

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares before the date that the Existing Ordinary Shares are marked "ex-entitlement" to the Open Offer by the London Stock Exchange, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors (whose names and functions appear on page 10 of this document) and the Company accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Ordinary Shares are admitted to trading on AIM. Conditional upon completion of the Placing and the Open Offer, application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that subject to the passing of the Extraordinary Resolution, Admission will become effective and that dealings in the New Ordinary Shares will commence on 31 October 2019. The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission. **Your attention is drawn to the section entitled Risk Factors set out in Part II of this document.**

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.**

The total consideration under the Open Offer will be less than €8 million (or an equivalent amount) in aggregate and the Placing Shares will only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Therefore, in accordance with section 85 and section 86 of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA, pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

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## **DUKE ROYALTY LIMITED**

*(a company incorporated in Guernsey with registration number 54697)*

**Fundraising of up to £20 million comprising  
Placing of 36,591,000 New Ordinary Shares  
Open Offer of up to 7,838,135 New Ordinary Shares  
Retail Offer of 1,048,974 New Ordinary Shares  
at a price of 44 pence per share  
and  
Notice of Extraordinary General Meeting**



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Your attention is drawn to the letter from the Chairman of the Company set out on pages 10 to 16 of this document, which includes the recommendation of the Directors that you vote in favour of the Extraordinary Resolution to be proposed at the EGM, described further below.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 29 October 2019. The procedure for acceptance and payment is set out in Part IV of this document and, where relevant, in the Application Form.

Notice of the EGM, to be held at 11.00 a.m. local time on 30 October 2019 at Trafalgar Court, 4th Floor, West Wing, Admiral Park, St Peter Port, Guernsey GY1 2JA, is set out in the Appendix to this Circular. Your attention is also drawn to the section entitled "Action to be taken" on page 15 of this document. Defined terms used in this document have the meanings ascribed to them in the section headed "Definitions" starting on page 7 of this document.

Cenkos Securities plc who is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the proposed Fundraising and Admission and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Cenkos Securities plc or for advising any other person in respect of the proposed Fundraising and Admission or any transaction, matter or arrangement referred to in this document.

**Notice of a General Meeting of Duke Royalty Limited, to be held at the offices of the Company, Trafalgar Court, 4th Floor, West Wing, St Peter Port, Guernsey, GY1 2JA at 11.00 a.m. on 30 October 2019, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be**

completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Computershare Investor Services (Guernsey) Limited, by not later than 11.00 a.m. on 28 October 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Shareholders who hold their Existing Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the issuer's agent (ID 3RA50) by no later than 11.00 a.m. on 28 October 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009. The appointment of a proxy using the CREST Proxy Voting Service will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Qualifying non-CREST Shareholders will find an Application Form accompanying this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 9 October 2019. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked "ex-entitlement" by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 9 October 2019, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this document.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Completion of a Proxy Appointment does not preclude a Member from subsequently attending and voting at the EGM in person if he/she so wishes.

Copies of this Circular will be available free of charge from the Company's registered office, Trafalgar Court, 4th Floor, West Wing, Admiral Park, St Peter Port, Guernsey GY1 2JA, during normal business hours and a copy is available on the website of the Company at [www.dukeroyalty.com](http://www.dukeroyalty.com).

## IMPORTANT NOTICE

### Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

### Notice to overseas persons

The distribution of this document and/or any accompanying documents in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In addition, the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the Restricted Jurisdictions (as defined below), may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “US Securities Act”) and may not be offered, sold or delivered in, into or from the United States.

Subject to certain exemptions, the New Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “Restricted Jurisdiction”) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

### Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom and references to “Euros” and “€” are to a lawful currency of the European Union.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

**2019**

Announcement of the Fundraising	4.30 p.m. on 4 October
Announcement of Retail Offer	4.31 p.m. on 4 October
Record Date for entitlement under the Open Offer	6.00 p.m. on 4 October
Retail Offer open from	5.00 p.m. on 4 October
Retail Offer closes at	9.00 p.m. on 6 October
Announcement of the results of the Retail Offer and the size and weighting of the Open Offer	7 October
Publication of Circular, Proxy Form and, to Qualifying Non-Crest Shareholders, the Application Form	8 October
Ex-entitlement date of the Open Offer	8.00 a.m. on 8 October
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	9 October
Latest recommended time and date for requested withdrawal of Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 23 October
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST	3.00 p.m. on 24 October
Latest time and date for splitting of Application Forms under the Open Offer	3.00 p.m. on 25 October
Latest time and date for receipt of Forms of Proxy and CREST voting instructions	11.00 a.m. on 28 October
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 29 October
General Meeting	11.00 a.m. on 30 October
Results of the General Meeting and the Open Offer announced	30 October
Admission and dealings in the New Ordinary Shares expected to commence on AIM	8.00 a.m. on 31 October
Where applicable, expected date for CREST accounts to be credited in respect of New Ordinary Shares in uncertificated form	31 October
Where applicable, expected date for despatch of definitive share certificates for New Ordinary Shares in certificated form	within 14 days of Admission

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**Notes:**

*References to times in this document are to London time unless otherwise stated.*

*The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company in which event the Company will make an appropriate announcement to a Regulatory Information Service giving details of any revised dates and the details of the new times and dates will be notified to the London Stock Exchange and, where appropriate, Members. Members may not receive any further written communication.*

## PLACING, OPEN OFFER & RETAIL OFFER STATISTICS

Issue Price	44 pence
Number of Existing Ordinary Shares	199,872,459
Number of Placing Shares being issued by the Company pursuant to the Placing	36,591,000
Open Offer basic entitlement	2 Open Offer Shares for every 51 Existing Ordinary Shares
Number of Open Offer Shares (in aggregate)*	up to 7,838,135
Number of Retail Offer Shares	1,048,974
Number of Ordinary Shares in issue following Admission**	245,350,568
Percentage of the existing issued ordinary share capital of the Company being placed pursuant to the Placing and Open Offer**	approximately 22 per cent.
Gross proceeds of the Placing	£16.1 million
Gross proceeds of the Open Offer*	£3.45 million
Gross proceeds of the Retail Offer	£0.46 million
Estimated net proceeds of the Fundraising receivable by the Company**	£19.0 million
Ordinary Share ISIN	GG00BYZSSY63
Open Offer Basic Entitlements ISIN	GG00BKP5PH19
Open Offer Excess Entitlements ISIN	GG00BKP5PJ33

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\* Assumes full subscription under the Open Offer and assuming the Extraordinary Resolution is passed at the meeting

\*\* Assuming no additional new Ordinary Shares issued pursuant to direct subscriptions between Company and other investors and also assumes full subscription under the Open Offer

## DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

Administrator	Trident Trust Company (Guernsey) Limited
Admission	Admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
AIM	AIM, a market operated by the London Stock Exchange
AIM Rules	The AIM Rules for Companies as amended from time to time
Articles	the current articles of incorporation of the Company
certificated form or in certificated form	an Ordinary Share recorded on a company's share register as being held in certificated form (namely, not in CREST)
Circular	this document
Companies Law	The Companies (Guernsey) Law 2008, as amended from time to time
Company or Duke	Duke Royalty Limited
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
CREST Regulations	the Uncertificated Securities (Guernsey) Regulations 2009
Dealing Day	a day on which the London Stock Exchange is open for business in London
Directors or Board	the members of the board of the Company from time to time
electronic means	has the meaning given to that term in the Articles
Enlarged Share Capital	the issued Ordinary Shares immediately following Admission
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Excess Application Facility	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
Excess CREST Open Offer Entitlements	in respect of each Qualifying CREST Shareholder, an entitlement to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on them taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
Excess Open Offer Entitlements	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on them taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
Excess Shares	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application facility
Ex-entitlement Date	the date on which the Existing Ordinary Shares are marked "ex" for entitlement under the Open Offer, being 8 October 2019
Existing Ordinary Shares	the 199,872,459 Ordinary Shares of no par value in the capital of the Company on the Last Practicable Date

