

**THIS DOCUMENT AND THE ACCOMPANYING PROXY FORM AND ELECTION FORM ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (FSMA) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you have sold or transferred, or sell or transfer prior to 4.30 pm on 30 May 2014, your entire holding of Existing Ordinary Shares in Rexam, please send this document as soon as possible to the purchaser or transferee of those shares or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents must not be forwarded or transmitted in or into any jurisdiction in which such an act would constitute a violation of the relevant laws of such jurisdiction. If you have sold only part of your holding of Existing Ordinary Shares, you should retain this document and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

Application will be made to the UK Listing Authority and the London Stock Exchange, respectively, for the New Ordinary Shares resulting from the proposed Capital Reorganisation to be admitted to the Official List and to trading on the market for listed securities of the London Stock Exchange in place of the Existing Ordinary Shares. It is expected that dealings in the Existing Ordinary Shares will continue until 4.30 pm on 30 May 2014 and that Listing of the New Ordinary Shares will become effective and dealings in them will commence on the London Stock Exchange at 8.00 am on 2 June 2014.

Neither the B Shares nor the C Shares will be admitted to listing on the Official List or to trading on the main market for listed securities of the London Stock Exchange or any other regulated investment exchange.

None of the New Ordinary Shares, the B Shares or the C Shares have been marketed and are not available to the public, in whole or in part, in connection with the proposed Return of Cash and, in respect of the New Ordinary Shares only, in connection with the Listing of the New Ordinary Shares.

**Shareholders in the United States of America, Australia, Canada, Japan or the Republic of South Africa are only eligible to receive the Return of Cash by way of the C Share Dividend (Option 1: Income Return) and the other two B/C Share Options are not being offered to Shareholders in these jurisdictions.**

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# REXAM

## REXAM PLC

*(incorporated and registered in England and Wales under the Companies Act 1908 to 1917, with registered number 191285)*

### **Proposed Return of Cash to Shareholders of 57 pence per Existing Ordinary Share by way of one B Share or one C Share for each Existing Ordinary Share and a 8 for 9 Share Capital Consolidation and Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Rexam which is set out in Part II of this document and which recommends that you vote in favour of the resolutions to be proposed at the General Meeting referred to below.**

Neither the B Shares nor the C Shares have been or will be registered under the US Securities Act or the state securities law of the United States and none of them may be offered or sold in the United States unless pursuant to a transaction which has been registered under the US Securities Act and/or relevant state securities laws or which is not subject to the registration requirements of the US Securities Act or such laws, either because of an exemption therefrom or otherwise.

Neither the B Shares nor the C Shares nor this document have been approved, disapproved or otherwise recommended by any US federal or state securities commission or other regulatory authority or any non-US securities commission or regulatory authority nor have any such authorities confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

You should note that the Return of Cash is conditional upon, among other things, the approval by the Shareholders of resolution 1 of the resolutions to be proposed at the General Meeting.

**Notice of the General Meeting setting out the resolutions to be proposed, to be held at 11.00 am (London time) at 4 Millbank, London SW1P 3XR on 29 May 2014 is set out at the end of this document. A Proxy Form for use at the General Meeting is enclosed with this document. To be valid, a Proxy Form must be received by Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 11.00 am on 27 May 2014. You can vote electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk) or, if you are a member of CREST, you can use the CREST electronic proxy appointment service. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by not later than 11.00 am (London time) on 27 May 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The submission of a CREST Proxy Instruction or return of a completed Proxy Form will not prevent you from attending the General Meeting and voting in person if you wish to do so.**

Credit Suisse Securities (Europe) Limited which is authorised by the PRA and regulated by the PRA and the FCA, is acting exclusively for Rexam as a corporate broker in connection with the Return of Cash and will not be responsible to anyone other than Rexam for providing the protections afforded to customers of Credit Suisse Securities (Europe) Limited or for advising any such person in relation to the contents of this document or any transaction or arrangement referred to herein.

Merrill Lynch International, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as a corporate broker to Rexam in relation to the Return of Cash and will not be responsible to anyone other than Rexam for providing the protections afforded to clients of Merrill Lynch International nor for providing advice in connection with the proposed Return of Cash to Shareholders or the contents of this document or any other matter referred to herein.

Rothschild, which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as sole financial adviser to Rexam in relation to the Return of Cash and is not advising any other person and accordingly will not be responsible to anyone other than Rexam for providing the protections afforded to clients of Rothschild nor for providing advice in connection with the proposed Return of Cash to Shareholders or the contents of this document or any other matter referred to herein.

**Date:** this document is dated 13 May 2014.

## **FORWARD-LOOKING STATEMENTS**

The statements contained in this document that are not historical facts are “forward-looking” statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Rexam’s control and all of which are based on the directors’ current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “assumes” or “anticipates” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time, Rexam or its representatives have made or may make forward-looking statements orally or in writing. Such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of one of Rexam’s authorised executive officers. These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing Rexam and its subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this document speak only as at the date of this document. Except to the extent required by applicable law, the Listing Rules or the Disclosure and Transparency Rules, Rexam will not necessarily update any of them in light of new information or future events and undertakes no duty to do so.

