

Rathbone Brothers Plc : Issue of Equity and Acquisition of Taylor Young's private client business

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Share placing to finance future growth;
Acquisition of Taylor Young Investment Management's private client business

7 November 2012

Share placing

The private client investment market is currently undergoing a period of considerable change driven by the current economic and regulatory climate. Rathbone Brothers Plc ("Rathbones" or "the Company") expects to see a number of growth opportunities over the short to medium term.

Rathbones is therefore proposing to raise additional capital through a non-pre-emptive institutional placing ("Placing") of 2,000,000 shares, which is to be conducted by way of an accelerated bookbuild as set out in the Appendix to this announcement. This placing is expected to raise a minimum of £24.2 million of gross proceeds, which represents approximately 4.3% of its £559 million market capitalisation at 6 November 2012. Proceeds of the Placing are expected to be used to:

- * finance acquisitions that are earnings enhancing over the medium term and fit Rathbones' culture; and
- * support anticipated growth in loans to clients.

Acquisition of the Taylor Young Investment Management Limited UK private client business

Rathbones also announces that its wholly owned principal subsidiary, Rathbone Investment Management Limited, has purchased Taylor Young Investment Management Limited's ("TYIM") UK private client investment management business. As a result of the acquisition, TYIM's investment management team, led by Peter Thomson, have joined Rathbones. The acquisition was not dependent upon the Placing.

TYIM funds under management were £337 million at 2 November 2012 and Rathbones expects to pay a total of up to £10.0 million in cash as consideration for the business. This total consideration will consist of an initial payment of £2.6 million, together with expected payments of deferred consideration in May 2013 and November 2014. Deferred consideration payments will be calculated by reference to the value of the funds that transfer to Rathbones on Rathbones' standard terms over the next eighteen months. The aggregate consideration payable is capped at £15.0 million.

Rathbones' funds under management were £17.35 billion at 30 September 2012. If all TYIM funds, as at 2 November 2012, transfer to Rathbones, this would increase Rathbones' funds under management by 2.0% to £17.69 billion. The TYIM transaction is expected to be earnings neutral in 2013, pre-amortisation, and earnings enhancing in 2014.

Andy Pomfret, chief executive of Rathbone Brothers Plc, commented:

"We expect to see more acquisition opportunities in the private client industry in the next few years. Raising capital now will give us the flexibility to take advantage of these opportunities as they arise and help us provide more fully-secured loans to our clients."

"We welcome both the former clients of Taylor Young and their investment team to Rathbones. Like Rathbones, the team have a strong client-service based culture and I am sure that they and their clients will benefit from the stability and infrastructure that Rathbones will continue to provide."

Terms of the Placing

Rathbones has appointed Canaccord Genuity as sole bookrunner, broker and agent to the Placing. The Placing will be effected, subject to the satisfaction of certain conditions, through an accelerated bookbuild process. It is expected that books will open immediately and close later today. Pricing and allocations are expected to be set as soon as practicable thereafter. The Placing will be undertaken in accordance with the terms and conditions set out in the Appendix to this announcement.

The Placing is not being underwritten, and is being carried out pursuant to the authorities granted by shareholders at the Company's annual general meeting in May 2012, so does not require any further shareholder approval. Application will be made for the Placing Shares to be admitted to the premium segment of the Official List of the Financial Services Authority and to trading on the Main Market of the London Stock Exchange. Settlement of the Placing Shares together with Admission is expected to become effective on 13 November 2012. On Admission, the Placing Shares will rank pari passu in all respects with the

existing Ordinary Shares in the capital of the Company.

The Appendix to this Announcement (which forms part of this Announcement) sets out the terms and conditions of the Placing. Persons who have chosen to participate in the Placing, by making an oral or written offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the terms and conditions herein, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

For further information contact:

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email: marketing@rathbones.com		

Mark Nicholls, Chairman	Hugo Mortimer-Harvey	Martin Green
Andy Pomfret, Chief Executive	Lucy Tilley	
Paul Stockton, Finance Director		

Rathbone Brothers Plc

Rathbone Brothers Plc is a leading provider of high-quality, personalised investment and wealth management services for private clients, charities and trustees. This includes discretionary investment management, unit trusts, tax planning, trust and company management, pensions advice and banking services.