Extraordinary General Meeting, General Meeting, EGM or Meeting	the extraordinary general meeting of the Company (or any adjournment thereof) to be held in connection with the Fundraising at 11.00 a.m. on 30 October 2019, notice of which is set out in the Appendix to this Circular
Extraordinary Resolution	an extraordinary resolution of the Company set out in the Notice of Extraordinary General Meeting which appears in the Appendix to this Circular
FCA	the UK Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000 (as amended)
Fundraising	the Placing, the Open Offer and the Retail Offer
Issue Price	44 pence per Placing Share and Open Offer Share and Retail Offer Share
Latest Practicable Date	7 October 2019, being the latest practicable date prior to publication of this document
London Stock Exchange Member	London Stock Exchange plc a registered holder of Ordinary Shares
Money Laundering Regulations	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, together with its Guernsey equivalent, the Handbook on Countering Financial Crime and Terrorist Financing , 2018
New Ordinary Shares	the ordinary shares of no par value in the capital of the Company to be issued pursuant to the Placing, Open Offer and the Retail Offer
Notice of EGM, Notice of General Meeting, Notice or Notice of Extraordinary General Meeting	the notice of EGM set out in the Appendix to this Circular
Open Offer	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form
Open Offer Entitlement	the individual entitlements of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders pursuant to the Open Offer
Open Offer Shares	the up to 7,838,135 new Ordinary Shares to be issued by the Company pursuant to the Open Offer
Ordinary Shares	ordinary shares of no par value in the capital of the Company
Overseas Shareholders	Shareholders with a registered address outside the United Kingdom
Placing	the conditional placing of the Placing Shares by Cenkos, as agent on behalf of the Company, pursuant to the Placing Agreement, further details of which are set out in this document
Placing Agreement	the conditional agreement dated 4 October 2019 and made between Cenkos and the Company in relation to the Placing, further details of which are set out in this document
Placing Shares	the 36,591,000 new Ordinary Shares to be placed with institutional and certain other investors at the Issue Price pursuant to the Placing



Prospectus Rules	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
Proxy Form	a proxy form in respect of the EGM, in the form approved by the Company
Qualifying CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form
Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
Qualifying Shareholders	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date but excluding any Overseas Shareholder who has a registered address in any Restricted Jurisdiction
Receiving Agent	Computershare Investor Services PLC
Record Date	6.00 p.m. on 4 October 2019
Registrars	Computershare Investor Services (Guernsey) Limited
Regulatory Information Service	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies
Restricted Jurisdiction	the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction in which, subject to applicable exemptions, the offer of New Ordinary Shares would constitute a breach of local securities laws or regulations
Retail Offer	the offer of New Ordinary Shares made to private investors through the PrimaryBid platform
Retail Offer Shares	the 1,048,974 New Ordinary Shares to be issued pursuant to the Retail Offer at the Issue Price
Shareholders	holders of Ordinary Shares
uncertificated or in uncertificated form	an Ordinary Share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

## PART I – LETTER FROM THE CHAIRMAN

# Duke Royalty Limited

*(Incorporated in Guernsey with registered number 54697)*

*Directors:*

Mr Nigel Birrell (Non-Executive Chairman)  
Mr Neil Johnson (Executive Director and CEO)  
Mr Charles (Charlie) Cannon-Brookes (Executive Director)  
Mr Justin Cochrane (Non-Executive Director)  
Mr Mark Le Tissier (Non-Executive Director)  
Mr Matthew Wrigley (Non-Executive Director)

*Registered Office:*

4th Floor, West Wing  
Trafalgar Court Admiral  
Park St Peter Port  
Guernsey GY1 2JA

8 October 2019

To all Members of Duke Royalty Limited (the “Company”)

**Fundraising of up to £20 million**  
**Placing of 36,591,000 New Ordinary Shares**  
**Open Offer of up to 7,838,135 New Ordinary Shares**  
**Retail Offer of 1,048,974 New Ordinary Shares**  
**at a price of 44 pence per share**  
**and**  
**Notice of Extraordinary General Meeting**

Dear Member,

On 4 October 2019, the Company announced that it was seeking to raise up to approximately £20 million (before expenses) through a Fundraising with new and existing investors, to support further growth of the Group and development of its business.

In order to provide other investors and existing Shareholders who have not taken part in the Placing, with an opportunity to participate in the Fundraising, the Company announced that it would enable its existing Qualifying Shareholders and other investors, to subscribe for Ordinary Shares, at the Issue Price, via the Open Offer and the Retail Offer.

On 7 October 2019, the Company announced that it had raised £0.46 million through the Retail Offer and that up to £3.45 million would therefore be made available to Qualifying Shareholders under the Open Offer through the issue of up to 7,838,135 Open Offer Shares.

The Directors reserve the right to place New Ordinary Shares directly with new/existing investors such that the Retail Offer and Open Offer may raise in aggregate, up to the maximum amount of approximately £3.9 million. In addition the Directors may subscribe for such New Ordinary Shares at the Issue Price.

As previously announced, the Company will also seek prior to Admission further direct subscriptions of new Ordinary Shares to accommodate demand from new and existing investors, including family offices and private wealth managers, which may provide funds in excess of the Fundraising proceeds.

The Issue Price represents a discount of 6.4 per cent. to the closing middle market price of 47 pence per Ordinary Share on 3 October 2019, being the last practicable date prior to the announcement of the Fundraising.

This Circular provides you with the background to, and details of the Extraordinary Resolution to be passed in connection with the Fundraising and contains a Notice of Extraordinary General Meeting which is to be held to seek your approval of the Extraordinary Resolution.

### **Background to and reasons for the Fundraising**

Duke is a provider of alternative capital solutions to a diversified range of long-established businesses in Europe and abroad. Since the Company's re-admission to AIM in 2017, it has made

demonstrable progress in pursuit of its strategy to produce long term, predictable revenue streams through a diversified portfolio of royalty partners. Duke seeks to achieve this through deployment of further capital into long standing, profitable businesses that meet the Company's investment criteria.

On 9 September 2019, Duke announced its final results for the financial year ended 31 March 2019 in which it highlighted such progress, both in terms of financial and operational performance. This included growth in its core portfolio from 3 to 12 partners, an increase in net operational cashflow from £0.25m to £4.1m, additional hires to the operational team and the maintenance of its position in the top fifth percentile of dividend payers on AIM by yield.

On 10 September 2019, the Company announced that it had entered into a new £30 million revolving facility agreement (the "New Credit Facility") with its existing provider, Honeycomb Investment Trust PLC on improved terms. The increased facility was entered into to provide access to additional capital, at a reasonable cost, without relying solely on equity markets. The New Credit Facility is expected to improve shareholder returns by minimising cash drag following equity placings.

In accordance with its investing policy, Duke will continue to diversify its portfolio through investing in new royalty partners as well as follow-on investments into existing partners. This strategy serves to decrease the risk profile of the portfolio over time, providing a better weighting of investments and royalty income from an increased variety of sectors and additional geographies. Since the beginning of 2018 Duke's investment team has evaluated over 300 investment opportunities.

