

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, please consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 immediately. If you have sold or otherwise transferred all of your ordinary shares of 5 pence each in the capital of Tarsus Group plc (“Ordinary Shares”) prior to 31 May 2018, the ex-dividend date, you should send this document, together with the accompanying form of election or statement of entitlement, to the purchaser or transferee or the person who sold or transferred the Ordinary Shares for you. That person can then pass these on to the new owner of the Ordinary Shares. However, except as set out in this document, those documents should not be forwarded to or sent in, into or from the United States, Canada or Australia. If you have sold or otherwise transferred some of your Ordinary Shares you should consult your stockbroker or agent without delay.

If you wish to receive the full amount of the proposed final dividend in cash and a scrip dividend mandate is not in force in respect of your holding, or if you hold fewer than 54 Ordinary Shares where Irish dividend withholding tax applies or 43 Ordinary Shares where Irish dividend withholding tax does not apply, you should take no further action.

Tarsus Group plc

Incorporated and registered in Jersey – No. 101579 (the “Company”)

Scrip dividend alternative to the Final Dividend of 7.0 pence cash per Ordinary Share and Mandate Scheme

Directors:

Neville Buch – *Group Chairman*
Douglas Emslie – *Managing Director*
Daniel O’Brien – *Group Finance Director*
David Gilbertson – *Non-executive Director*
Robert Ware – *Non-executive Director*
Tim Haywood – *Non-executive Director*
Keith Mansfield – *Non-executive Director*

Registered office:

44 Esplanade
St. Helier
Jersey JE4 9WG

8 June 2018

To Shareholders and, for information only, to Optionholders

Dear Shareholder

I am pleased to be able to advise you that your board of directors (the “**Directors**”) has decided that the holders of Ordinary Shares in the Company (“**Shareholders**”) entitled to receive the proposed final dividend of 7.0 pence per Ordinary Share (the “**Final Dividend**”) for the year ending 31 December 2017 should be given the opportunity to elect to receive all or part of the Final Dividend in the form of fully paid Ordinary Shares instead of cash (the “**Scrip**”). This Circular contains the information you will need to decide whether you want to receive all or part of the Final Dividend in the form of fully paid Ordinary Shares instead of cash. The payment of the Final Dividend is conditional on Shareholders approving the Final Dividend at the Annual General Meeting of the Company on 21 June 2018.

A resolution authorising the Directors to offer Shareholders the opportunity to elect to receive fully paid Ordinary Shares instead of any cash dividends declared or paid by the Company in the period up to the end of its 2021 annual general meeting was passed by Shareholders on 21 June 2018.

On 28 February 2018 it was announced that the Directors had resolved to declare the Final Dividend which will be paid on 12 July 2018 to Shareholders who were on the register of members of the Company at the close of business on 1 June 2018 (the “**Record Date**”).

Shareholders who so elect will receive one new fully paid Ordinary Share for every 53.68 Ordinary Shares then held by them, where Irish dividend withholding tax (“**Irish DWT**”) applies and one new fully paid Ordinary Share for every 42.94 Ordinary Shares then held by them where Irish DWT does not apply, instead of the full cash dividend on those shares. No Shareholder will receive a fraction of a new Ordinary Share and any residual cash entitlement will be carried forward to the next dividend to minimise the administrative cost to the Company of sending out a large number of cheques for relatively small amounts.

This entitlement has been calculated on the basis of the average of the middle market quotations for the Ordinary Shares derived from the London Stock Exchange’s Daily Official List for the five dealing days commencing on 31 May 2018 (the “**ex-dividend date**”). **The price for each new Ordinary Share calculated on this basis is 300.6 pence.**

For Shareholders who wish to participate in the Scrip, a form of election is enclosed with this Circular (the “**Form of Election**”). **If you wish to receive Ordinary Shares in lieu of the Final Dividend in respect of all or part of your shareholding, the Form of Election should be completed and returned to the Company’s registrar, Link Asset Services, Link Registrars Limited, PO Box 7117, Dublin 2, Ireland, or by hand to Link Asset Services, Link Registrars Limited, 2 Grand Canal Square, Dublin 2, DO2 A342, Ireland, so as to be received by them not later than 5.00 p.m. (London time) on 20 June 2018.** If you wish to receive the whole of the Final Dividend in cash from the Company, or if you hold fewer than 54 Ordinary Shares subject to Irish DWT or 43 Ordinary Shares that are not subject to Irish DWT, you should not take any further action whatsoever.

For Shareholders who wish to receive dividends in the form of fully paid Ordinary Shares rather than in cash when a scrip alternative is offered on future occasions, the Company operates a mandate scheme, details of which are set out in Part 3 of the Appendix to this Circular (the “**Mandate Scheme**”). If you elect to provide a mandate for future dividends (the “**Mandate**”), you will on future occasions be sent a statement of entitlement detailing the number of Ordinary Shares which will be automatically allotted to you instead of a cash dividend (the “**Statement of Entitlement**”).

The Scrip gives Shareholders the opportunity to increase their shareholding in the Company without paying any dealing costs. Whether or not you decide to elect to receive Ordinary Shares in lieu of cash will, of course, depend on your own circumstances. If you are in any doubt as to the action you should take, you are strongly advised to take professional advice.

If all Shareholders eligible to receive the Final Dividend were to decide to receive the Final Dividend in cash, the total cash dividend payable by the Company would be approximately £7,904,251 in respect of which the applicable tax credit available to Shareholders would be approximately £878,250 (on the assumption that the recipients of such Final Dividend are companies or other persons resident in the United Kingdom and excluding any deductions for Irish DWT). If, instead, all Shareholders eligible to do so were to elect to receive the Final Dividend in the form of fully paid Ordinary Shares, approximately 2,629,491 Ordinary Shares would be issued (ignoring any reduction in respect of fractions or Irish DWT), representing an increase of approximately 2.32 per cent. in the Company’s issued ordinary share capital.

Shareholders have received a circular in relation to the Company’s Dividend Access Plan (as defined therein). **It is not possible to participate in both the Scrip and the Dividend Access Plan.** If you have already elected to participate in the Dividend Access Plan and have been forwarded this Circular or a Form of Election, then any purported election or mandate

under the Scrip will be disregarded. Further copies of the circular relating to the Dividend Access Plan are available upon request from the Registrars at the address noted above.