Rathbones has over 790 staff in 11 UK locations and Jersey, and has its headquarters in Curzon Street, London.

www.rathbones.com

IMPORTANT NOTICE

This Announcement has been issued by, and is the sole responsibility of, the Company.

The Appendix to this Announcement (which forms part of this Announcement) sets out the terms and conditions of the Placing.

By participating in the Placing (as defined below), each person who is invited to and who chooses to participate in the Placing (a "Placee") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

Members of the public are not eligible to take part in the Placing.

This Announcement provides information about the Placing, but does not invite participation in the Placing. This Announcement does not constitute, and the Company is not making, an offer to the public of transferable securities within the meaning of sections 85 and 102B of FSMA. This Announcement is therefore not an approved prospectus for the purposes of section 85 of FSMA, and has not been prepared in accordance with the prospectus rules of the FSA and as such neither its contents nor its issue have been approved by the FSA or by any authority which would be a competent authority for the purposes of any legislation that implements the Prospectus Directive.

This Announcement (including the Appendix) and the information contained herein is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, Japan or any other state or jurisdiction into which the same would be unlawful. This Announcement (including the Appendix) is for information purposes only and shall not constitute an offer to buy, sell, issue, or acquire, or the solicitation of an offer to buy, sell, issue, or acquire any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

This Announcement (including the Appendix) does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States, Australia, Canada or Japan or any other jurisdiction in which such offer, solicitation or sale would be unlawful. In particular, the Placing Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. No public offering of the Placing Shares is being made in the United States, Australia, Canada or Japan.

Canaccord Genuity Limited ("Canaccord"), which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively as financial adviser to and broker to Rathbone Brothers Plc and for no one else in connection with the Placing and will not be responsible to anyone other than Rathbone Brothers Plc for providing the protections afforded to clients of Canaccord or for providing advice in relation to the Placing or any matter referred to in this Announcement (including the Appendix).

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchanges other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Announcement is subject to change without notice and, except as required by applicable law, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement. No statement in this Announcement is or is intended to be a profit forecast or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company.

APPENDIX

Placing terms and conditions

IMPORTANT INFORMATION REGARDING THE PLACING FOR PLACEEES ONLY

Details of the Placing

Canaccord has today entered into the Placing Agreement under which, subject to the conditions set out therein, Canaccord has agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price as further described in this Announcement and as set out in the Placing Agreement.

The Placing is conditional upon the Placing Agreement becoming unconditional in all respects, including, inter alia, orders for all the Placing Shares being received at or above an agreed minimum price and Admission occurring not later than 8.00 a.m. (London time) on 13 November 2012. The Placing Shares will, when issued, be subject to the Articles of Association of the Company, be credited as fully paid and will rank pari passu in all respects with the Ordinary Shares then in issue including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of the Placing Agreement.

Application for Admission

Application will be made for the Placing Shares to be admitted to the premium segment of the Official List of the Financial Services Authority and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will take place at 8.00 am on 13 November 2012 (or such later date as may be agreed between the Company and Canaccord), and that dealings in the Placing Shares will commence at that time.