Through its ongoing deal origination and due diligence processes, Duke has identified six near-term investment opportunities, which include a new potential royalty partner and five follow on investments within the existing portfolio, primarily for acquisition financing. These opportunities are in advanced stages of negotiation and the board anticipates that all of these can be completed in the coming months. Further details are set out below. These investments, should they all complete, would require total capital of approximately £25 million.

Following the recent implementation of the New Credit Facility, Duke intends to pay down the outstanding balance of approximately £12 million within its previous credit facility, which was inherited as part of the Company's acquisition of Capital Step Investments Limited in February 2019. Upon repayment, Duke will benefit from material annual interest savings and utilisation of the £30 million New Credit Facility on a lower interest rate of LIBOR plus 7.25% (previously LIBOR plus 9.5%). In addition, there is an accordion provision under the New Credit Facility providing the Group with additional headroom of a further £10 million.

Furthermore, Duke has identified a longer-term pipeline of royalty investments totalling approximately £85 million of potential additional capital deployment. These include new royalty partnerships in diverse industries such as the healthcare, aerospace, telecoms and business services markets throughout the UK, Europe and North America.

### **Use of proceeds of the Fundraising**

Duke is proposing to raise gross proceeds of approximately £16.1 million through the Placing, conditional on Admission and the passing of the Extraordinary Resolution. The Group may also raise up to £3.9 million (gross) through the Open Offer and the Retail Offer. The net proceeds of the Fundraising, expected to be up to approximately £19 million, (assuming full uptake of the Open Offer), are intended to be used, together with funds available under the New Credit Facility, a) to fund a new royalty partner, b) provide follow on investments to five existing royalty partners, c) repayment of the current outstanding balance of the credit facility with Honeycomb Investment Trust, and d) to fund the longer-term pipeline of future royalty investments. To the extent that additional proceeds are raised in excess of the Fundraising proceeds, by direct subscription between the Company and other investors including family offices and private wealth managers, these will also be applied to the reasons set out above.

#### **A) *New royalty partner – £8.0 million***

Duke intends to provide approximately £8.0 million to a new royalty partner in the Management Support Services sector. This profitable company, established in Ireland in 1989 has historic revenue of approximately €12 million, expected to grow to €14 million for its 2019 financial year. This company supplies teams of experienced managers to its clients (mainly governments and

government agencies) for long term contracts of one to three years. Duke's financing will support a management buyout of the business.

Under the terms of the royalty agreement, Duke's annual distribution from this investment is expected to be €1.14 million (based on an initial cash yield of 13.2%), with its typical adjustment factor of up to six per cent. based on revenue performance. The term of the financing is expected to be 30 years and Duke's capital will have senior security over assets. Duke will also seek to retain an equity stake of 20 per cent. in the business.

**B) Follow-on investments to existing partners – £16.4 million**

The Company is in advanced stages of negotiating the provision of additional investment to its existing royalty partners, primarily for acquisitions\*. These opportunities are as follows:

*Brightwater Group (recruitment company) – £8.0 million*

Duke intends to provide £8.0 million to Brightwater to fund the acquisition of a healthcare/life sciences recruitment business. This would take the Company's pro-forma investment in Brightwater to £9.7 million, with estimated annual distribution to Duke of 13.5 per cent. of the investment.

*Welltel (corporate telecoms company) – £2.0 million*

Duke intends to provide £2.0 million to Welltel to fund the acquisition of an SME focused IT services provider. This would take the Company's pro-forma investment in Welltel to £8.1 million, with estimated annual distribution to Duke of 13.1 per cent. of the investment.

*BHP (insurance broker) – £1.4 million*

Duke intends to provide £1.4 million to BHP to fund the acquisition of a broking business. This would take the Company's pro-forma investment in BHP to £5.5 million, with estimated annual distribution to Duke of 13.5 per cent. of the investment.

*United Glass Group Limited (glass processor) – £3.0 million*

Duke intends to provide £3.0 million to United Glass Group Limited to fund the acquisition of a UK based glass business to add capacity and curved glass offering to United Group's capabilities. This would take the Company's pro-forma investment in United Glass Group Limited to £10.5 million, with estimated annual distribution to Duke of 14.0 per cent. of the investment.

*Lynx Equity UK Limited (conglomerate business) – £2.0 million*

Duke intends to provide £2.0 million to Lynx Equity UK Limited ("Lynx") to fund further acquisitions, which would increase Lynx's portfolio. This would take Duke's pro-forma investment in Lynx to £12 million, with estimated annual distribution to Duke of 13.0 per cent. of the investment.

\* there can be no guarantee that these additional investments will be completed.

**C) Repayment of existing Honeycomb credit facility – £12 million**

As part of the acquisition of Capital Step Investment Limited earlier this year, Duke assumed its credit facility of £15 million with Honeycomb Investment Trust PLC, of which £12 million was used to fund the acquisition. Now that Duke has access to the New Credit Facility on better terms, it is intended that £12 million of the net proceeds be used to pay the outstanding balance on its existing facility.

**D) Longer term pipeline of royalty investments – up to approximately £24 million**

The board is also currently evaluating further opportunities for royalty investments which would require approximately £85 million of additional capital. These include new royalty partnerships in the such diverse industries as the healthcare, aerospace, telecoms and business services markets throughout the UK, Europe and North America.

The board currently expects to utilise up to approximately £24 million for these longer term royalty opportunities.

**The Fundraising**

The Company is undertaking the Fundraising to raise up to approximately £20 million from new and existing investors, through the Placing to raise £16.1 million plus additional funding to raise up to

approximately £3.9 million. The additional funding is expected to be raised through the Open Offer of up to £3.45 million, the Retail Offer of £0.46 million and further direct subscriptions of new Ordinary Shares to accommodate demand from new and existing investors including family offices and private wealth managers. Through direct subscriptions, the Company may raise additional proceeds in excess of the Fundraising proceeds.

### ***Details of the Placing***

The Company has conditionally raised a total of approximately £16.1 million (before expenses) through the placing of 36,591,000 Placing Shares. The Issue Price of 44 pence per Placing Share represents a discount of 6.4 per cent. to the closing middle market price of 47 pence on 3 October 2019, being the last day prior to the announcement of the Placing. The Placing is conditional *inter alia* on the passing of the Extraordinary Resolution at the Extraordinary General Meeting and also on Admission occurring no later than 8.00 a.m. on 31 October 2019 (or such later date as the Company and Cenkos may agree, being no later than 14 November 2019).

### ***Placing Agreement***

Pursuant to the Placing Agreement, Cenkos has agreed to use their reasonable endeavours as agent of the Company to procure subscribers for the Placing Shares. The Placing Agreement provides, *inter alia*, for payment by the Company to Cenkos of commissions based on certain percentages of the product of the number of Placing Shares placed by it multiplied by the Issue Price. The Company will bear all other expenses of and incidental to the Placing.

The Placing Agreement contains certain warranties and indemnities from the Company in favour of Cenkos and the obligations of Cenkos under the Placing Agreement in connection with the Placing are conditional, *inter alia*, upon:

- (a) the Extraordinary Resolution having been passed by the requisite majority of Shareholders at the Extraordinary General Meeting;
- (b) the Placing Agreement having become unconditional in all respects and not having been terminated in accordance with its terms prior to Admission; and
- (c) Admission becoming effective not later than 8.00 a.m. on 31 October 2019 or such later time and/or date as the Company and Cenkos may agree, being not later than 8.00 a.m. on 14 November 2019.