Further details of the Scrip, an outline of the taxation consequences and details of the Mandate Scheme are set out in the Appendix to this Circular and should be read carefully.

Yours faithfully

A handwritten signature in black ink, consisting of a stylized 'W' followed by a long horizontal line that tapers to the right, and a shorter horizontal line below it.

N D Buch
Executive Chairman

ANTICIPATED TIMETABLE FOR THE FINAL DIVIDEND

Ordinary Shares quoted “ex-dividend”	31 May 2018
Record Date for the Final Dividend	1 June 2018
Last time and date for Forms of Election to be received in order to be effective for the Scrip	on 20 June 2018 5.00 p.m. (London time)
Dividend payment date, crediting stock accounts in CREST, admission of new Ordinary Shares to listing on the Official List and first day of dealings in the new Ordinary Shares	12 July 2018
Share certificates and CREST statements posted	12 July 2018

Appendix

Details of the Scrip

Part 1

General Information

1 Terms of the Scrip

Subject to Paragraph 2 of Part 1 of this Appendix, Shareholders who were on the register at the close of business on 1 June 2018 may elect to receive one new Ordinary Share, credited as fully paid, for every 53.68 Ordinary Shares registered in their names on that date (where Irish DWT applies¹), or one new Ordinary Share, credited as fully paid, for every 42.94 Ordinary Shares registered in their names on that date (where Irish DWT does not apply), in place of the proposed Final Dividend.

The election may be made by Shareholders in respect of all or part of their holding of Ordinary Shares. The right to elect is not transferable.

The election should be in respect of the number of existing Ordinary Shares for which you wish to elect to receive new Ordinary Shares instead of cash. The Final Dividend will be paid in cash by the Company in respect of each of the Ordinary Shares in the non-elected balance of your existing Ordinary Shares.

The new Ordinary Shares will, on allotment, be credited as fully paid and will thereafter rank for future dividends and in all other respects *pari passu* with the existing issued Ordinary Shares, subject to the memorandum and articles of association of the Company.

2 Relationship with the Dividend Access Plan

It is not possible both to participate in the Dividend Access Plan and to make elections or mandates under the Scrip. If you have already elected to participate in the Dividend Access Plan and you are forwarded this Circular or a Form of Election and you purport to make an election or mandate under the Scrip, any election or mandate you purport to make will be disregarded. If you would like to receive some or all future dividends in the form of further fully paid Ordinary Shares, then you must withdraw from the Dividend Access Plan by delivering a withdrawal notice to the Registrars in accordance with the rules of the Dividend Access Plan. If you do not currently participate in the Dividend Access Plan but you would like to receive future dividends in cash from a UK source, you should elect to participate in the Dividend Access Plan by delivering an election notice to the Registrars in accordance with the rules of the Dividend Access Plan. For the avoidance of doubt, if you have not elected to participate in the Dividend Access Plan prior to the record date for the Final Dividend, that is 1 June 2018, you will not be eligible to receive your dividend through it in relation to the Final Dividend.

¹ This is based on existing Irish tax legislation as at 8 June 2018.

3 Fractions

No Shareholder may receive a fraction of a new Ordinary Share and the residual cash entitlement will be carried forward in a non-interest bearing account, and will be applied in payment upon the allotment of further new Ordinary Shares when a scrip dividend alternative is next offered if sufficient funds are available in the account or added to the next cash dividend payable to the relevant Shareholder (at the option of the Company).

4 Basis of allotment

The entitlement of one new Ordinary Share for every 53.68 Ordinary Shares registered in a Shareholder's name at the close of business on 1 June 2018 (where Irish DWT applies), or one new Ordinary Share for every 42.94 Ordinary Shares registered in a Shareholder's name at the close of business on 1 June 2018 (where Irish DWT does not apply), has been calculated on the basis of a dividend of 7.0 pence per Ordinary Share (excluding any associated tax credit) and a price for each new Ordinary Share of 300.6 pence. This price is the average of the middle market quotations for Ordinary Shares derived from the London Stock Exchange's Daily Official List for the five dealing days commencing on 31 May 2018, being the date on which the Ordinary Shares were first quoted ex-dividend. The price for each new Ordinary Share, together with any residual cash entitlement to which a Shareholder may be entitled, corresponds to the Final Dividend per Ordinary Share.

5 Taxation

The taxation consequences of an election to receive new Ordinary Shares in lieu of the full cash dividend depend on Shareholders' individual circumstances. A summary of the likely tax consequences for United Kingdom, Irish and Jersey resident Shareholders is set out in Part 2 of this Appendix. **If you are in any doubt as to your tax position, you should consult your professional adviser before taking any action.**

6 How to make the election

If you hold sufficient Ordinary Shares and you wish to receive new Ordinary Shares instead of a cash dividend in respect of all or any part of your holding, you should complete the enclosed Form of Election and send it to the Company's registrar, Link Asset Services, Link Registrars Limited, PO Box 7117, Dublin 2, Ireland, or by hand to Link Asset Services, Link Registrars Limited, 2 Grand Canal Square, Dublin 2, DO2 A342, Ireland, so as to reach them not later than 5.00 p.m. (London time) on 20 June 2018. No acknowledgement of receipt of Forms of Election will be given. If the Form of Election is not received by the Company's registrars by the time and date stated, the Final Dividend will be paid by the Company (an Irish source) in respect of all the Ordinary Shares which you hold.

If, on the Form of Election, you do not specify the number of new Ordinary Shares for which you wish to elect in Box 4, then you will be deemed to have elected to receive the number of new Ordinary Shares specified in Box 2, being the maximum number of Ordinary Shares which can be allotted to you in respect of the number of Ordinary Shares registered in your name(s) as at the close of business on 1 June 2018.

If you wish to receive the whole of the Final Dividend in cash from the Company or if you hold fewer than 54 Ordinary Shares, where Irish DWT applies to you, or fewer than 43 Ordinary Shares, where Irish DWT does not apply to you, you should take no further action.