Participation in, and principal terms of, the Placing

1. Canaccord Genuity is acting as sole bookrunner, broker and agent of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by Canaccord. Canaccord and its affiliates are each entitled to participate in the Placing as principal.
3. The Placing Price and the number of Placing Shares to be issued will be determined by Canaccord and Rathbones in their discretion following completion of the Bookbuild.
4. Each prospective Placee's Placing Participation (which will not necessarily be the same for each Placee) will be determined by Canaccord and the Company in their sole discretion and confirmed orally and/or via written correspondence by Canaccord as agent of the Company. That oral and/or written confirmation constitutes an irrevocable legally binding commitment upon that person (who will at that point become a Placee) to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association.
5. Canaccord reserve the right to scale back the number of Placing Shares to be subscribed by any Placee in the event of an oversubscription under the Placing. Canaccord also reserve the right not to accept offers for Placing Shares or to accept such offers in part rather than in whole.
6. Each Placee also has an immediate, separate, irrevocable and binding obligation, owed to Canaccord as agent of the Company, to pay in cleared funds immediately on the settlement date in accordance with the requirements set out below under "Registration and Settlement", an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe and the Company has agreed to allot and issue to that Placee, conditional upon Admission becoming effective.
7. Irrespective of the time at which a Placee's Placing Participation is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
8. Completion of the Placing will be subject to the fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing Agreement". In the event that the Placing Agreement does not become unconditional in any respect or is terminated, the Placing will not proceed and all funds delivered by you to Canaccord in respect of the Placee's Placing Participation will be returned to the Placee at the risk of the Placee without interest.
9. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

10. By participating in the Placing, each Placee is deemed to agree that it is either (i) outside the United States and is acquiring the Placing Shares in an "offshore transaction", as defined in and in accordance with, Regulation S under the Securities Act; or (ii) a QIB, or purchasing Placing Shares on behalf of a QIB, in either case who has executed and returned a US Investor Letter.
11. To the fullest extent permissible by law, neither Canaccord nor the Company nor any of their affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither Canaccord nor any of their affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of Canaccord's conduct of the Bookbuild or of such alternative method of effecting the Placing as Canaccord and the Company may agree.

Conditions of the Placing

The Placing Agreement is conditional on, inter alia:

- a. the Company certifying immediately prior to Admission that (i) the conditions (other than the condition regarding Admission) have been fulfilled; (ii) none of the warranties contained in the Placing Agreement was untrue, inaccurate or misleading in any material respect at the date of the Placing Agreement or has at any time from that date become untrue, or inaccurate in any material respect, and (iii) it has complied with or performed its obligations under the Placing Agreement which fall to be performed prior to Admission;
- b. the Company allotting, subject only to Admission, the Placing Shares in accordance with the Placing Agreement; and
- c. Admission taking place not later than 8.00 a.m. (London time) on 13 November 2012 or such later date as the Company and Canaccord may otherwise agree (not being later than 8.00 a.m. on 4 December 2012); and
- d. Canaccord receiving orders for all Placing Shares at or above an agreed minimum price.

If (i) any of the conditions contained in the Placing Agreement have not been fulfilled or waived by Canaccord by the respective time or date where specified (or such later time or date as the Company and Canaccord may agree), (ii) any of such conditions becomes incapable of being satisfied or (iii) the Placing Agreement is terminated, the Placing will lapse and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

So long as a Placee's commitment is not extended beyond 4 December 2012, Canaccord may, in their absolute discretion and upon such terms as they think fit, waive fulfilment, in whole or in part, of any or all of the conditions in the Placing Agreement other than that relating to Admission (to the extent permitted by law or regulations) by giving notice in writing to the Company. Any such waiver will not affect Placees' commitments as set out in this Announcement.

None of Canaccord, the Company or any other person shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Canaccord and the Company.

Termination of the Placing Agreement

Canaccord is entitled at any time before Admission, to terminate the Placing Agreement in relation to their obligations in respect of the Placing Shares by giving notice to the Company if, inter alia:

- a. any of the warranties contained in the Placing Agreement was untrue, inaccurate or misleading in any material respect at the date of the Placing Agreement or has at any time from that date become untrue, or inaccurate in any material respect,
- b. the Company commits a material breach of any of its obligations under the Placing Agreement;
- c. any material adverse change occurs, whether or not foreseeable at the date of the Placing Agreement, in, or any development involving a prospective material adverse change in or affecting, the condition, financial or otherwise, or the earnings or business affairs or business prospects of the Company, whether or not arising in the ordinary course of business; or
- d. the UKLA or the London Stock Exchange cancels or suspends trading in the Company's securities; or
- e. any of the following occurs:
 - a. the suspension of trading in securities generally on the London Stock Exchange or trading is limited or minimum prices established on any such exchange; or
 - b. the declaration of a banking moratorium in London or by the US federal or New York State authorities or any material disruption to commercial banking or securities settlement or clearance services in the US or the UK; or
 - c. any change, or development involving a prospective change, in national or international financial, economic, political, industrial or market conditions or currency exchange rates or exchange controls, or any incident of terrorism or outbreak or escalation of hostilities or any declaration by the UK, the US or any member state of the European Union of a national emergency or war or any other calamity or crisis,