## TABLE OF CONTENTS

	<u>Page</u>
PART I: Expected timetable for the B/C Share Scheme and the General Meeting . . . . .	2
PART II: Letter from the Chairman of Rexam PLC . . . . .	3
PART III: Frequently asked questions . . . . .	7
PART IV: Completing your Election Form . . . . .	15
PART V: Details of the Return of Cash . . . . .	17
PART VI: Terms and Conditions of the B Shares . . . . .	26
PART VII: Terms And Conditions of the C Shares . . . . .	29
PART VIII: Terms and Conditions of the Deferred Shares . . . . .	31
PART IX: United Kingdom Taxation in relation to the Return of Cash . . . . .	33
PART X: Additional Information . . . . .	36
PART XI: Definitions . . . . .	39
PART XII: Notice of General Meeting . . . . .	43

### **WHERE TO FIND HELP:**

You will find answers to some of the questions most often asked by shareholders about B/C share schemes and the procedure for participating in the Return of Cash in Part III of this document. If you have further questions on the Return of Cash, a Shareholder helpline will be available between the hours of 8.30 am to 5.30 pm (London time) Monday to Friday. The Shareholder helpline will remain open until 3 July 2014.

The Shareholder helpline numbers are: **0800 169 0161** (for calls from within the UK) and **+44 121 415 0181** (for calls from outside the UK). Please note that calls to these numbers may be monitored or recorded. Calls from within the UK are normally free of charge from landlines but charges may apply from mobile phones. Other telephone provider costs may vary. Calls to +44 121 415 0181 from outside the UK are charged at applicable international rates.

**Please note that for legal reasons the Shareholder helpline will only be able to provide information contained in this document and the accompanying Proxy Form and Election Form and will be unable to give advice on the merits of the Return of Cash or to provide financial, investment or taxation advice.**

**PART I—EXPECTED TIMETABLE FOR THE B/C SHARE SCHEME  
AND THE GENERAL MEETING**

**2014**

Latest time and date for receipt of Proxy Form or CREST Proxy Instruction for General Meeting . . . . .	11.00 am on Tuesday 27 May
General Meeting . . . . .	11.00 am on Thursday 29 May
Latest time and date for dealings in Existing Ordinary Shares . . .	4.30 pm on Friday 30 May
Record Date for the Capital Reorganisation. Existing Ordinary Share register closed and Existing Ordinary Shares disabled in CREST . . . . .	6.00 pm on Friday 30 May
B/C Share Record Date . . . . .	6.00 pm on Friday 30 May
New Ordinary Shares admitted to the Official List and admitted to trading on the London Stock Exchange’s market for listed securities . . . . .	8.00 am on Monday 2 June
Dealings in the New Ordinary Shares commence and enablement in CREST of New Ordinary Shares and “interim CREST entitlements” . . . . .	8.00 am on Monday 2 June
Latest time and date for receipt of Election Forms and TTE Instructions from CREST holders in relation to the B/C Share Options and the Election Form Effective Date . . . . .	4.30 pm on Friday 6 June
B Shares and/or C Shares allotted and issued, and B Shares, in respect of elections made under Option 3, enabled in CREST . . .	Monday 9 June
C Share Dividend Date and C Shares in respect of which the C Share Dividend is payable convert into Deferred Shares . . . . .	Monday 9 June
Initial Redemption Date . . . . .	Monday 9 June
Despatch of the New Ordinary Share certificates and despatch of cheques and CREST accounts credited, as appropriate, for fractional entitlements . . . . .	Thursday 12 June
Redemption of all Deferred Shares . . . . .	Thursday 12 June
Despatch of cheques and bank accounts credited, as appropriate, in respect of the C Share Dividend (Option 1) . . . . .	Thursday 19 June
Despatch of cheques and CREST accounts credited, as appropriate, in respect of the B Shares redeemed on the Initial Redemption Date (Option 2) . . . . .	Thursday 19 June
Despatch of B Share certificates in respect of B Shares to be redeemed on the Final Redemption Date in the United Kingdom’s 2015/16 tax year (Option 3) . . . . .	Thursday 19 June

**2015**

Final Redemption Date . . . . .	Monday 6 April
Despatch of cheques and CREST accounts credited, as appropriate, in respect of the B Shares redeemed on the Final Redemption Date (Option 3) . . . . .	Monday 13 April

**Notes:**

All dates are subject to change.