If you have an existing Mandate in place or put a new Mandate in place in respect of the Final Dividend and you subsequently decide that you would prefer to receive the Final Dividend and future dividends wholly or partly in the form of cash from the Company, you should revoke your Mandate by 5.00 p.m. (London time) on 20 June 2018. See paragraph 7 of Part 3 of this Appendix for details on how to revoke Mandates.

7 **Overseas Shareholders**

It is the responsibility of any Shareholder wishing to elect to receive new Ordinary Shares to satisfy himself as to full observance of the laws of any relevant territory in connection with such election, including obtaining any requisite governmental or other consent or approval, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory. Shareholders who are in any doubt as to their position should consult a professional adviser.

No person receiving this Circular and/or Form of Election in any territory other than the UK may treat it as constituting an invitation or offer to elect to receive any new Ordinary Shares, nor should he in any event use such Form of Election, unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Form of Election could lawfully be used by him without contravention of any registration or other regulatory or legal requirement. In such circumstances, this Circular and/or the Form of Election are sent for information only, are confidential and should not be copied or distributed.

The Company (acting in its absolute discretion) reserves the right to reject any election made for new Ordinary Shares by or on behalf of a person outside the UK or if it appears that the election may constitute a breach of any relevant securities legislation. Notwithstanding any other statement in this Circular, the Company reserves the right to permit a Shareholder to take up new Ordinary Shares if the Company is satisfied (acting in its absolute discretion) that such action would not result in contravention of any applicable legal or regulatory requirements.

This Circular has not been submitted to the clearance procedures of any authorities and the new Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any state of the United States of America and they are not being offered in the United States of America, Canada or Australia.

8 **If you have recently bought Ordinary Shares**

If you bought Ordinary Shares before 31 May 2018 (the date on which the quotation for such shares became ex-dividend) but this had not been recorded on the register at the close of business on the Record Date and you wish to elect to receive new Ordinary Shares instead of a cash dividend, you should consult your stockbroker or agent without delay. If no Form of Election is received in respect of those shares, you will only be entitled to receive the cash dividend from the Company in respect of those shares.

9 **If you have sold Ordinary Shares**

If you have sold some of your holding of Ordinary Shares before the ex-dividend date, but those shares are included in the number shown in Box 1 on your Form of Election, you should retain these documents and consult your stockbroker or agent without delay. Your stockbroker or agent will then advise you as to what action you should take. If you have sold all of your holding of Ordinary Shares you should pass this Circular and the accompanying documents to the purchaser or transferee or the person who sold or transferred the Ordinary Shares for you. That person can then pass these on to the new owner of the Ordinary Shares. **However, except as set out**

above, those documents should not be taken, forwarded to or sent or distributed in, into or from the United States, Canada or Australia.

10

Delivery and listing of the new Ordinary Shares

Application will be made to the UK Listing Authority and London Stock Exchange plc for admission of the new Ordinary Shares to, respectively, the Official List of the UK Listing Authority (the “**Official List**”) and to trading on the London Stock Exchange plc’s Main Market for listed securities. The new Ordinary Shares will be in registered form and may be held as either certificated or uncertificated shares. On issue the new Ordinary Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares and will rank for all future dividends subject to the memorandum and articles of association of the Company.

Subject to admission to the Official List and to trading on the London Stock Exchange plc’s Main Market for listed securities:

- Shareholders who hold their existing Ordinary Shares in certificated form on the Record Date will be posted share certificates for the new Ordinary Shares at their own risk on or about 12 July 2018, the date on which such shares shall be allotted and issued; and
- Shareholders who hold their existing Ordinary Shares in uncertificated form on the Record Date will be allotted and issued their new Ordinary Shares as uncertificated shares on or about 12 July 2018, unless the Company is unable to do so under the provisions of the Companies (Uncertified Securities) (Jersey) Order 1999 (as amended from time to time) or the facilities and requirements of CREST, in which case such shares shall be issued as certificated shares and share certificates will be posted as described above.

Where new Ordinary Shares are issued as uncertificated shares, the Company will procure that Euroclear UK and Ireland Limited is instructed to credit the Shareholder’s stock account in CREST with such Shareholder’s entitlement to new Ordinary Shares. The stock account will be an account under the same participant ID and member account ID as the Ordinary Shares from which the new Ordinary Shares are derived.

The new Ordinary Shares are expected to be admitted to the Official List and dealings in the new Ordinary Shares are expected to begin on 12 July 2018. In the unlikely event that the new Ordinary Shares are not admitted to the Official List and to trading on the London Stock Exchange plc’s Main Market for listed securities, Forms of Election will be disregarded and the full cash dividend will be paid in the usual way.

11

General

Further copies of this Circular and duplicate Forms of Election may be requested up to and including 20 June 2018 from the Company’s registrar, Link Asset Services, Link Registrars Limited, by writing to Link Asset Services, Link Registrars Limited, 2 Grand Canal Square, Dublin 2, DO2 A342, Ireland, or by calling +353 1 553 0050.

Unless stated otherwise, the words and expression used in this Appendix shall have the meanings ascribed to them in the Circular to which this Appendix is attached.

Part 2 Taxation

1 Introduction

The Company is resident in the Republic of Ireland for tax purposes. Unless a Shareholder makes an election to participate in the Dividend Access Plan, any dividends received by a Shareholder will be received directly from the Company. Dividends received directly from the Company, whether in the form of cash or in the form of new Ordinary Shares, will be treated as having been received from an Irish source.

The tax effect for a Shareholder making an election to receive new Ordinary Shares instead of a cash dividend will depend upon the personal circumstances of that Shareholder. Shareholders are referred to the sections headed “United Kingdom Taxation”, “Republic of Ireland Taxation” and “Jersey Taxation” below for a general description of the likely tax consequences for Shareholders resident for tax purposes in those jurisdictions of making such an election. This summary is based on law and practice in relation to the tax year as at the date of this Circular.

Any Shareholder who is in any doubt as to their taxation position in respect of UK, Irish or Jersey tax, or who is subject to taxation in a jurisdiction other than the United Kingdom, Republic of Ireland or Jersey, should consult their own professional adviser immediately.