Cenkos may terminate the Placing Agreement in certain circumstances, if, *inter alia*, the Company has failed to comply with any of its obligations under the Placing Agreement; if there is a material adverse change in the financial or trading position or prospects of the Company or the Group; or if there is a change in financial, political, economic or stock market conditions, which in their reasonable opinion (acting in good faith) is or would be materially prejudicial to the successful outcome of the Placing.

### ***Details of the Open Offer***

The Company considers it important that Qualifying Shareholders have an opportunity (where it is practicable for them to do so) to participate in the Fundraising and accordingly the Company is making the Open Offer to Qualifying Shareholders. The Company is proposing to raise up to £3.45 million (before expenses) (assuming full take up of the Open Offer) through the issue of up to 7,838,135 Open Offer Shares.

The Open Offer Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price of 44 pence per Open Offer Share, payable in full on acceptance. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility.

Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price on the following basis:

#### **2 Open Offer Shares for every 51 Existing Ordinary Shares held by the Shareholder on the Record Date**

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the

Qualifying Shareholders but will be made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part IV of this Circular.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. Applications made under the Excess Application Facility will be scaled back *pro rata* to the number of shares applied for if applications are received from Qualifying Shareholders for more than the available number of Excess Shares.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 9 October 2019. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 29 October 2019. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 11.00 a.m. on 29 October 2019. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part IV of this document.

**Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.**

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part IV of this document and on the accompanying Application Form.

The Open Offer is conditional on the Placing becoming or being declared unconditional in all respects and not being terminated before Admission (as the case may be). Accordingly, if the conditions to the Placing are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Open Offer Shares will not be issued and all monies received by the Receiving Agent will be returned to the applicants (at the applicant's risk and without interest) as soon as possible thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

### ***Retail Offer***

As previously announced by the Company, the Retail Offer, which closed on 6 October 2019 was open to private retail investors subscribing via PrimaryBid.com and raised £0.46 million through the issue of the Retail Shares.

The Retail Offer remains conditional on the Placing being or becoming wholly unconditional.

The number of New Ordinary Shares issued pursuant to the Retail Offer will be free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu*, in all respects with the Existing Ordinary Shares.

The Retail Offer was not underwritten and was on a “first come, first served” basis. The Retail Offer was arranged by PrimaryBid and was open from 4.31 p.m. on 4 October 2019 to 9.00 p.m. on 6 October 2019.

The Company relied on an available exemption against the need to publish a prospectus approved by the UK Listing Authority.

### ***Settlement and dealings***

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that subject to the passing of the Extraordinary Resolution, Admission will become effective at 8.00 a.m. on 31 October 2019.

The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

### **Extraordinary General Meeting**

The Extraordinary General Meeting of the Company is to be held at 11.00 a.m. on 30 October 2019 at the Company’s registered office, Trafalgar Court, 4th Floor, West Wing, Admiral Park, St Peter Port, Guernsey GY1 2JA.

Under Article 4.7 of the Articles, the Company may, by Extraordinary Resolution, disapply the rights of pre-emption for the issue of equity securities. An Extraordinary Resolution is passed where no less than 75 per cent of those present and entitled to vote, or voting by proxy, in a general meeting vote in favour for it to be passed.

### **Action to be taken by Shareholders**

#### *In respect of the General Meeting*

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company’s Registrars, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6AH, as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 28 October 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by the issuer’s agent (ID 3RA50) by no later than 11.00 a.m. on 28 October 2019 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations 2009. The completion and return of a Form of Proxy or the use of the CREST Proxy Voting Service will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

### **The Placing, Open Offer and Retail Offer are conditional, *inter alia*, upon the passing by Shareholders of the Extraordinary Resolution at the General Meeting.**

#### *Applications in respect of the Open Offer*

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 3 of Part IV of this document and on the accompanying Application Form. You should return the completed Application Form, together with a cheque or banker’s draft for that amount, in the accompanying pre-paid envelope (for use only by Shareholders with registered addresses in the United Kingdom) or return by post to the Receiving Agent, Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE (during normal office hours only) so as to be received no later than 11.00 a.m. on

29 October 2019, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3 of Part IV of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part IV of this document by no later than 11.00 a.m. on 28 October 2019.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

### **Recommendation**

**The Directors recommend that Members should vote in favour of the Extraordinary Resolution, as they intend to do in respect of their combined holdings in the Company.**

Yours faithfully

Mr Nigel Birrell  
Chairman Duke Royalty Limited



## PART II – RISK FACTORS

Any investment in the Company is subject to a number of risks. Accordingly, prospective investors should carefully consider the risk factors set out below as well as the other information contained in this document before making a decision whether to invest in the Company. The risks described below are not the only risks that the Group faces. Additional risks and uncertainties that the Directors are not aware of or that the Directors currently believe are immaterial may also impair the Group's operations. Any of these risks may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In that case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Prospective investors should consider carefully whether an investment in the Company is suitable for them in light of the information in this document and their personal circumstances.

Before making an investment, prospective investors are strongly advised to consult an investment adviser authorised under FSMA who specialises in investments of this kind. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances, the financial resources available to him or her and his or her ability to bear any loss which might result from such investment.

The following factors do not purport to be a complete list or explanation of all the risk factors involved in investing in the Company. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements.

### 1. General Risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full or any amount initially invested. The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Company's prospects.

### 2. Risks relating to the Group's business

#### ***Dependence on Royalty Partners***

As a royalty company, the Company is dependent on the operations and assets of its royalty partners through its Royalty Agreements with them. The Company's ability to continue paying dividends and operating expenses remains dependent on the royalty payments received from its royalty partners. As the Group expands and diversifies its portfolio, its risk of reliance on any particular royalty partner is reduced.

Royalty payments by the royalty partners to the Company are generally based on a percentage of the royalty partner's revenues or other similar top-line measure. Accordingly, subject to certain conditions, to the extent that the financial performance of a royalty partner declines with respect to the relevant performance measure, cash payments to the Company will decline.

Whilst the Directors ensure to regularly monitor the performance of its royalty portfolio, and its royalty partners are required to provide Duke with regular financial and operational updates, it is possible that the Company may not be provided with access to all relevant important information or data and regarding its royalty partners' operations which may affect the Company's ability to assess the underlying performance. As a result, the Company may be, to a large extent, dependent on the royalty partner for the accurate calculation and timely payment of distributions. The distributions received by the Company from its royalty partners therefore depend upon a number of factors that may be outside of its control.

Numerous factors may affect the financial performance of a royalty partner and the quantum of a royalty partner's distribution obligations to the Company, or the ability of a royalty partners to service such distribution obligations, including the failure to meet its business plan, a downturn in its industry or negative economic conditions. Deterioration in a royalty partner's financial condition and prospects may be accompanied by a material reduction in the distributions or payments received by the Company.

***The Company may not be able to complete additional Royalty Financings***

The growth of the Company's business is dependent on its ability to continue to successfully identify and acquire additional royalties. The availability of potential royalties which meet the Company's investing policy will depend, *inter alia*, on the continued demand for its product, which in turn is dependent, *inter alia*, on economic conditions, general business conditions, alternative sources of finance and financial markets generally. The Company can offer no assurance that it will be able to identify or complete royalty Financings that are consistent with its Investing Policy or that it will be able to fully deploy its available capital.