which Canaccord (acting in good faith) considers in its absolute discretion to be likely to have an adverse effect on the financial or trading position or the business or prospects of the Company which is material in the context of Company's group as a whole or which renders the Placing impracticable or inadvisable.

Upon such termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement subject to certain exceptions.

By participating in the Placing, Placees agree that the exercise by Canaccord of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Canaccord and that they need not make any reference to Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the FSA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including the Appendix).

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including the Appendix) is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or Canaccord or any other person (including but not limited to the presentational materials given by the Company in connection with presentations in connection with the Placing) and neither the Company nor Canaccord nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Shares following Admission will take place within the system administered by CREST, subject to certain exceptions. The Company reserves the right to require settlement for and delivery of such Placing Shares (or a portion thereof) to Placees in certificated form if in Canaccord's reasonable opinion delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Participation in the Placing is only available to persons who are invited to participate in it by Canaccord.

Each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares to be allocated to it. Each such Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions that it has in place with Canaccord as set out below.

CREST participant ID of Canaccord	805
Genuity:	
Trade date:	17 November 2012
Settlement date:	13 November 2012
ISIN code for the Placing Shares:	GB0002148343
SEDOL code for the Placing Shares:	0214834
Deadline for input instructions into CREST:	3:00 p.m. (UK time) on 7 November 2012

The Company will deliver such Placing Shares to a CREST account operated by Canaccord as agent for the Company and Canaccord will enter its delivery (DEL) instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will be on 13 November 2012 on a T + 3 basis in accordance with the instructions given to Canaccord.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above three month Sterling LIBOR as determined by Canaccord.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Company may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Company's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or UK stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

By participating in the Placing each Placee (and any person acting on such Placee's behalf):

1. Represents and warrants that it has read this Announcement, including the Appendix, in its entirety and agrees with and accepts the terms set out herein;
2. Confirms that the exercise by Canaccord of any right of termination or any right of waiver exercisable by Canaccord contained in the Placing Agreement including, without limitation, the right to terminate the Placing Agreement, is within the absolute discretion of Canaccord and Canaccord will not have any liability to any Placee whatsoever in connection with any decision to exercise or not exercise any such rights;
3. Acknowledges that if (i) any of the conditions in the Placing Agreement is not satisfied (or, where relevant, waived), or (ii) the Placing Agreement is terminated or (iii) the Placing Agreement does not otherwise become unconditional in all respects, the Placing will lapse and its rights and obligations hereunder shall cease and determine at such time and no claim shall be made by any Placee in respect thereof;
4. Acknowledges that no offering document or prospectus has been, or will be, prepared in connection with the placing of the Placing Shares and represents and warrants that it has not received a prospectus or other offering document in connection therewith;
5. Acknowledges that the Ordinary Shares are (and the Placing Shares will be) listed on the Main Market, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the Main Market and applicable legislation, and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other Main Market listed company, without undue difficulty;
6. Acknowledges that neither Canaccord nor the Company nor any of their affiliates nor any person acting on behalf of any of them has provided, and will not provide it, with any material regarding the Placing Shares or the Company or any other person other than the information contained in this Announcement; nor has it requested Canaccord or the Company or any of their affiliates or any person acting on behalf of any of them to provide it with any additional information;
7. Acknowledges that (i) it is not and, if different, the beneficial owner of the Placing Shares is not, and at the time the Placing Shares are acquired neither will be, a resident of Australia, Canada or Japan, and (ii) that the Placing Shares have not been and will not be registered under the securities legislation of the United States, Australia, Canada or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, in or into those jurisdictions;
8. Acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that neither Canaccord nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to subscribe for the Placing Shares is contained in this Announcement and any information previously published by the Company by notification to a Regulatory Information Service, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Canaccord or the Company and neither Canaccord nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing;
9. Represents and warrants that neither it, nor the person specified by it for registration as a holder of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the UK Finance Act 1986 (depository receipts and clearance services);
10. Represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Regulations and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations. If within a reasonable time after a request for verification of identity Canaccord has not received such satisfactory evidence, Canaccord may, in its absolute discretion, terminate the Placee's Placing Participation in which event all funds delivered by the Placee to Canaccord will be returned without interest to the account of the drawee bank or CREST account from which they were originally debited;
11. If a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the European Economic Area which has implemented the Prospectus Directive other than to qualified investors, or in circumstances in which the prior consent of Canaccord has been given to the proposed offer or resale;
12. Represents and warrants that it has not offered or sold and, prior to the expiry of a period of 6 months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA;

13. Represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
14. Represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
15. Represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
16. Represents and warrants that it is a "qualified investor" within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);
17. Represents and warrants that it and any person acting on its behalf is entitled to subscribe for and purchase the Placing Shares under the laws of all relevant jurisdictions which would apply to it, and that it and any person acting on its behalf is in compliance with applicable laws in the jurisdiction of its residence, the residence of the Company, or otherwise;
18. Acknowledges that the Placing Shares have not been and will not be registered under the Securities Act and further acknowledges that the Placing Shares are being offered and sold only (i) outside the United States pursuant to Regulation S under the Securities Act in an "offshore transaction" (as such term is defined in Regulation S under the Securities Act) or (ii) in the United States only to limited number of QIBs, pursuant to an exemption from registration under the Securities Act in a transaction not involving any public offering;
19. Represents and warrants that it is (and any such account for which it is acting is) either (i) a QIB, or purchasing Placing Shares on behalf of a QIB, in either case who has executed and returned a US Investor Letter; or (ii) outside the United States and is acquiring the Placing Shares in an "offshore transaction", as defined in and in accordance with, Regulation S under the Securities Act;
20. Undertakes that it (and any person acting on its behalf) will make or procure payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as Canaccord may in their discretion determine and without liability to such Placee;
21. Acknowledges that its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
22. Acknowledges that neither Canaccord, nor any of their respective affiliates, nor any person acting on behalf of Canaccord, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Canaccord and that Canaccord have no duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
23. Undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself, or (ii) its nominee, as the case may be. Neither Canaccord nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and Canaccord in respect of the same on the basis that the Placing Shares will be allotted to Canaccord's CREST account who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
24. Acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Canaccord in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
25. Agrees that the Company and Canaccord and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Company and Canaccord (in its capacity as sole bookrunner, broker and agent to the Company) and are irrevocable;
26. Agrees to indemnify and hold the Company and Canaccord and its affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
27. Acknowledges that its commitment to subscribe Placing Shares on the terms set out herein will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing. The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such

Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to the subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes, and is based on a warranty from each Placee, that neither it, nor the person specified by it for registration as holder, of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the UK Finance Act 1986 (depository receipts and clearance services). If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax, and neither the Company nor Canaccord shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Canaccord accordingly;

28. Acknowledges that no action has been or will be taken by any of the Company, Canaccord or any person acting on behalf of the Company or Canaccord that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required; and
29. Acknowledges that it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved.
30. Acknowledges that none of its rights and obligations in respect of the Placing is conditional on any other person agreeing to subscribe for any Placing Shares under the Placing and no failure by any other Placee to meet any of its obligations in respect of the Placing will effect any of its obligations in respect of the Placing.
31. In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.
32. Each Placee and any person acting on behalf of each Placee acknowledges and agrees that Canaccord or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares. Each Placee acknowledges and is aware that Canaccord are receiving a fee in connection with their role in respect of the Placing as detailed in the Placing Agreement. Further details are available on request.
33. When a Placee or person acting on behalf of the Placee is dealing with Canaccord, any money held in an account with Canaccord on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FSA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Canaccord's money in accordance with the client money rules and will be used by Canaccord in the course of its own business; and the Placee will rank only as a general creditor of Canaccord. All times and dates in this Announcement may be subject to amendment. Canaccord shall notify the Placees and any person acting on behalf of the Placees of any changes.
34. Each Placee and any person acting on behalf of each Placee irrevocably appoints any duly authorised officer of Canaccord as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any Placing Shares for which it agrees to subscribe or purchase upon the terms of this Announcement.