2 United Kingdom Taxation

2.1 General

The paragraphs set out below summarise the UK tax treatment for Shareholders making an election to receive new Ordinary Shares under the Scrip instead of a cash dividend and subsequently holding or disposing of those Ordinary Shares. These paragraphs are based on current UK legislation and on what is understood to be current HM Revenue & Customs (“HMRC”) practice as at the date of this document. The paragraphs are intended as a general guide and, except where express reference is made to the position of non-UK resident shareholders, apply only to Shareholders who are resident or, if individuals, domiciled for tax purposes in the United Kingdom. These paragraphs relate only to such Shareholders who hold their Ordinary Shares directly as an investment (other than under an individual savings account) and who are the absolute beneficial owners of their Ordinary Shares.

In addition, these paragraphs do not deal with certain types of shareholders, such as persons holding or acquiring Ordinary Shares in the course of a trade such as dealers, brokers, banks, financial institutions, insurance companies, tax exempt organisations and investment companies, or persons holding or acquiring Ordinary Shares by reason of their, or another’s, employment.

Any Shareholder who is in any doubt as to their taxation position in respect of UK tax, or who is subject to taxation in a jurisdiction other than the UK, should consult their own professional adviser immediately.

2.1.1 Shareholders who are individuals

A Shareholder, who is an individual resident (for tax purposes) in the UK should be entitled to a dividend allowance that exempts the first tranche of dividend income received in the tax year from income tax. The dividend allowance is capped at £2,000. The dividend allowance counts towards and reduces the income tax bands. An individual will be taxable on the total of the dividend before deduction of Irish DWT (if any, the “gross dividend”), which will be regarded as the top slice of the individual’s income after utilisation of the dividend allowance.

Basic rate taxpayers (with taxable income of less than £34,501 from 1 April 2018), will be subject to income tax at a rate of 7.5% on the gross dividend received. Higher rate tax payers (with taxable income between £34,501 from 1 April 2018 and £150,000) and Additional rate taxpayers (with taxable income that exceeds £150,000), will be subject to income tax at the rates of 32.5% and 38.1%, respectively on the gross dividend received.

Individual UK resident shareholders who elect for scrip dividends under the scrip may not be subject to income tax on receipt of the scrip dividends and should confirm their tax position with their professional adviser.

2.1.2 **Corporate Shareholders**

A corporate Shareholder who is resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Ordinary Shares are held will generally be subject to UK corporation tax on the gross amount of any dividends paid by the Company before deduction of Irish DWT (if any), unless the dividend falls within an available exemption.

There are available exemptions which may apply to: (i) certain dividends received by “small companies”; (ii) certain dividends received on “non-redeemable ordinary shares”; (iii) dividends received in respect of “portfolio holdings”; (iv) certain dividends derived from transactions not designed to reduce tax; (v) certain dividends in respect of shares accounted for as liabilities; and (vi) certain distributions from “controlled” companies.

Each of these exemptions is subject to specific and general anti-avoidance rules. Any corporate Shareholder receiving a dividend from the Company which is in any doubt as to whether an exemption applies should consult their own professional tax advisers.

If a dividend is exempt, no credit will be available for Irish tax withheld (if any). It is possible for a corporate Shareholder to elect for the dividend to be taxable. A corporate Shareholder wishing to make this election should consult their own professional tax advisers.

Corporate UK resident shareholders who elect for scrip dividends under the Scrip should not be subject to corporation tax on receipt of the scrip dividends and should confirm their tax position with their professional adviser.

2.1.3 **Credit for Irish Dividend Withholding Tax**

No Irish DWT should be withheld from dividends paid to UK tax resident Shareholders (whether an individual or corporate shareholder) if the appropriate declaration has been lodged with the Registrar’s Irish office prior to the dividend record date, as referred to generally in paragraph 3.2.4. If a declaration is not, or cannot be, made and Irish DWT is withheld from such dividends, HMRC will generally give credit for any Irish DWT withheld from the payment of a dividend and not recoverable from the Irish tax authorities against UK income tax payable by Shareholders in respect of the dividend.

As set out in paragraph 2.1.2, dividends will generally be exempt from UK corporation tax where they fall within an exempt class. In that event, no credit is available from HMRC for any Irish DWT withheld (although credit or repayment may nonetheless be obtainable from the Irish tax authorities, as mentioned below). If, for whatever reason, the dividend does not fall within an exempt class for a corporate Shareholder (or it falls within an exempt class, but the corporate Shareholder elects for it to be taxable) and is subject to UK corporation tax then HMRC will generally give credit for any Irish DWT withheld and not recoverable from the Irish tax authorities against UK corporation tax payable by corporate Shareholders in respect of the dividend.

2.2 **Tax on Chargeable Gains**

Liability to UK tax on chargeable gains will depend on the circumstances of the Shareholder.

For individual Shareholders, a flat Capital Gains Tax rate of 10 per cent. (20 per cent. where the Shareholder's income and taxable gains exceed £46,200 from 1 April 2018) will apply to any chargeable gain realised on the disposal or part disposal of the Ordinary Shares (subject to the availability of exemptions or reliefs).

For corporate Shareholders, any chargeable gain realised on the disposal or part disposal of the Ordinary Shares will be subject to their applicable relevant rate of Corporation Tax.

Corporate Shareholders who elect to receive scrip dividends under the Scrip will be treated as receiving a bonus issue of shares with no additional uplift in their original tax base cost.

(a) Disposal of the Ordinary Shares by UK resident Shareholder

A subsequent disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the UK may, depending on individual circumstances (including the availability of exemptions and allowable losses), give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

For the purposes of calculating a chargeable gain for corporate Shareholders (but not an allowable loss) arising on any disposal or part disposal of Ordinary Shares, indexation allowance on the relevant proportion of the original allowable costs should be taken in to account, which will be calculated with reference to the date of disposal of the Ordinary Shares.

No indexation allowance will be available to individual Shareholders on disposal of their Ordinary Shares.

An individual Shareholder who is resident but not domiciled in the UK and who has where appropriate made a claim for non domicile status pursuant to part 14 of the Income Tax Act 2007, should only be subject to taxation of capital gains in respect of a gain to the extent that amounts are remitted to the UK.