*References to time in this document are to London time. All times and dates may be at such other times and dates as the directors may determine.*

*If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a RIS.*

*All events in the above timetable following Listing of the New Ordinary Shares are conditional upon Listing of the New Ordinary Shares.*

*Shareholders holding their Existing Ordinary Shares in uncertificated form should refer to Part X of this document for information on electing and settling through CREST for the purposes of the Return of Cash.*

## PART II—LETTER FROM THE CHAIRMAN OF REXAM PLC

### Directors:

Stuart Chambers	Chairman
Graham Chipchase	Chief Executive
David Robbie	Finance Director
John Langston	Non-executive Director
Leo Oosterveer	Non-executive Director
Ros Rivaz	Non-executive Director
Johanna Waterous	Senior Independent Director

### Registered Office:

Rexam PLC  
4 Millbank  
London  
SW1P 3XR  
United Kingdom  
Registered number 191285

13 May 2014

Dear Shareholder

### Proposed Return of Cash to Shareholders

#### 1. Introduction

On 3 February 2014 Rexam announced that, following completion of the sale of its Pharmaceutical Devices and Prescription Retail Packaging divisions (together the **Disposed Businesses**) of its healthcare packaging business to an affiliate of Montagu Private Equity, it planned to return approximately £450 million in cash to Shareholders. On 6 May 2014 Rexam announced that the sale of these businesses had completed for a total consideration of US\$805 million subject to customary closing adjustments (£477 million at the exchange rate on completion of the Disposed Businesses).

**The Company proposes to return 57 pence in cash to Shareholders for each Existing Ordinary Share held at 6.00 pm on 30 May 2014. Shareholders (other than those resident in a Prohibited Territory) will have an option to receive their cash proceeds as an immediate income, immediate capital or delayed capital return or any combination of these. The cash, which in total amounts to approximately £450 million, will be returned through the issue of B Shares and/or C Shares which will be accompanied by a consolidation of the Existing Ordinary Shares in the ratio of 8 New Ordinary Shares for every 9 Existing Ordinary Shares held. The reason for proposing this structure is to give all Shareholders, other than those who are resident in a Prohibited Territory, a choice of receiving the return as either, or a combination of, capital or as income and, if capital, to choose whether to receive such return now and/or in the UK's 2015/16 tax year.**

The attention of Shareholders who are resident in a Prohibited Territory is drawn to paragraph 2 below.

This document describes the details of the Return of Cash. Your approval is being sought for the Return of Cash (as well as certain other matters described below) at a General Meeting to be held at 11.00 am (London time) on 29 May 2014. The notice of the General Meeting which contains the resolutions to be proposed is set out in Part XII of this document.

**Please note that, whether or not you intend to be present at the General Meeting, it is important that you complete the Proxy Form and return it to Equiniti in accordance with the printed instructions, or vote electronically through the sharevote website at [www.sharevote.co.uk](http://www.sharevote.co.uk) or submit a CREST Proxy Instruction to arrive at Equiniti as soon as possible and in any event no later than 11.00 am (London time) on Tuesday 27 May 2014. Please refer to paragraph 12 of Part V “Details of the Return of Cash” which contains information about the General Meeting.**

Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter or in Part III “Frequently asked Questions”.

#### 2. Important information to Shareholders who are resident in a Prohibited Territory

If you are resident in a Prohibited Territory you will automatically receive the C Share Dividend (Option 1: Income Return) in respect of your entire Entitlement and no further election is required by you. You are, however, encouraged to vote on the resolutions to be proposed at the General Meeting as, unless resolution 1 of the resolutions to be considered at the General Meeting is passed no B Shares, C Shares or New Ordinary Shares will be created, the Return of Cash will not take effect and Shareholders will not receive cash.

### 3. The Return of Cash

The Return of Cash comprises the B/C Share Options and the Capital Reorganisation. Under the Return of Cash, Shareholders will receive:

***One B Share or one C Share for each Existing Ordinary Share and 8 New Ordinary Shares in place of every 9 Existing Ordinary Shares held on the Record Date for the Capital Reorganisation.***

Whether you receive B Shares or C Shares will depend on which Option (or combination of Options you select). The main features of the B Shares and C Shares, and the choices available to Existing Ordinary Shareholders, are summarised in paragraph 4 below. The main features of the Capital Reorganisation are summarised at paragraph 6 below.

From a shareholder perspective, a B/C Share Scheme structure is effectively the same as Rexam's previous return of cash in 2013. Like the previous B Share Scheme, the B/C Share Scheme provides for Shareholders' economic entitlement to be identical, regardless of the elections they choose to make. The advantage of the proposed B/C Share Scheme is that it also affords the Company improved accounting efficiency allowing greater flexibility to make future returns of cash (if any) and may also help manage the cost of implementing any such future returns.

### 4. The B/C Share Options

Unless you are resident in a Prohibited Territory, you will have three options available to you in relation to the Return of Cash. Whether you receive B Shares or C Shares will depend on which Option (or combination of Options) you select.

**You will be issued with C Shares (Option 1) in respect of any portion of your Entitlement which you elect to receive by way of a dividend (which may be treated as income for tax purposes) and B Shares (Options 2 and 3) in respect of any portion of your Entitlement which you elect to receive by way of a redemption (which may be treated as capital for tax purposes). Regardless of the election you make, your economic entitlement of 57 pence per Existing Ordinary Share held at the B/C Share Record Date will be identical.**

If you are resident in a Prohibited Territory you will automatically be allotted C Shares and will receive the C Share Dividend.

