articles”	the articles of association of New Sarossa as at the date of this document
“New Sarossa Initial Ordinary Shares”	the two New Sarossa Shares issued by New Sarossa as subscriber shares prior to the Scheme Effective Date
“New Sarossa Shares”	the ordinary shares of one pence each in the capital of New Sarossa
“New Sarossa Shareholder”	a holder for the time being of New Sarossa Shares
“Old Sarossa”	Sarossa Capital plc, a public limited company incorporated in England and Wales with registered number 03248123
“Old Sarossa Articles”	the articles of association of Old Sarossa at the date of this document
“Old Sarossa Ordinary Shares”	the ordinary shares of one pence each in the share capital of Old Sarossa
“Old Sarossa Ordinary Shareholder”	a holder for the time being of Old Sarossa Ordinary Shares
“Old Sarossa Preference Shares”	the preference shares of one pound each in the share capital of Old Sarossa
“Old Sarossa Reduction of Capital”	the reduction of capital in Old Sarossa through the cancellation of the Scheme Shares pursuant to sections 641 to 653 of the Companies Act
“Overseas Shareholders”	Old Sarossa Ordinary Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom
“Proposals”	the proposals relating to the implementation of the Scheme
“Registrar of Companies”	the Registrar of Companies in England and Wales

“Registrars”	Neville Registrars, Neville House, 18 Laurel Lane, Halesowen B63 3DA
“Sarossa Group”	Old Sarossa and its subsidiary undertakings, or following the Scheme becoming effective, New Sarossa and its subsidiary undertakings (which will include Old Sarossa), as the context may require
“Scheme”	the proposed scheme of arrangement of Old Sarossa pursuant to sections 895 to 899 of the Companies Act set out on pages 43 to 47 of this document in its present form or with or subject to any modification, addition or condition approved or imposed by the Court
“Scheme Effective Date”	the date on which the Scheme becomes effective in accordance with its terms, expected to be 2 May 2014
“Scheme Record Time”	6.00 p.m. London time on the Business Day immediately preceding the date of the Court Hearing
“Scheme Shareholder”	a holder of Scheme Shares
“Scheme Shares”	<p>(a) all Old Sarossa Ordinary Shares in issue at the date of the Scheme and which remain in issue at the Scheme Record Time;</p> <p>(b) all (if any) additional Old Sarossa Ordinary Shares in issue at the Voting Record Time and which remain in issue at the Scheme Record Time; and</p> <p>(c) all (if any) further Old Sarossa Ordinary Shares issued on or after the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders shall be bound or shall have agreed in writing by such time to be bound by the Scheme and which remain in issue at the Scheme Record Time,</p> <p>in each case, excluding any Old Sarossa Ordinary Shares held by New Sarossa</p>
“SEC”	the US Securities and Exchange Commission
“Statement of Capital”	means the statement of capital approved by the Court showing the information required by section 649 of the Companies Act with respect to Old Sarossa’s share capital as altered by the Old Sarossa Reduction of Capital
“Statutes”	every statute (including any statutory instrument, order, regulation or subordinate legislation made under it) concerning companies that are incorporated in England and Wales to the extent that it is for the time being in force or (where the context requires) was in force at a particular time, including the Companies Act, the Insolvency Act 1986 and the CREST Regulations
“subsidiary undertaking”	as defined in section 1162 of the Companies Act
“Takeover Code”	the UK City Code on Takeovers and Mergers
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

“US” or “United States”	the United States of America its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“US Exchange Act”	the United States Securities Exchange Act 1934 (as amended)
“US Securities Act”	the United States Securities Act 1933 (as amended)
“US Shareholders”	Old Sarossa Ordinary Shareholders with registered addresses in the United States, its territories and possessions
“Voting Record Time”	6.00 p.m. on 5 April 2014 or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before such adjourned meeting
“WH Ireland”	WH Ireland Limited