***Royalty Partners have repurchase rights which may be exercised***

Many of the Company's royalty Partners have repurchase rights in respect of their royalty agreements with the Company enabling them to buyback or redeem the Company's interest by paying the applicable cash consideration. Although the Board believes that the buyback or redemption price would adequately compensate the Company for the foregone royalty payments in such a situation, it would be required to reinvest the cash received including possibly investing in its own shares through the repurchase and cancellation of Ordinary Shares. There is no assurance that the Company would be able to successfully identify and complete any such alternative investments or complete any such share repurchase.

***The ability of the Company to recover from Royalty Partners for defaults under its Royalty Agreements with them may be limited***

Royalty agreements are largely contractual in nature. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. Such parties may not have sufficient cash flow at a particular payment date to honour the contractual terms or they may enter insolvency, bankruptcy or other analogous or similar processes in the jurisdictions in which the Royalty Partners are incorporated or conduct their operations. Additionally, the royalty partners may breach their representations, warranties or covenants or may not comply with their obligations to provide information or to allow the Company to exercise any applicable information or audit rights.

To the extent royalty partners do not abide by their contractual obligations, the Company would be required to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success or that the royalty partner will have sufficient assets to cover the Company's loss. If royalty partners do not honour their contractual obligations, either by choice or due to financial difficulties or bankruptcy, or if the Company is unable to enforce its contractual rights, it may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

***Material facts or circumstances not revealed in the due diligence process***

Prior to making or proposing any royalty financing, the Company undertakes legal, financial and commercial due diligence on potential royalty financings and royalty partners to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all material facts or circumstances which would have a material adverse effect upon the value of the royalty. In undertaking due diligence, the Company will need to utilise its own resources and will be required to rely upon its due diligence providers and other third parties to conduct certain aspects of the due diligence process. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential royalty financing or royalty partner which might be necessary or helpful in evaluating a potential royalty financing or royalty partner.

### ***New Credit Facility could be withdrawn***

On 10 September 2019, the Company announced that it had entered into the New Credit Facility, comprising a £30 million revolving facility agreement with its existing provider, Honeycomb Investment Trust PLC. The increased facility was entered into to provide access to additional capital, at a reasonable cost, without relying solely on equity markets.

In the event that the New Credit Facility is withdrawn, which could result from failure by the Group's to meet its obligations under the New Credit Facility, including ongoing compliance with financial covenants, the Group's business, financial condition and prospects could be materially adversely impacted.

### ***Maintenance of tax residency in Guernsey***

In order to ensure the Company does not become tax resident in any jurisdiction other than Guernsey, the Company is required to be controlled and managed in Guernsey. The composition of the Board, the place of residence of the individual members of the Board, and the location(s) in which the Board makes decisions are important in ensuring that the Company does not become tax resident in any jurisdiction other than Guernsey. While the Company is incorporated in Guernsey, continued attention must be paid to ensure that management and control decisions are made in Guernsey, or the Company may become tax resident in a jurisdiction other than Guernsey. As such, management errors could potentially lead to the Company being considered tax resident in a jurisdiction other than Guernsey and this could have a material adverse effect on the Company's business, financial condition and results of operations.

### ***Taxation of investors***

The tax rules and their interpretation relating to an investment in the Company may change during its life. The levels of and relief from taxation may change. Any tax relief referred to in this document are those currently available and their application depends on the individual circumstances of investors. Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is in principle, subject to change. Investors should consult their own tax advisers about the tax consequences of an investment in the Ordinary Shares.

## **3. Risks relating to the Open Offer and the Ordinary Shares**

### ***Future sales of Ordinary Shares could adversely affect the market price of the Ordinary Shares***

Sales of additional Ordinary Shares into the public market following the Open Offer could adversely affect the market price of the Ordinary Shares if there is insufficient demand for the Ordinary Shares at the prevailing market price.

### ***Holders of Existing Ordinary Shares who do not acquire Open Offer Shares pursuant to the Open Offer will experience a further dilution of their percentage ownership of the Company's Ordinary Shares***

Shareholders' proportionate ownership and voting interest in the Company will be reduced pursuant to the Placing. Shareholders' proportionate ownership and voting interest in the Company will be further reduced pursuant to Open Offer to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

### ***Access to further capital***

The Company will likely seek to raise additional funds in future, in accordance with its strategy to grow and diversify its portfolio of royalty partners. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity, existing shareholders could suffer significant dilution.

Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including

the securing of new royalty investments or completion of acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

***The New Ordinary Shares may not be suitable as an investment***

The New Ordinary Shares may not be a suitable investment for all the recipients of this document. Before making a final decision, investors are advised to consult an independent investment adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities. The value of the New Ordinary Shares and any income received from them can go down as well as up and investors may get back less than their original investment.

***The Company's securities are traded on AIM rather than the Official List***

The Existing Ordinary Shares are, and the New Ordinary Shares will be, traded on AIM rather than the Official List of the United Kingdom Listing Authority. An investment in shares traded on AIM may carry a higher risk than those listed on the Official List. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Group's sector and other events and factors outside of the Group's control. Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. Prospective investors should be aware that the value of the Ordinary Shares may be volatile and could go down as well as up, and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares.

***The Company's share price fluctuates***

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares (or securities similar to them). Such risks depend on the market's perception of the likelihood of success of the Fundraising, and/or may occur in response to various facts and events, including any variations in the Group's operating results, business developments of the Group and/or its competitors. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Group's operating performance or prospects. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Ordinary Shares and investors may, therefore, not recover their original investment.

Any sale of Ordinary Shares could have an adverse effect on the market price of the Ordinary Shares. Furthermore, it is possible that the Company may decide to offer additional shares in the future. An additional offering could also have an adverse effect on the market price of the Ordinary Shares.

## PART III – QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part III: “Some Questions and Answers about the Open Offer” are intended to be in general terms only and, as such, you should read Part IV: “Terms and Conditions of the Open Offer” of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the FSMA if you are in the United Kingdom, or if not, from another appropriately authorised independent financial adviser. **For certainty, the Open Offer is not being extended into the United States or in any other Restricted Jurisdiction where such offer is not permitted pursuant to applicable securities laws.**

This Part III deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV: “Terms and Conditions of the Open Offer” of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your entitlement to Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV: “Terms and Conditions of the Open Offer” of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please contact Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or you can contact them on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice. The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

### 1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The Issue Price is a 6.4 per cent. discount to the closing middle market price of 44 pence per Ordinary Share on 3 October 2019, being the last practicable date prior to the announcement of the Fundraising.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 7,838,135 New Ordinary Shares at a price of 44 pence per share. If you hold Ordinary Shares on the Open Offer Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States or any other Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer. The Open Offer is being made on the basis of 2 Open Offer Share for every 51 Existing Ordinary Shares held by Qualifying Shareholders on the Open Offer Record Date. The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility will be scaled back *pro rata* to the number of shares applied for if applications are received from Qualifying Shareholders for more than the available number of Excess Shares. Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Open Offer Entitlements can themselves be traded.

**2. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are neither a holder with a registered address nor located in the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8 October 2019 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

**3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?**

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Open Offer Record Date;
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any of the other Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement or any Excess Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. You should return the completed Application Form, together with a cheque or banker’s draft for that amount, in the accompanying pre-paid envelope (for use only by Shareholders with registered addresses in the United Kingdom) or return by post to the Receiving Agent, Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE (during normal office hours only) so as to be received no later than 11.00 a.m. on 29 October 2019, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

**4. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?**

***4.1 If you do not want to take up your Open Offer Entitlement***

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 29 October 2019, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility. If you do not take up your Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted.