(b) Disposal of the Ordinary Shares by non UK resident Shareholder

Corporate Shareholders who are not resident for tax purposes in the UK will not be liable to UK tax on capital gains realised on a disposal or part disposal of Ordinary Shares.

Individual Shareholders who are not resident for tax purposes in the UK will not be liable to UK tax on capital gains realised on a disposal or part disposal of Ordinary Shares unless such Ordinary Shares are acquired for use by or for the purposes of a branch or agency or other form of permanent establishment through which such person is carrying on a trade, profession or vocation in the UK. Such individual shareholders may be subject to foreign taxation on any gain under local law.

A Shareholder who is an individual and who is temporarily a non-resident of the UK at the time of the disposal or part disposal may, under anti-avoidance legislation, still be liable to UK taxation on any chargeable gain realised (subject to the availability of exemptions or reliefs).

2.3 **Opening value**

Where the market value of the new Ordinary Shares on the first day of dealings on the London Stock Exchange (the “**Opening Value**”) differs substantially (i.e. 15 per cent. or more, above or below) from the cash equivalent of one new Ordinary Shares, HMRC will substitute that Opening Value as the cash equivalent for the purpose of calculating any taxes due. If this occurs, Shareholders will be sent a notice of the revised valuation which they should keep with their share certificates(s). This revised value is used both for income tax and capital gains tax purposes, but basic rate tax payers would have no further income tax liabilities.

2.4 **Cash element**

The portion of the full cash dividend received by a Shareholder in the form of cash will be treated as a conventional dividend payment for tax purposes.

2.5 **Inheritance Tax**

Ordinary Shares received under the Scrip are unlikely to qualify for business property relief as the shares are quoted on the Main Market for listed securities of the London Stock Exchange.

2.6 **Stamp Duty**

No stamp duty or stamp duty reserve tax (“**SDRT**”) will generally be payable on the issue of the new Ordinary Shares under the Scrip.

Special rules apply to agreements made by, amongst others, intermediaries and certain categories of person may be liable to stamp duty or SDRT at higher rates.

2.7 **UK Resident Gross Funds, Charities, Heritage Bodies and Scientific Research Organisations**

No repayment claims can be made in respect of a receipt of new Ordinary Shares.

Tax exempt bodies in the UK are not able to recover the amount of any dividend tax credit from HMRC.

3 **Republic of Ireland Taxation**

3.1 **General**

The paragraphs set out below summarise the Irish tax treatment for Shareholders holding or disposing of new Ordinary Shares. These paragraphs are based on current Irish legislation and on what is understood to be current Republic of Ireland Revenue Commissioners’ practice as at the date of this Circular. These paragraphs

are intended as a general guide and except for the sections dealing with Dividend Withholding Tax in 3.2.3 and 3.2.4 below, and otherwise where express reference is made to the position of non-Irish resident shareholders, apply only to Shareholders who are resident or, if individuals, ordinarily resident and domiciled for tax purposes in the Republic of Ireland. These paragraphs relate only to such Shareholders who hold their new Ordinary Shares directly as an investment and who are the absolute beneficial owners of their Ordinary Shares.

These paragraphs do not deal with certain types of shareholders, such as persons holding or acquiring Ordinary Shares in the course of a trade such as dealers, brokers, banks, financial institutions, insurance companies, tax exempt organisations and investment companies, or persons holding or acquiring Ordinary Shares by reason of their, or another's, employment.

Any Shareholder who is in any doubt as to their taxation position in respect of Irish tax, or who is subject to taxation in a jurisdiction other than the Republic of Ireland, should consult their own professional adviser immediately.

3.2 **Tax on Dividends**

Unless a Shareholder makes an election to participate in the Dividend Access Plan, any dividends received will be received directly from the Company. Dividends received directly from the Company, whether in the form of cash or in the form of new Ordinary Shares, will be treated as being received from an Irish source.

3.2.1 **Shareholders who are individuals**

An Irish resident or ordinarily resident Shareholder, who does not make, or is not deemed to have made, an election to receive dividends via the Dividend Access Plan will be subject to Irish income tax on the gross dividend at their marginal rate of tax plus the USC (Universal Social Charge). Those individuals will also incur a PRSI charge on unearned income, meaning that the gross dividend received will be subject to PRSI in their hands. The gross dividend is the dividend received plus Irish DWT withheld. This treatment applies also to those Irish resident or ordinarily resident Shareholders who elect for scrip dividends. Irish resident individual Shareholders are generally entitled to credit for Irish DWT deducted against their income tax liability and to have refunded to them any amount by which Irish DWT exceeds such income tax liability.

3.2.2 **Corporate Shareholders**

An Irish resident corporate Shareholder will generally be exempt from Irish tax on dividends received from the Company unless such a shareholder makes an election to receive dividends via the Dividend Access Plan. This treatment also applies to those Irish resident corporate Shareholders who elect for scrip dividends. If an Irish resident corporate Shareholder is a close company, however, it may, in certain circumstances, be liable to a 20 per cent. investment income surcharge in respect of dividends received from the Company.

3.2.3 **Non-Irish Resident Shareholders**

Non-Irish resident Shareholders are, unless entitled to an exemption from Irish DWT, liable to Irish income tax on dividends received from the Company. This treatment applies also to those non-Irish resident Shareholders who elect for scrip dividends. However, Irish DWT deducted by the Company discharges such liability to Irish income tax. Where a non-Irish resident Shareholder is entitled to an exemption from Irish DWT, then no Irish income tax arises and, where Irish DWT has been deducted by the Company, a claim may be made for a refund of the Irish DWT.

Non-Irish resident Shareholders, whether individuals or corporate shareholders, may be subject to foreign taxation on dividends received under the local law of the jurisdiction of their residence.

3.2.4 **Irish Dividend Withholding Tax**

Dividends paid directly by the Company will generally be subject to Irish Dividend Withholding Tax at the standard rate of Irish income tax (currently 20 per cent.) unless the Shareholder falls within one of the categories of exempt shareholders referred to below. Where Irish DWT applies, the Company will be responsible for withholding Irish DWT at source. For Irish DWT purposes, a dividend includes any distribution made by the Company to its Shareholders, including cash dividends, non-cash dividends and additional shares taken in lieu of a cash dividend.