Shareholders who are resident in the UK should read Part IX "*United Kingdom Taxation in relation to the Return of Cash*" since the three options are expected to have different United Kingdom tax consequences. To select your preferred option(s), you should complete and return your Election Form, details of how to do so are set out in Part IV of this document.

Further information on each of the B/C Share Options is set out in Part V of this document.

The rights attaching to the B Shares, C Shares and the Deferred Shares are set out in Part VI, Part VII and Part VIII of this document respectively.

**Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser.**

#### ***Option 1: Income Return***

Option 1 will be effected by way of an issue of C Shares. If you elect or are deemed to have elected for this option in respect of some or all of your Entitlement, you will receive one C Share for each corresponding Existing Ordinary Share held on the B/C Share Record Date on 30 May 2014 and you will receive a C Share Dividend of 57 pence per C Share. The C Share Dividend will become payable to you on 9 June 2014 and it is expected that the cash proceeds of the C Share Dividend will be sent to relevant Shareholders on 19 June 2014.

It is expected that the C Share Dividend of 57 pence per C Share will generally be treated as income for UK tax purposes.

Shareholders who are resident in a Prohibited Territory need take no further action in respect of making an election as they will automatically receive the C Share Dividend in respect of their C Shares.

The C Shares issued under Option 1 will not be admitted to listing on the Official List or to trading on the main market for listed securities of the London Stock Exchange.

Once the C Share Dividend has been paid, the C Shares will automatically become Deferred Shares and will automatically be redeemed and cancelled. Further details of Deferred Shares are set out in Part VIII of this document.

### ***Option 2: Initial Capital Return***

Option 2 will be effected by way of an issue of B Shares. If you elect for this option in respect of some or all of your Entitlement, you will receive one B Share for each corresponding Existing Ordinary Share and those B Shares will be redeemed on 9 June 2014 at 57 pence per B Share. It is expected that the redemption proceeds will be sent to relevant Shareholders on 19 June 2014.

It is expected that the proceeds you receive on redemption will generally be treated as capital for UK tax purposes.

The B Shares issued under Option 2 will not be admitted to listing on the Official List or to trading on the main market for listed securities of the London Stock Exchange.

### ***Option 3: Final Capital Return (in the UK 2015/16 tax year)***

Option 3 will be effected by way of an issue of B Shares. If you elect for this option in respect of some or all of your Entitlement, you will receive one B Share for each corresponding Existing Ordinary Share and those B Shares will be redeemed on 6 April 2015 at 57 pence per B Share. It is expected that the redemption proceeds will be sent to relevant Shareholders on 13 April 2015.

It is expected that the proceeds you receive on redemption will generally be treated as capital for UK tax purposes.

The B Shares issued under Option 3 will not be admitted to listing on the Official List or to trading on the main market for listed securities of the London Stock Exchange.

## **5. Making your election**

Details of how to complete and return your Election Form are set out in Part IV of this document. Details of how to make your election through CREST are set out in Part X of this document. Properly completed and returned Election Forms and elections made through CREST will not become effective until 4.30 pm (London time) on 6 June 2014.

**If you are resident in a Prohibited Territory, or do not properly complete and return your Election Form or, if you are a CREST holder and you do not send a valid TTE Instruction, you will be deemed to have elected for Option 1: Income Return in respect of your entire Entitlement.**

## **6. The Capital Reorganisation**

The Existing Ordinary Shares will be consolidated and replaced with New Ordinary Shares; this will reduce the number of shares which all Shareholders hold. If the Return of Cash were to take place but there was no Share Capital Consolidation, the share price for an Ordinary Share would likely fall by an amount commensurate with the quantum of cash returned to Shareholders (absent market fluctuations) because the Company would no longer have the cash which is being returned to Shareholders. The aim of the Share Capital Consolidation is to help, so far as possible, make the market price of an Ordinary Share remain approximately the same and to maintain comparability of other Company data such as earnings and dividends per share before and after the Return of Cash.

The New Ordinary Shares will be admitted to trading in the same way as the Existing Ordinary Shares and will be equivalent in all material respects to the Existing Ordinary Shares, including their voting, dividend and other rights. Neither the B Shares nor the C Shares will be admitted to trading. Please refer to Part V “*Details of the Return of Cash*” for further details.

Based on the closing middle market price of 502.50 pence per Existing Ordinary Share on 12 May 2014 (the latest practicable date prior to the publication of this document) which has been used to set the ratio for the Share Capital Consolidation, the proposed Return of Cash to Shareholders represents approximately 11.3 per cent. of Rexam’s market capitalisation at that date.