The foregoing representations, warranties and confirmations are given for the benefit of the Company and Canaccord.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

Definitions

The following definitions apply throughout this Announcement:

Admission	the admission of the Placing Shares to the Official Lists becoming effective in accordance with the Listing Rules and the admission of the Placing Shares to trading on the Main Market becoming effective in accordance with the Admission and Disclosure Standards of the London Stock Exchange
Announcement	this announcement (including the Appendix)
Articles of Association	the articles of association of the Company
Bookbuild	the bookbuilding exercise to be undertaken by Canaccord in connection with the Placing
Business Day	a day not being a Saturday, a Sunday or public holiday on which banks are open for business in the City of London
CREST	the relevant system (as defined in the CREST Regulations) of which Euroclear UK & Ireland is the Operator (as defined in the CREST Regulations)

Disclosure and Transparency Rules the disclosure and transparency rules produced

Euroclear UK & Ireland	by the FSA under FSMA Euroclear UK & Ireland Limited, a company incorporated in England and Wales, being the Operator of CREST
FSA	the Financial Services Authority
FSMA	the Financial Services and Markets Act 2000
Group	the Company and its subsidiaries
Issue Documents	the Announcement and, if applicable, the US Investor Letter
LIBOR	(a) the British Bankers Association three month Interest Settlement Rate displayed on the appropriate page of the Reuters screen; or (b) if no such rate is available, the arithmetic mean (rounded upwards to four decimal places) of the rates quoted by the Reference Banks to leading banks in the London interbank market, and in all cases, the rate will be established as at 11.00 a.m. on the date two Business Days prior to the start of the relevant period for the offering of deposits in Sterling
Listing Rules	the listing rules made by the UKLA in accordance with section 73A (2) of Part VI of FSMA (as amended from time to time)
London Stock Exchange	the London Stock Exchange plc
Official List	the premium segment of the official list of the UK Listing Authority
Operator	the meaning given to it in the CREST Regulations
Main Market	the Main Market of the London Stock Exchange
Ordinary Shares	ordinary shares of £0.05 each in the capital of the Company
Placees	persons procured by Canaccord in accordance with the Placing Agreement to subscribe for Placing Shares pursuant to the Placing
Placing	the placing of the Placing Shares on the terms of the Issue Documents
Placing Agreement	the agreement entered into between Canaccord and the Company in connection with the Placing
Placing Price	The price determined by Canaccord and Rathbones in their discretion following completion of the Bookbuild
Placing Participation	a Placee's allocation in the Bookbuild
Placing Shares	the 2,000,000 Ordinary Shares to be issued by the Company pursuant to the Placing
Prospectus Directive	EU Directive 2003/71/ec
QIBs	qualified institutional buyers as defined in Rule 144A under the Securities Act
Regulations	the Money Laundering Regulations 2007
Regulation S	Regulation S under the Securities Act
Securities Act	the US Securities Act of 1933 as amended
Sterling	the lawful currency of the United Kingdom
Subsidiary	a subsidiary or a subsidiary undertaking as defined in the Companies Act 2006 and in interpreting those definitions for the purposes of this Agreement, a company is to be treated as a member of a subsidiary or a subsidiary undertaking as the case may be even if its shares are registered in the name of (i) a nominee, or (ii) any party holding security over those shares, or that secured party's nominee
US Investor Letter	the investor representation letter and attached confirmation sent by Canaccord to relevant Placees setting out the terms and conditions of the Placing, in the agreed form
UKLA	the United Kingdom Listing Authority, a division of the FSA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA

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