Where a Shareholder elects under the Scrip to take additional fully paid Ordinary Shares instead of a cash dividend, the Shareholder will be treated as if he had received a distribution of an amount equal to the cash dividend which would have been received if he had not elected to take the shares. In such circumstances, the Company, when issuing the additional shares to each Shareholder (other than a Shareholder exempted from Irish DWT, referred to below), will issue a reduced number of Ordinary Shares instead of withholding the cash amount from the distribution. The Company will then pay to the Irish Revenue an amount of Irish DWT equal to tax at the Irish DWT rate on the cash amount which the shareholder would have received if he/she had not elected to take shares instead of cash.

Certain categories of Irish resident shareholders are entitled to an exemption from Irish DWT, including (but not limited to) Irish resident companies, qualifying employee share ownership trusts, charities and pension funds. Except in very limited circumstances, distributions by the Company to an Irish resident Shareholder who is an individual are not exempt from Irish DWT.

Certain non-Irish resident Shareholders (both individual and corporate) may be entitled to an exemption from Irish DWT. Irish DWT will not be payable where an exemption applies provided that the Registrar's Irish office has received all necessary documentation required by the relevant legislation from a Shareholder prior to the payment of the dividend. Details of Irish DWT and the available exemptions can be found on the Irish Revenue's website at <http://www.revenue.ie/en/tax/dwt/index.html>. The principal categories of exemption are:

- an individual Shareholder who is resident for tax purposes in either a member state of the European Union (apart from the Republic of Ireland) or in a country with which the Republic of Ireland has a double tax treaty (including the United States), and the individual is neither resident nor ordinarily resident in the Republic of Ireland;
- a corporate Shareholder that is not resident for tax purposes in the Republic of Ireland and which is resident for tax purposes in either a member state of the European Union (apart from the Republic of Ireland) or in a country with which the Republic of Ireland has a double tax treaty, or which is ultimately controlled, directly or indirectly, by persons resident for tax purposes in either a member state of the European Union (apart from the Republic of Ireland) or in a country with which the Republic of Ireland has a double tax treaty;
- a corporate Shareholder that is not resident for tax purposes in the Republic of Ireland and whose principal class of shares (or those of its 75 per cent. parent) is substantially and regularly traded on a recognised stock exchange in either a member state of the European Union (including the Republic of Ireland where the company trades only on the Irish stock exchange) or in a country with which the Republic of Ireland has a double tax treaty or an exchange approved by the Irish Minister for Finance;

- a corporate Shareholder that is not resident for tax purposes in the Republic of Ireland and is wholly owned, directly or indirectly, by two or more companies the principal class of shares of each of which is substantially and regularly traded on a recognised stock exchange in either a member state of the European Union (including the Republic of Ireland where the company trades only on the Irish stock exchange) or in a country with which the Republic of Ireland has a double tax treaty or an exchange approved by the Irish Minister for Finance;
- nominee companies and custodians who may already hold Irish Revenue qualifying intermediary (“QI”) or authorised withholding agent (“AWA”) status,

and provided that, in all cases noted above, the Shareholder has made the appropriate declaration to the Company prior to payment of the dividend and the declaration has been lodged with the Registrars’ Irish office, see below. The declaration will remain valid from the date of issue of the certificate to 31st December in the fifth year following the year in which the certificate was issued or for seven years from the date of issue in the case of a QI or AWA, unless revised or withdrawn.

In order for a non-Irish tax resident individual or corporate Shareholders to claim any of the exemptions they must make a declaration of their entitlement to exemption. To do this they must download the relevant declaration form from the “Forms” section of the Irish Revenue website noted above, complete it, arrange for it to be certified as required and return it to the Company’s registrar, Link Asset Services, Link Registrars Limited, PO Box 7117, Dublin 2, Ireland, or by hand to Link Asset Services, Link Registrars Limited, 2 Grand Canal Square, Dublin 2, DO2 A342, Ireland (Tel.: +353 1 553 0050).

If nominee companies and custodians already hold QI or AWA status, they should have by now sent a copy of their letter of authorisation issued by the Irish Revenue to the Registrars’ Irish office, advising the Registrars before the next dividend record date which of their designated accounts they wish to be exempted from Irish DWT. Nominees or custodians who do not currently hold QI or AWA status, and who wish to obtain this status for future dividends, should complete the necessary application form (found on the Irish Revenue website noted above) and send it to DWT Section, Revenue Commissioners, Government Offices, Nenagh, Co. Tipperary, E45 T611 Ireland.

If any Shareholder has not already claimed an exemption, it is now too late to do so in relation to the Final Dividend, though they may be entitled to obtain an Irish DWT refund from the Irish Revenue, DWT Section after the payment date. In relation to future dividends, it is essential that any Shareholder who wishes to claim an exemption completes and returns an exemption form so that it is received by the Registrars’ Irish office before the record date for the next dividend.

The information above concerning Irish DWT, and the various exemptions that are available, is not intended as advice or guidance. There are several other exempt categories and Shareholders should review the information on the Irish Revenue’s website to see which exemption may be applicable and what procedure should be used to claim an exemption. Any Shareholder who is in any doubt as to whether any particular exemption applies to them, should consult their own professional tax adviser.

3.3 **Tax on Chargeable Gains**

Liability to Irish tax on chargeable gains will depend on the individual circumstances of Shareholders.

(a) *Disposal of Ordinary Shares by Irish resident Shareholders*

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident or ordinarily resident in the Republic of Ireland may, depending on individual circumstances (including the availability of exemptions and allowable losses), give rise to a chargeable gain or allowable loss for the purposes of Irish capital gains tax. The rate of capital gains tax in the Republic of Ireland is 33 per cent.

The share register of the Company is held in Jersey and, accordingly, Shareholders who are resident, or in the case of individuals, ordinarily resident in the Republic of Ireland, but not domiciled in the Republic of Ireland, will be liable to Irish capital gains tax only to the extent that the proceeds of a disposal of Ordinary Shares are remitted or deemed to be remitted to the Republic of Ireland.