***4.2 If you want to take up some but not all of your Open Offer Entitlement***

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 2 of your Application Form; for example, if you are entitled to take up 600 shares but you only want to take up 300 shares, then you should write ‘300’ in Box 2. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, ‘300’) by £0.44, which is the price in pounds of each Open Offer Share (giving you an amount of £132 in this example). You should write this amount in Box 5, rounding down to the

nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope (for use only by Shareholders with registered addresses in the United Kingdom) or return by post to the Receiving Agent, Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or by hand to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE (during normal office hours only), so as to be received by the Registrars by no later than 11.00 a.m. on 29 October 2019, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to CIS PLC re: Duke Royalty Limited Open Offer Account and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the Applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 3.1(d) of Part IV).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 14 November 2019.

#### ***4.3 If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 8 of your Application Form), payable to CIS PLC re: Duke Royalty Limited Open Offer Account and crossed "A/C Payee Only", in the accompanying pre-paid envelope or return by hand (during normal office hours only), to Computershare, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by the Receiving Agent by no later than 11.00 a.m. on 29 October 2019, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

#### ***4.4 If you want to apply for more than your Open Offer Entitlement***

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and write the number of additional Open Offer Shares for which you would like to apply in Box 3. You should then add the totals in Boxes 2 and 3 and insert the total number of Open Offer Shares for which you would like to apply in Box 4.

For example, if you have an Open Offer Entitlement for 600 Open Offer Shares but you want to apply for 900 Open Offer Shares in total, then you should write '600' in Box 2, '300' in Box 3 and '900' in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to

multiply the number of Open Offer Shares you want (in this example, '900') by £0.44, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £396 in this example). You should write this amount in Box 5, rounding down to the nearest whole penny and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope (for use only by Shareholders with registered addresses in the United Kingdom) or return by post to the Receiving Agent, Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE (during normal office hours only) so as to be received no later than 11.00 a.m. on 29 October 2019, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of shares applied for if applications are received from Qualifying Shareholders for more than the available number of Excess Shares. It should be noted that applications under the Excess Application Facility may not be satisfied in full. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 14 November 2019.

**5. I hold my interest in Existing Ordinary Shares in CREST. What do I need to do in relation to the Open Offer?**

CREST Holders should follow the instructions set out in Part IV: "Terms and Conditions of the Open Offer" of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlements under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full and should contact them should they not receive this information.

**6. I acquired my Existing Ordinary Shares prior to the Open Offer Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying Shareholders who held their Existing Ordinary Shares through CREST in uncertificated form on 4 October 2019 and who have converted them to certificated form;
- Qualifying Shareholders who bought Existing Ordinary Shares before 4 October 2019 but were not registered as the holders of those shares at the close of business on 4 October 2019; and
- certain Overseas Shareholders who are not resident in or subject to the laws of a Restricted Jurisdiction.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the shareholder helpline of Computershare, on 0370 707 4040 (from inside the United Kingdom) or +44 (0)370 704 4040 (from outside the United Kingdom), which is available between the hours of 8.30 a.m. to 5.30 p.m. on any Business Day. For legal reasons, the shareholder helpline of Computershare, will only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Open Offer or to provide financial, tax or investment advice.

**7. I am a Qualifying Shareholder, do I have to apply for all the Open Offer Shares I am entitled to apply for?**

You can take up any number of the Open Offer Shares allocated to you under the Open Offer Entitlement. Your maximum Open Offer Entitlement is shown on your Application Form. Any applications by a Qualifying Shareholder for a number of Open Offer Shares which is equal to or



less than that person's Open Offer Entitlement will be satisfied, subject to the Open Offer becoming unconditional.

#### **8. Can I trade my Open Offer Entitlement?**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it.

#### **9. What if I change my mind?**

If you are a Qualifying Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

#### **10. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 19 March 2019, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer as set out in the Application Form. If you sell any of your Existing Ordinary Shares on or after 8 October 2019, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

#### **11. I hold my Existing Ordinary Shares in certificated form. How do I pay?**

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to CIS PLC re: Duke Royalty Limited Open Offer Account and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner.

Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the Applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

#### **12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

**13. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?**

You should return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope (for use only by Shareholders with registered addresses in the United Kingdom) or return by post to the Receiving Agent, Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE (during normal office hours only) so as to be received no later than 11.00 a.m. on 29 October 2019, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

**14. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?**

The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 29 October 2019, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

**15. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying Shareholder, but are a CREST member and want your Open Offer Shares to be held through CREST in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to Euroclear Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

**16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?**

It is expected that Computershare will post all new share certificates by 14 November 2019.

**17. If I buy Ordinary Shares after the Open Offer Record Date, will I be eligible to participate in the Open Offer?**

If you bought your Ordinary Shares after the Open Offer Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

**18. Will I be taxed if I take up my entitlements?**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

**19. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part IV: "Terms and Conditions of the Open Offer" of this document.

**20. Further assistance**

Should you require further assistance please contact Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

## PART IV – TERMS AND CONDITIONS OF THE OPEN OFFER

### Introduction

As explained in the letter from the Chairman set out in Part I of this document, the Company has conditionally raised approximately £16.1 million (before expenses) through the issue of 36,591,000 Placing Shares to institutional and other investors pursuant to the Placing, and £0.46 million raised through the Retail Offer, each at a price of 44 pence per New Ordinary Share. Furthermore, the Company is proposing to raise up to £3.45 million (before expenses) (assuming full take up of the Open Offer) in addition and separate to the funds raised pursuant to the Placing, through the issue of Open Offer Shares to Qualifying Shareholders at the Issue Price.

The Issue Price represents a discount of 6.4 per cent. to the closing middle market price of 47 pence per Ordinary Share on 3 October 2019, being the last practicable date prior to the announcement of the Fundraising.

The purpose of this Part IV is to set out the terms and conditions of the Open Offer. Up to 7,838,135 Open Offer Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 4 October 2019. Qualifying Non-CREST Shareholders will have received Application Forms with this document and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 9 October 2019. Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 11.00 a.m. on 29 October 2019 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 31 October 2019.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part IV, which gives details of the procedure for application and payment for the Open Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 7,838,135 Open Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

## 1. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are hereby invited to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) 2 Open Offer Shares for every 51 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Ordinary Shares then held; and
- (b) further Open Offer Shares in excess of the Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full).

Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts. If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 6) and your Open Offer Entitlements (in Box 7).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 9 October 2019. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Qualifying CREST Shareholders will have their Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part IV for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Please refer to paragraphs 3.1(f) and 3.2(k) of this Part IV for further details of the Excess Application Facility.

In the event that the Open Offer is not fully subscribed, the Directors reserve the right to place the balance of the Open Offer Shares, pursuant to the Placing Option, at not less than the Issue Price, in order to raise up to the maximum proceeds under the Open Offer. Qualifying Shareholders should be aware that the Open Offer is not a rights issue.

Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

## **The attention of Overseas Shareholders is drawn to paragraph 6 of this Part IV.**

The Open Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

### **2. Conditions and further terms of the Open Offer**

The Open Offer is conditional on the Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The principal conditions to the Placing are:

- (a) the passing of the Extraordinary Resolution without amendment at the General Meeting;
- (c) the Placing Agreement having become unconditional (save for Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (d) Admission becoming effective by no later than 8.00 a.m. on 31 October 2019 (or such later date as Cenkos and the Company may agree, being not later than 8.00 a.m. on 14 November 2019).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

Any Open Offer Entitlements admitted to CREST will thereafter be disabled. No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 14 November 2019.