## **7. Resolutions at the General Meeting**

Shareholder approval is being sought at the General Meeting in respect of the following:

- (a) the Return of Cash and Capital Reorganisation;
- (b) amendments to the Articles necessary to effect the Return of Cash;
- (c) authority for the directors to allot Ordinary Shares;
- (d) a disapplication of pre-emption rights; and
- (e) authority for the Company to make market purchases of own Ordinary Shares.

The authorities set out in paragraphs (c) to (e) above would typically be granted at the Company's Annual General Meeting. However, in light of the proposed Capital Reorganisation, the Company is seeking a renewal of these authorities at the General Meeting. Further details and explanations of each resolution are set out in paragraph 13 of Part V of this document.

## **8. Shareholder helpline**

If you have any queries in relation to the Election Form, Proxy Form or CREST Proxy Instruction, you may call the Shareholder helpline on **0800 169 0161** (or **+44 121 415 0181**, if calling from outside the UK) between 8.30 am and 5.30 pm (London time) on any Business Day. The Shareholder helpline will remain open until 3 July 2014. Please note that the Shareholder helpline will not provide advice on the merits of the B/C Share Options or give any financial, investment or taxation advice. Please note that calls to these numbers may be monitored or recorded. Calls from within the UK are normally free of charge from landlines but charges may apply from mobile phones. Other telephone provider costs may vary. Calls to +44 121 415 0181 from outside the UK are charged at applicable international rates.

## **9. Recommendation**

**The directors, who have received financial advice from Rothschild, consider that the resolutions to be proposed at the General Meeting (as set out in the notice of General Meeting) which give effect to the Return of Cash are in the best interests of the Shareholders of Rexam as a whole. In providing advice to the directors, Rothschild has relied upon the directors' commercial assessment of the Return of Cash. Accordingly, the directors unanimously recommend that you vote in favour of such resolutions, as they intend to do in respect of their own beneficial holdings over which they have voting control in their personal capacity amounting in aggregate to 969,515 Existing Ordinary Shares, representing approximately 0.12 per cent. of the current issued share capital of Rexam.**

Yours faithfully

**Stuart Chambers**  
Chairman  
Rexam PLC



## PART III—FREQUENTLY ASKED QUESTIONS

These questions and answers are aimed particularly at individuals resident in the UK for tax purposes who are Shareholders in Rexam. They set out some frequently asked questions and provide brief responses. *Please read both the questions and answers below and this document as a whole carefully.* Times and dates specified below are expected times and dates and may be subject to change as set out in the rest of the document. The questions with answers assume you do not hold shares through CREST unless CREST is specifically mentioned. If you have any other questions on the Return of Cash, you may call the Shareholder helpline on **0800 169 0161** (or **+44 121 415 0181**, if calling from outside the UK) between 8.30 am and 5.30 pm on any Business Day. The Shareholder helpline will remain open until 3 July 2014. Please note that calls to these numbers may be monitored or recorded. Calls from within the UK are normally free of charge from landlines but charges may apply from mobile phones. Other telephone provider costs may vary. Calls to +44 121 415 0181 from outside the UK are charged at applicable international rates.

The helpline will not provide advice on the merits of the Return of Cash or give any financial, investment or taxation advice.

### 1. What is being proposed?

Rexam proposes to return 57 pence in cash to Shareholders for each Existing Ordinary Share held at 6.00 pm on 30 May 2014. The cash will be returned through the issue of B Shares and/or C Shares which will be accompanied by a consolidation of the Existing Ordinary Shares in the ratio of 8 New Ordinary Shares for every 9 Existing Ordinary Shares held.

### 2. Why is Rexam returning this cash?

For the past four years Rexam has focused on reducing costs, improving return on capital and strengthening its balance sheet by reducing debt. The Board continues to be comfortable with the Group's gearing and the projected level of investment anticipated for future growth. It has therefore decided to return approximately £450 million from the sale proceeds of the Disposed Businesses to Shareholders by means of the B/C Share Scheme.

### 3. How is this being done?

Rexam has chosen a method of returning the proceeds in cash which enables Shareholders to opt how and when they receive the cash known as a B/C Share scheme.

For each Existing Ordinary Share that you hold on 30 May 2014, you will receive one B Share or one C Share (dependent on what treatment you elect for your Entitlement). Each B Share and C Share entitles you to receive 57 pence in cash via one or a combination of the three options as explained in question 10 below.

The B/C Share Scheme will apply to each Existing Ordinary Share registered in your name at 6.00 pm on 30 May 2014.

### 4. Can I continue to trade my Existing Ordinary Shares?

You are still free to buy or sell your Existing Ordinary Shares up until 4.30 pm on 30 May 2014, but you will only be entitled to have B Shares or C Shares issued in respect of Existing Ordinary Shares held at 6.00 pm on 30 May 2014.

### 5. Why does this need Shareholder approval?

In order to enable Shareholders to opt how they receive the cash for UK tax purposes, Rexam will be undertaking the B/C Share Scheme and consolidating its Existing Ordinary Shares, both of which require Shareholder approval.