Irish resident corporate Shareholders will be liable to Irish capital gains tax irrespective of whether the proceeds of the disposal of the Ordinary Shares are remitted or deemed to be remitted to the Republic of Ireland.

(b) *Disposal of Ordinary Shares by non Irish resident Shareholders*

Shareholders who are not resident, or in the case of individuals, are not ordinarily resident for tax purposes in the Republic of Ireland will not be liable to Irish tax on chargeable gains realised on a disposal or part disposal of Ordinary Shares unless such Ordinary Shares derive their value in the greater part from Irish land or buildings situated in the Republic of Ireland. Such Shareholders may be subject to foreign taxation on any gain under the local law of the jurisdiction of their residence.

A Shareholder who is an individual and who is temporarily a non-resident of the Republic of Ireland at the time of the disposal or part disposal may, under anti-avoidance legislation, still be liable to Irish taxation on any chargeable gain realised (subject to the availability of exemptions or reliefs).

3.4 **Capital Acquisition Tax (Inheritance Tax and Gift Tax)**

The liability on gifts or inheritances is determined primarily by whether the donor or donee is resident or ordinarily resident in the Republic of Ireland. If neither the donor or donee is resident or ordinarily resident in the Republic of Ireland the tax charge is confined to gifts or inheritance situated in the Republic of Ireland.

Ordinary Shares received under the Scrip are unlikely to qualify for business asset relief as the Ordinary Shares are quoted on the Main Market of the London Stock Exchange.

3.5 **Stamp Duty**

No Irish Stamp Duty will generally be payable on the issue of the new Ordinary Shares. Stamp Duty at 1% is payable on the transfer of shares if the document for the transfer is executed in the Republic of Ireland or if the transfer relates to any matter in Ireland, eg if consideration for the transfer of shares is or relates to Irish property.

4 Jersey Taxation

4.1 Introduction

The paragraphs set out below summarise the Jersey tax treatment for Shareholders holding or disposing of Ordinary Shares received under the Scrip. These paragraphs are based on current Jersey taxation law and practice in force as at the date of this document. These paragraphs are intended as a general guide only and do not constitute legal or tax advice. Shareholders should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of Ordinary Shares under the laws of the jurisdiction in which they may be liable to taxation.

4.2 Taxation of the Company

Under the Income Tax (Jersey) Law 1961 (the “**Jersey Income Tax Law**”), the Company will be regarded as not resident in Jersey under Article 123(1) of the Jersey Income Tax Law, provided that (and for so long as) it satisfies the conditions set out in that provision, and as such the Company will not (except as noted below) be liable to Jersey income tax.

If the Company derives income from the ownership of land in Jersey (including rents and lease premia); profits or gains from the disposal, on a commercial basis, of any building or structure (or part thereof) which is situated in Jersey; profits or gains from the trade of the exploitation of land in Jersey by the exploration, excavation, extraction or recovery of stone and minerals; or profits or gains from the trade of importing and supplying hydrocarbon oil, such income will be subject to Jersey income tax at the rate of 20 per cent. It is not expected that the Company will derive any such income.

Should the Company fail to meet the conditions set out in Article 123(1) of the Jersey Income Tax Law, it will become subject to Jersey income tax at a (current) rate of zero per cent. in respect of its worldwide income and gains, provided the Company is not considered to be a “financial services company or a large corporate retailer” as defined in the Jersey Income Tax Law, except for income from the ownership, disposal or exploitation of land in Jersey or profits and gains from the importation and supply of hydrocarbon oil etc. (as noted above) which will continue to be taxed at rate of 20 per cent.

4.3 Taxation of Jersey Resident Shareholders

A Jersey resident Shareholder will be subject to Jersey income tax on cash dividends received from the Company. With effect from 1 January 2013 scrip dividends are not taxable by concession.

A Jersey resident Shareholder will be subject to Jersey income tax on any profit arising from the disposal of Ordinary Shares if those Ordinary Shares are held on trading account.

From 1 January 2013 certain distributions made by a Jersey tax resident company (other than a cash dividend, which is taxable (see above) irrespective of the residence of the company) to its Jersey resident shareholders may be subject to Jersey income tax. The definition of a distribution for these purposes includes, but is not limited to, (non commercial) loan repayments, redemption of shares, liquidation receipts and the transfer of a personal liability to the company. The distribution will be taxable in the hands of the Jersey resident shareholder to the extent that the company has untaxed taxable reserves.

If, for whatever reason, the Company is regarded as Jersey resident, the Jersey resident Shareholders may, on receipt of a distribution from the Company (other

than a cash dividend, which is taxable (see above) irrespective of the residence of the Company), be taxable on their share of the underlying taxable profit within the Company.

4.4 **Taxation of non-Jersey Resident Shareholders**

Holders of Ordinary Shares (other than residents of Jersey) are not subject to any tax in Jersey in respect of the holding, sale or other disposition of such Ordinary Shares. Dividends on the Ordinary Shares may be paid by the Company without withholding or deduction for or on account of Jersey income tax.

4.5 **Other matters**

Under current Jersey law there are no capital gains, gift, wealth, inheritance or capital transfer taxes and no stamp duty would currently be levied by Jersey on the issue or transfer of Ordinary Shares.

On the death of an individual (whether or not a resident of Jersey), Jersey stamp duty will be payable on the registration in Jersey of a grant of probate or letters of administration, which will be required in order to transfer or otherwise deal with the deceased person's personal estate, if the net value of:

- (a) The deceased person's personal estate wherever situated (where the deceased person was domiciled in Jersey at the time of death); or
- (b) The deceased person's personal estate situated in Jersey (if the deceased person was domiciled outside Jersey at the time of death);

exceeds £10,000. The rate of duty payable where the net value of such personal estate does not exceed £100,000 is 0.50 per cent. of the net value of such personal estate and where the net value of such personal estate exceeds £100,000, the rate of duty payable is £500 for the first £100,000 plus 0.75 per cent. of the net value of such personal estate which exceeds £100,000.

With effect from 1 January 2013, the amount of probate duty payable on an estate is capped at £100,000.

4.6 **Goods and Service Tax**

Island-based businesses with turnover above £300,000 and who do not supply exempt or zero rated goods and services, are required to add 5% Goods and Services Tax ("GST") to the cost of goods and services provided to Jersey-based customers and clients. The primary law has been augmented by detailed GST Regulations.