In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 9 October 2019. Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 31 October 2019, when dealings in the Open Offer Shares are expected to begin.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

### **3. Procedure for application and payment**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Open Offer Entitlement and Excess CREST Open Offer Entitlement is credited to your CREST stock account. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form should have received the Application Form, enclosed with this document. The Application Form shows the number of Existing Ordinary Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(f) of this Part IV. CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. Qualifying Shareholders who do not want to apply for the

Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

**3.1 If you have received an Application Form in respect of your Open Offer Entitlement under the Open Offer:**

*(a) General*

Subject to paragraph 6 of this Part IV in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows the Open Offer Entitlement allocated to them set out in Box 7. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box 8 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement at the Record Date. The Excess Shares will be scaled back pro-rata to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

*(b) Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 25 October 2019. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s). Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into the United States or any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 of this Part IV below.

*(c) Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be returned by post to Computershare, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE by no later than 11.00 a.m. on 29 October 2019. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11.00 a.m. on 29 October 2019.

Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery. The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 29 October 2019; or
- (ii) Applications in respect of which remittances are received before 11.00 a.m. on 29 October 2019 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

*(d) Payments*

All payments must be in pounds sterling and made by cheque made payable to CIS PLC re: Duke Royalty Limited Open Offer Account and crossed "A/C Payee Only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct Computershare to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and/or cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer. If Open Offer Shares have already been allotted to a Qualifying Non-Crest Shareholder and such Qualifying Non-Crest Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-Crest Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its

absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-Crest Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agent, Cenkos or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-Crest Shareholders.

*(e) Incorrect Sums*

If an Application Form encloses a payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

*(f) The Excess Application Facility*

- (i) Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Box 3 of the Application Form.
- (ii) If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.
- (iii) Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.
- (iv) Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 7,838,135 Open Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

*(g) Effect of valid application*

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form, the applicant:

- (i) represents and warrants to the Company and Cenkos that he/she has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his/her rights, and perform his/her obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;



- (ii) agrees with the Company and Cenkos that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of the island of Guernsey;
- (iii) confirms to the Company and Cenkos that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
- (iv) represents and warrants to the Company and Cenkos that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represents and warrants to the Company and Cenkos that if he has received some or all of his/her Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares to which he will become entitled be issued to them on the terms set out in this document and the Application Form and subject to the Articles;
- (vii) represents and warrants to the Company and Cenkos that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his/her application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a nondiscretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
  - (i) represents and warrants to the Company and Cenkos that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
  - (ii) confirms that in making the application he is not relying and has not relied on the Company or Cenkos or any person affiliated with the Company, or Cenkos, in connection with any investigation of the accuracy of any information contained in this document or his/her investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or you can contact them on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

*(h) Proxy*

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting by completing and returning the enclosed Proxy Form.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 3.2(f) below for more information.

**3.2 If you have an Open Offer Entitlement and an Excess CREST Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer**

*(a) General*

Subject to paragraph 6 of this Part IV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his/her stock account in CREST of his/her Open Offer Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer together with a credit of Excess CREST Open Offer Entitlements equal to 10 times their Record Date balance of Ordinary Shares. Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than the Excess CREST Open Offer Entitlements they have been credited then they should contact the Shareholder helpline on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside of the United Kingdom to request an increased credit, ensuring to leave sufficient time for the additional Excess CREST Open Offer Entitlements to be credited to their account and for an application to be made in respect of those Excess CREST Open Offer Entitlements before the application deadline.

Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 9 October 2019, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his/her stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. CREST sponsored members should consult their CREST sponsor if they wish to apply for Open Offer Shares as only their CREST sponsor will be able to take the necessary action to make this application in CREST.

*(b) Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

Excess Open Offer Entitlements will not be subject to Euroclear’s market claims process. Qualifying CREST Shareholders claiming Excess Open Offer Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account.

*(c) Unmatched Stock Event (USE Instructions)*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE Instruction to Euroclear which, on its settlement, will have the following effect: (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (a).

*(d) Content of USE Instruction in respect of Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is GG00BKP5PH19;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 3RA09;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is DUKROY01;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 29 October 2019; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 29 October 2019.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 29 October 2019 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and the Open Offer do not become unconditional by 8.00 a.m. on 31 October 2019 (or such later time and date as the Company, and Cenkos determine being no later than 8.00 a.m. on 14 November 2019), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

*(e) Content of USE Instruction in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Shares for which application is being made (and hence being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GG00BKP5PJ33;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 3RA09;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is DUKROY01;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Excess Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 29 October 2019; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 29 October 2019.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contract name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 29 October 2019 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing and the Open Offer do not become unconditional by 8.00 a.m. on 31 October 2019 (or such later date as the Company and Cenkos determine being no later than 14 November 2019), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

*(f) Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to

apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 29 October 2019. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 24 October 2019 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 23 October 2019 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 29 October 2019.

Delivery of an Application Form with the CREST deposit form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

*(g) Validity of application*

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 29 October will constitute a valid application under the Open Offer.

*(h) CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 29 October 2019. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

*(i) Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting by completing and returning the enclosed Proxy Form.

*(j) Incorrect or incomplete applications*

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);

- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *The Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Open Offer Entitlement in full, to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part IV in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim. Qualifying CREST Shareholders claiming Excess Open Offer Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 7,838,135 Open Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement, and from whom payment in full for the excess Open Offer Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant’s sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess CREST Open Offer Entitlements should be addressed to Computershare , c/o Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol, BS99 6AH. Computershare can be contacted on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

(l) *Effect of valid application*

A CREST member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to Open Offer Shares in accordance with the above procedures hereby:

- (i) represents and warrants to the Company and Cenkos that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agents' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company and Cenkos that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of the island of Guernsey;
- (iv) confirms to the Company and Cenkos that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);
- (v) represents and warrants to the Company and Cenkos that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
- (vi) represents and warrants to the Company and Cenkos that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim; (vii) requests that the Open Offer Shares to which he will become entitled be issued to them on the terms set out in this document and subject to the Articles; (A) represents and warrants to the Company and Cenkos that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer; represents and warrants to the Company and Cenkos that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and confirms that in making the application he is not relying and has not relied on the Company or Cenkos or any person affiliated with the Company, or Cenkos, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

*(m) Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion, but shall not be obliged to:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part IV;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

*(n) Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 31 October 2019 or such later time and date as the Company and Cenkos determine (being no later than 8.00 a.m. on 14 November 2019), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

## **4. Money Laundering Regulations**

### *4.1 Holders of Application Forms*

To ensure compliance with the Money Laundering Regulations, Computershare may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the "**verification of identity requirements**"). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the "**acceptor**"), including any person who appears to Computershare to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 4 the "**relevant Open Offer Shares**") and shall thereby be deemed to agree to provide Computershare with such information and other evidence as they may require to satisfy the verification of identity requirements.