### 6. Do I need to vote at the General Meeting?

Yes, it is important that you submit your vote in respect of the resolutions to be proposed. The Return of Cash is conditional upon Shareholder approval of resolution 1 of the resolutions to be proposed at the General Meeting (which also include renewals of some of the authorities granted at the Company's most recent Annual General Meeting which are necessary in light of the Capital Reorganisation). Your directors therefore recommend that you vote in favour of the resolutions to be proposed at the General Meeting

which are set out in Part XII of this document. You can vote in person at the General Meeting, or by returning your Proxy Form or by voting electronically through the sharevote website at [www.sharevote.co.uk](http://www.sharevote.co.uk) or by submitting a CREST Proxy Instruction. Further details and explanations of the resolutions to be proposed at the General Meeting are set out at paragraph 13 of Part V of this document.

**You are encouraged to vote on the resolutions to be proposed at the General Meeting as no B Shares, C Shares or New Ordinary Shares will be created, the Return of Cash will not take effect and cash will not be returned to Shareholders unless resolution 1 of the resolutions to be considered at the General Meeting is passed.**

#### **7. How do I vote at the General Meeting on the Return of Cash?**

You need to complete, sign and return your Proxy Form to Equiniti, or vote electronically through the sharevote website at [www.sharevote.co.uk](http://www.sharevote.co.uk) (full details given on your Proxy Form) or submit a CREST Proxy Instruction, as soon as possible and, in any event, no later than 11.00 am on 27 May 2014. If you return a completed Proxy Form or submit an online or CREST Proxy Instruction, this does not prevent you from attending and voting at the meeting yourself.

#### **8. Where do I find the Proxy Form?**

The Proxy Form is enclosed with this document. A duplicate Proxy Form may be obtained from Equiniti by calling the shareholder helpline number provided on the contents page of this document.

#### **9. How do I get my cash?**

Please read the answers to questions 10 and 11 below.

#### **10. What choices do I have for my Entitlement?**

You can choose to receive a dividend (to be paid on C Shares) in respect of some or all of your Entitlement (which may be treated as an income receipt for tax purposes) or to receive some or all of your Entitlement by way of a redemption of B Shares (which may be treated as a capital payment for tax purposes).

If you choose to receive some or all of your Entitlement by way of a redemption of B Shares (which is expected to be treated as a capital payment for UK tax purposes), you can also decide whether you want to receive all of your cash immediately, or to hold on to some or all of the B Shares which are issued to you and elect to have them redeemed in April 2015 (i.e. in the 2015/16 tax year in the UK). Your choice is likely to depend on your personal tax circumstances. No dealing expenses or commissions will arise if you choose to receive your Entitlement by way of redemption. We have set out some general guidance below (see question 29) to assist you.

If you are resident in a Prohibited Territory you will automatically be deemed to have elected for Option 1: Income Return in respect of all of your Entitlement and no further election is required by you. You are, however, encouraged to vote on the Return of Cash as, unless resolution 1 of the resolutions to be considered at the General Meeting is passed, no B Shares, C Shares or New Ordinary Shares will be created and the Return of Cash will not take effect.

**Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser.**

Unless you are resident in a Prohibited Territory, you have three options in respect of your Entitlement:

##### ***Option 1: Income Return***

If you choose or are deemed to have chosen Option 1 in respect of some or all of your Entitlement, you will receive a C Share for every corresponding Existing Ordinary Share which you hold on the B/C Share Record Date. The cash proceeds of the C Share Dividend are expected to become payable to you on 9 June 2014 and it is expected that the cash proceeds of the C Share Dividend will be sent to relevant Shareholders on 19 June 2014 (or such other date as the directors may determine).

Once the C Share Dividend becomes payable the C Shares will automatically become Deferred Shares and will be redeemed and cancelled. Further details of Deferred Shares are set out in Part VIII of this document.

It is expected that the dividend should generally be treated as income for tax purposes and that the subsequent redemption of the Deferred Shares should be treated as a capital disposal for tax purposes in the tax year ending 5 April 2015. Alternatively, depending on circumstances, a negligible value claim could trigger a capital loss in the tax year ended 5 April 2015. Shareholders should note that in certain circumstances capital losses may be restricted by section 30 or section 31 TCGA.

**Any portion of your Entitlement in respect of which you have not chosen either Option 2 or Option 3 will default automatically to Option 1.**

***Option 2: Initial Capital Return***

If you choose Option 2 in respect of some or all of your Entitlement, you will be issued with one B Share for every corresponding Existing Ordinary Share which you hold on the B/C Share Record Date. Rexam will redeem those B Shares on the Initial Redemption Date at 57 pence per B Share. It is expected that redemption proceeds will be sent to relevant Shareholders on 19 June 2014.

It is expected that the Initial Redemption should generally be treated as a capital disposal for tax purposes in the tax year ending 5 April 2015.