Special rules apply to International Services Entities ("ISE"). Instead of suffering GST on costs incurred and having to charge GST to clients and/or investors, an ISE has the option of paying a flat-rate annual fee. The level of the annual fee is determined by the GST Regulations.

It is expected that the Company will qualify as an ISE and claim ISE status annually by making the appropriate application and paying the required fee and will not therefore suffer any irrecoverable GST in respect of costs incurred.

The issue of the new Ordinary Shares under the Scrip will be exempt from GST pursuant to Schedule 5 of the Goods and Services Tax (Jersey) Law 2007.

Part 3

The Mandate Scheme

1 Introduction

The Company operates the Mandate Scheme for the convenience of those Shareholders who wish to elect automatically to receive fully paid Ordinary Shares instead of cash in respect of all future dividends to which they may be entitled if, and to the extent that, a scrip alternative is offered.

The Mandate Scheme is entirely optional, but any Mandate given will remain valid in respect of all dividends declared if, and to the extent that, a scrip alternative is offered, unless or until revoked or terminated in accordance with paragraph 7 of this Part 3 or unless or until the Mandate Scheme is terminated in accordance with paragraph 8 of this Part 3.

If you give a new Mandate in respect of the Final Dividend and you subsequently decide that you would prefer to receive the Final Dividend and future dividends wholly or partly in cash from the Company, you should notify the Company's registrar, Link Asset Services, Link Registrars Limited, PO Box 7117, Dublin 2, Ireland, or by hand to Link Asset Services, Link Registrars Limited, 2 Grand Canal Square, Dublin 2, DO2 A342, Ireland in order to revoke your Mandate so that it is received by 5.00 p.m. (London time) on 20 June 2018. See paragraph 7 of Part 3 of this Appendix for more details on revoking Mandates.

2 Completing a Mandate

In order to elect to receive fully paid Ordinary Shares instead of cash in respect of the Final Dividend and all future dividends declared or paid and to which you may be entitled, if and to the extent that a scrip alternative is offered, you should place an 'X' in Box 5 of the enclosed Form of Election and return it to the Registrars' Irish office, at the address in paragraph 1 above, so as to be received by them not later than 5.00 p.m. (London time) on 20 June 2018. If a Form of Election is not received by 5.00 p.m. (London time) on 20 June 2018, the Final Dividend will be paid in cash in the usual way and the Mandate, once received by the Registrars, will be effective for future dividends in respect of which a scrip alternative is offered.

3 Basis of allotment

The number of Ordinary Shares to which a Shareholder will be entitled in respect of future dividends for which a scrip alternative is offered will be calculated by reference to the cash dividend per Ordinary Share which is payable by the Company and the relevant price for each new Ordinary Share, being the average of the middle market quotations for the Company's Ordinary Shares derived from the London Stock Exchange plc's Daily Official List for the five trading days on which the Ordinary Shares to which such dividend relates are first quoted ex-dividend and whether or not Irish DWT applies.

4 Fractions

A Shareholder who implements a Mandate will not receive a fraction of a new Ordinary Share in respect of any future dividend for which a scrip alternative is offered. Any residual cash entitlement after the calculation of the number of new Ordinary Shares to be issued will be carried forward in a non-interest bearing account, and will be applied in payment upon the allotment of further new Ordinary Shares when a scrip alternative is next offered if sufficient funds are available in the account or added to the next cash dividend payable to the relevant Shareholder (at the option of the Company).

5 **Mandates to be for entire holdings of Ordinary Shares**

Mandates in respect of future dividends will be accepted only for elections in respect of a Shareholder's entire holding of Ordinary Shares as at the record date of the relevant future dividend.

6 **Procedure**

Shareholders who implement a Mandate will, in respect of all dividends for which a scrip alternative is offered and during the whole time for which he participates in the Mandate Scheme, receive, prior to the payment of each dividend, a Statement of Entitlement setting out the details of their entitlement to new Ordinary Shares.

7 **Revocation, termination and suspension of a Mandate**

A Shareholder may revoke a Mandate previously made by him by giving notice in writing to the Company's registrar, Link Asset Services, Link Registrars Limited, at the address in paragraph 1 above at any time. Such notice will take effect upon its receipt by the Company's registrar in respect of all dividends payable on or after the date of receipt of such notice, other than in respect of a dividend for which a scrip alternative has been offered and for which the latest time by which holders of Ordinary Shares must complete Forms of Election in order to receive that dividend in the form of fully paid Ordinary Shares has passed. In order to revoke any Mandate given and effective from and including the Final Dividend, notice must be given to the Company's registrar, Link Asset Services, Link Registrars Limited, at the address in paragraph 1 above, so that it is received by the Company's registrar no later than 5.00 p.m. (London time) on 20 June 2018. A Mandate will terminate automatically with effect from the date of registration of the transfer, if a holder of Ordinary Shares sells or otherwise transfers all of his Ordinary Shares to another person. A Mandate will also terminate on the date of notification of the death of a holder of Ordinary Shares, unless that Shareholder's Ordinary Shares were held jointly.

A Mandate will be disregarded (but not terminated) if a Shareholder elects to participate in the Dividend Access Plan for the entire period during which that Shareholder continues to participate in the Dividend Access Plan. If such Shareholder withdraws from the Dividend Access Plan then the Mandate will continue to be valid.

8 **Modification or termination of the Mandate Scheme**

The Mandate Scheme may be modified or terminated at any time by the Company on giving not less than three months' notice in writing to Shareholders. In the case of any modification, Mandates then in effect will be deemed to remain valid under the Mandate Scheme as modified.

9 **Directors' discretion**

The operation of the Mandate Scheme is subject to the Directors' decision to offer a scrip alternative in respect of any dividend declared. If the Directors decide at their discretion not to offer a scrip alternative in respect of any particular dividend, such dividend will be paid in cash by the Company. The Mandate Scheme and any future scrip alternative is and will be offered subject to the conditions which apply to the relevant corresponding cash dividend, such as approval by Shareholders of a final dividend, and any other applicable legal or regulatory requirements.