If Computershare determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Computershare is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Computershare nor the



Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Computershare has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Computershare and Cenkos from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:

- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering or terrorist financing (no. 2015/849/EU);
- (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;

If the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name;

- (d) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,300).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to CIS PLC re: Duke Royalty Limited Open Offer Account in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 4.1(a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact Computershare, Corporate Actions Projects, Bristol, BS99 6AH.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Computershare on 0370 707 4040 from within the UK or +44 (0)370 707 4040 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of Open Offer Shares and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case by no later

than 11.00 a.m. on 29 October 2019, Computershare has not received evidence satisfactory to it as aforesaid, Computershare may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

#### *4.2 Open Offer Entitlements in CREST*

If you hold your Open Offer Entitlement and Excess CREST Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlement and Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Computershare is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Computershare before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction, which on its settlement constitutes a valid application as described above, constitutes a warranty and undertaking by the applicant to provide promptly to Computershare such information as may be specified by Computershare Investor Services as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Computershare as to identity, Computershare may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence

### **5. Admission, settlement and dealings**

The result of the Open Offer is expected to be announced on 30 October 2019. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 31 October 2019.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 29 October 2019 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 31 October 2019, Computershare will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

No temporary documents of title will be issued, and transfers will be certified against the Jersey share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both

cases) be at the risk of the applicant. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

## **6. Overseas Shareholders**

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 General**

**The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.**

No action has been or will be taken by the Company, Cenkos, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in whose jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Cenkos nor any of their respective representatives is making any representation or warranty to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and Cenkos determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part IV and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company, and Cenkos reserve the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction.

Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

## **6.2 United States**

The New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an

offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States.

Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States. Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements. The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company, and Cenkos reserve the right to reject any USE Instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the Open Offer) may violate the registration requirements of the US Securities Act).

### **6.3 Restricted Jurisdictions**

Due to restrictions under the securities laws of the other Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

### **6.4 Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

## **6.5 Representations and warranties relating to Overseas Shareholders**

### *(a) Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Cenkos and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 6.5 (a).

### *(b) Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part IV represents and warrants to the Company, Cenkos and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) such person is not accepting on a nondiscretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

## **6.6 Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Cenkos in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

## **7. Times and dates**

The Company shall, in agreement with Cenkos and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service, but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three

Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

#### **8. Taxation**

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

#### **9. Further information**

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

#### **10. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the laws of the island of Guernsey.

The courts of the island of Guernsey are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of the island of Guernsey and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## APPENDIX – NOTICE OF EXTRAORDINARY GENERAL MEETING

***Unless otherwise expressly stated, all defined terms referred to below shall have the same meaning as given in the Circular dated 8 October 2019 of which the Notice convening this Extraordinary General Meeting forms part.***

Notice is hereby given of an Extraordinary General Meeting of Duke Royalty Limited (Guernsey Registration Number: 54697) (the “Company”) to be held at 11:00 a.m. local time on 30 October 2019 at 4th Floor, West Wing, Trafalgar Court, Admiral Park, St Peter Port, Guernsey GY1 2JA (“GM”) for the following purposes:

### **Extraordinary Resolution**

To consider and, if thought fit, pass the following resolution as an extraordinary resolution of the Company:

THAT, the Directors be granted the power to issue equity securities (as defined in the Articles) in connection with the Fundraising (being the New Ordinary Shares) under the authority conferred under Article 3.1 of the Articles for cash as if the rights of pre-emption in Article 4.2 of the Articles did not apply to any such issue, by the disapplication of such rights of pre-emption in accordance with Article 4.7 of the Articles, provided that this power shall: (i) be limited to the allotment of 45,478,109 equity securities, each at the Issue Price; and (ii) expire at the conclusion of the Company’s Annual General Meeting in 2020 (or, if earlier 30 June 2020), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

By Order of the Directors:

Trident Trust Company (Guernsey) Limited

8 October 2019

Registered Office  
4th Floor, West Wing  
Trafalgar Court  
Admiral Park  
St Peter Port  
Guernsey  
GY1 2JA



**Notes:**

- (a) A Member entitled to attend, speak and vote at the EGM is entitled to appoint one or more proxies to exercise all or any of his/her rights to attend, speak and vote at the EGM instead of him/her (the "Proxy Appointment"). A proxy need not be a Member. A Member may appoint more than one proxy in relation to the EGM provided that such proxy is appointed to exercise the rights attached to a different share or shares held by the Member. A Member may not appoint more than one proxy to exercise rights attached to any one Share. Where multiple proxies have been appointed to exercise rights attached to different Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Member who appointed them would have on a show of hands if he/she were present at the meeting. On a poll, all or any of the rights of the Member may be exercised by one or more duly appointed proxies. To appoint more than one proxy you may photocopy the Proxy Form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as proxy (which, in aggregate, should not exceed the number of shares held by the Member). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- (b) A Proxy Form is enclosed for use by Members to complete, sign and return. Completion and return of the Proxy Form(s) will not prevent a Member from subsequently attending the EGM (or any adjournments) and voting in person if he/she so wishes.
- (c) On a vote on a show of hands, each proxy has one vote. If a proxy is appointed by more than one member, and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for", and "against" in order to reflect the different voting instructions.
- (d) On a poll all or any of the voting rights of the Member may be exercised by one or more duly appointed proxies.
- (e) In order to be valid, a Proxy Appointment must be made by one of the following methods:
- I. by Proxy Form, delivered by post, by courier or by hand together with any power of attorney or other authority under which it is executed (or a notarially certified copy of such power of attorney or authority) to the Company's Registrars, at c/o The Pavilions, Bridgwater Road, Bristol BS99 6AH; or
  - II. in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,
- and in each case, it must be received by the Registrars as soon as possible and in any event not later than 48 hours before the time fixed for the EGM (or any adjournment). The Articles provide that a Proxy Appointment may be given by email or other electronic means. However, a Member that appoints a person to act on its behalf under any power of attorney or other authority must return by post, by courier or by hand such power of attorney or other authority (or a notarially certified copy thereof) to the Registrars as soon as possible and in any event not later than 48 hours before the time fixed for the EGM (or any adjournment) or, in the case of a poll taken not more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of a poll, or in the case of a poll taken not more than 48 hours after it was demanded, the time at which the poll was demanded.
- (f) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CREST specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's transfer agent, the Registrars, (ID 3RA50) by the latest time(s) for receipt of 15 proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's transfer agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that no special procedures are available in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations, 2009.
- (g) No Member will be entitled to be present or vote at the EGM (or any adjournment) either personally or by proxy unless their name appears on the register of members of the Company as at 11:00 a.m. on 28 October 2019. Changes to the entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the EGM (or any adjournments). This record time is being set for voting at the Meeting (and any adjournments) because the procedures for updating the register of members in respect of shares held in uncertificated form require a record time to be set for the purpose of determining entitlements to attend and vote at the EGM.
- (h) Any corporation which is a Member may, by a resolution of its board or other governing body or officers authorised by such body, authorise such person or persons as it thinks fit to act as its representative at the EGM and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers as that corporation could exercise if it were an individual Member of the Company.
- (i) The quorum for the EGM will be two Members present in person, by proxy or by corporate representative. If a quorum is not present within 20 minutes from the time appointed for the EGM, or if during the EGM such a quorum ceases to be present, the EGM, shall stand adjourned to such day, time and place as the chairman of the EGM may determine and, on the resumption of an adjourned EGM those Members present in person or by proxy shall constitute the quorum.
- (j) Resolutions proposed at the EGM as extraordinary resolutions, will be passed conditional on obtaining not less than 75 per cent. of the total number of votes cast by those entitled to vote in respect of the extraordinary resolution.
- (k) By attending the EGM a Member expressly agrees they are requesting and willing to receive any communications made at the EGM.
- (l) Information about the EGM is available on the Company's website, [www.dukeroyalty.com](http://www.dukeroyalty.com)

(m) As at close of business on 7 October 2019 (being the Latest Practicable Date prior to publication of this document), the Company's issued share capital comprised 199,872,459 Ordinary Shares. Each Share carries (on a vote conducted by way of a poll) the right to one vote per Share held at a general meeting of the Company and therefore the total voting rights in the Company as at close on 7 October 2019 is 199,872,459.