If you decide to have only part of your Entitlement subject to Option 2 and choose not to elect for either Option 1 or Option 3 in respect of the remainder of your Entitlement, you will be deemed to have elected for Option 1 for your remaining Entitlement.

***Option 3: Final Capital Return (in the UK 2015/16 tax year)***

If you choose Option 3 in respect of some or all of your Entitlement, you will be issued with one B Share for every corresponding Existing Ordinary Share which you hold on the B/C Share Record Date and Rexam will redeem those B Shares on the Final Redemption Date at 57 pence per B Share. It is expected that redemption proceeds will be sent to relevant Shareholders on 13 April 2015.

If you decide to have only part of your Entitlement subject to Option 3 and choose not to elect for either Option 1 or Option 2 in respect of the remainder of your Entitlement, you will be deemed to have elected for Option 1 in respect of your remaining Entitlement.

It is expected that the proceeds of the Final Redemption should generally be treated as a capital disposal for tax purposes in the tax year ending 5 April 2016.

Details of how to complete and return your Election Form are set out in Part IV of this document. Shareholders electing through CREST should not complete an Election Form but instead should refer to paragraph 3 of Part X of this document.

Further information on each of the B/C Share Options is set out in Part V of this document.

**11. How do I make my choice?**

**If you wish to choose Option 1 in respect of all of your Entitlement or are resident in a Prohibited Territory, you need take no further action.** If you choose Option 2 or Option 3 in respect of some or all of your Entitlement, you need to complete and sign the Election Form sent to you with this document and send it back to Equiniti in the reply paid envelope enclosed. If you elect through CREST, you need to submit a validly authenticated and correctly completed TTE Instruction. In each case, your election needs to be received by Equiniti no later than 4.30 pm on 6 June 2014.

**If you fail to validly complete your Election Form, do not sign it or do not return it to Equiniti or, in the case of Shareholders electing through CREST, if you do not submit a TTE Instruction validly authenticated and correctly completed, in each case, to arrive by 4.30 pm on 6 June 2014, you will be deemed to have elected for Option 1: Income Return in respect of all of your Entitlement, and you will be issued C Shares and will receive the C Share Dividend on the C Share Dividend Date.**

If you hold your Existing Ordinary Shares in uncertificated form, in order to facilitate the B/C Share Options elections, you will, for the purposes of settlement in CREST only, be credited with one “interim CREST entitlement” under the ISIN GB00BMHTQ051 for each Existing Ordinary Share held at the B/C Share Record Date, from the period from 8.00 am on 2 June 2014 until 4.30 pm on 6 June 2014 (being the end of the Election Period). During this period CREST holders will have their accounts credited with “interim CREST entitlements” to allow them to elect electronically through the CREST system. From 8.00 am on 9 June 2014 (or such other time and/or date as the directors may determine), “interim CREST

entitlements” in relation to which elections have been made under Option 3 will, for the purposes of dealings and settlement in CREST, be designated as B Shares under the ISIN GB00BMHTPZ32. Accordingly, on 9 June 2014 those CREST holders who have elected to receive B Shares in respect of all or some of their B/C Share Entitlement and to hold all or some of such B Shares until the Final Redemption Date, will have their CREST accounts credited with such B Shares.

### Example

The example below illustrates the number of shares and the cash payment you will receive under the three B/C Share Options.

Number of Existing Ordinary Shares held at 6.00 pm on 30 May 2014	Aggregate number of B Shares and/or C Shares you will receive	Number of New Ordinary Shares you will receive	Fractional entitlement of a New Ordinary Share	Aggregate cash payment you will receive on 19 June 2014 or on 13 April 2015, as applicable
11	11	9	7/9	£6.27*
50	50	44	4/9	£28.50*
125	125	111	1/9	£71.25*
1,000	1,000	888	8/9	£570.00*
10,000	10,000	8,888	8/9	£5,700.00*
50,000	50,000	44,444	4/9	£28,500.00*

\* In addition, it is expected that the proceeds of sale above £3.00 for a fractional entitlement of a New Ordinary Share to which you would be entitled following the Share Capital Consolidation will be sent out to you on 12 June 2014.

### 12. How do I change my election if I have already submitted an Election Form or message in CREST?

Shareholders wishing to withdraw their election should telephone the Shareholder helpline on 0800 169 0161 (or +44 121 415 0181, if calling from outside the UK) between 8.30 am and 5.30 pm on any Business Day and, and, if wishing to re-elect in respect of their B/C Share Options request a Replacement Election Form or receive instructions on how to re-elect through CREST. Please refer to Part V of this document for more details on the requirements for withdrawal and re-election. Please note that calls to these numbers may be monitored or recorded. Calls from within the UK are normally free of charge from landlines but charges may apply from mobile phones. Other telephone provider costs may vary. Calls to +44 121 415 0181 from outside the UK are charged at applicable international rates.

If you wish to withdraw your election in respect of the B/C Share Options whether you hold your Shares in certificated or uncertificated form, your Replacement Election Form (in the case of Shares held in certificated form) or revised TTE Instruction (in respect of Shares held in the CREST system) needs to be sent to Equiniti as soon as possible and in any event must be received no later than 4.30 pm on 6 June 2014 as set out in Part V of this document.

### 13. What is the Election Form?

The Election Form is enclosed with this document and allows you to choose Option 2 and/or Option 3 in respect of some or all of your Entitlement. Your elections in respect of the B/C Share Options will not become effective until the Election Form Effective Date. If you hold your Existing Ordinary Shares in CREST you will not receive the Election Form. You do not need to fill out the Election Form if you wish to choose Option 1 in respect of *all* of your Entitlement or are resident in a Prohibited Territory. See Part IV for more information on completing the Election Form.

### 14. What if I don't get my Election Form back in time?

If you do not return or do not correctly complete and return your Election Form by 4.30 pm on 6 June 2014, you will be treated as having chosen Option 1: Income Return in respect of all of your Entitlement (unless otherwise determined by the directors). You will be issued with one C Share for every Existing Ordinary Share which you hold on the B/C Share Record Date and will be sent a cash payment in respect of the C Share Dividend of 57 pence per C Share on 19 June 2014.

**15. What happens if I do nothing?**

If you do not return your Election Form, you will be deemed to have elected for Option 1: Income Return in respect of your entire Entitlement.

**16. What happens to my existing Rexam shares?**

There will also be a share consolidation at the time of the Return of Cash whereby your Existing Ordinary Shares will be consolidated into a lesser number of New Ordinary Shares; this will reduce proportionately the number of shares that all Shareholders hold.

Accordingly, for every 9 Existing Ordinary Shares that you own at 6.00 pm on 30 May 2014, you will receive 8 New Ordinary Shares. If the Return of Cash were to take place but there was no Share Capital Consolidation, the share price for an Ordinary Share would likely fall by an amount commensurate with the quantum of cash returned to Shareholders (absent market fluctuations) because the Company would no longer have the cash which is being returned to Shareholders. The intention of the Share Capital Consolidation is that the price of each New Ordinary Share immediately after Listing of the New Ordinary Shares should be approximately equal to the price of each Existing Ordinary Share immediately prior to the Return of Cash (subject to normal market movements).

**17. What if the number of Existing Ordinary Shares I hold on the Record Date does not divide exactly by 9?**

If your holding of Existing Ordinary Shares on the Record Date does not divide exactly by 9, you will be left with a fractional entitlement to a New Ordinary Share. So, for example, a Shareholder with 60 Existing Ordinary Shares would, after the Share Capital Consolidation, be entitled to 53 New Ordinary Shares and a fractional entitlement to  $\frac{1}{3}$  of a New Ordinary Share. You will only receive a whole number of New Ordinary Shares. Rexam will combine all fractions and arrange to have them sold in the market. It is expected that you will be sent a cheque for your proportion of the sale proceeds that relate to any fractional entitlements on 12 June 2014. Any amounts of less than £3.00 will be retained by the Company in accordance with the Articles and donated to a charity of its choice.

**18. What does the Share Capital Consolidation mean to me?**

Your Existing Ordinary Shares will be consolidated into a lesser number of New Ordinary Shares (see question 16 above). You will continue to own the same proportion of Rexam's Ordinary Shares immediately after the Share Capital Consolidation as you did just before, subject to fractional entitlements arising on the Share Capital Consolidation (see question 17 above).

**19. What happens to my current share certificate?**

Your Existing Ordinary Share certificate will no longer be valid once the New Ordinary Shares have been listed. Therefore, you should destroy it upon receipt of your New Ordinary Share certificate.

If you currently hold Existing Ordinary Shares in uncertificated form the existing Ordinary Shares under ISIN GB00B943Z359 will be disabled at 4.30 p.m. on 30 May 2014 and on or soon after 8.00 am on 2 June 2014 your CREST account will be credited with New Ordinary Shares under ISIN GB00BMHTPY25.

**20. When do I get my New Ordinary Share certificate?**

New Ordinary Share certificates will be despatched on 12 June 2014. They are despatched at each Shareholder's own risk. To reduce this risk, please make every effort to ensure that Equiniti holds details of your current address.

**21. What if I want to sell my New Ordinary Shares before I have received my New Ordinary Share certificate?**

You will be able to sell your New Ordinary Shares from 2 June 2014 even though you will not have a New Ordinary Share certificate for them on that date. Rexam will not be issuing temporary documents of title. Instead the New Ordinary Shares will be certified against the register held by Equiniti.

**22. Will I get a B Share or C Share certificate?**

Shareholders who elect for Option 3 (Final Capital Return) will receive certificates in respect of the B Shares which are issued in respect of such election. Certificates will not be issued in respect of any other

B Shares, or the C Shares or Deferred Shares or to those Shareholders who hold their Existing Ordinary Shares in uncertificated form.

**23. What is a Deferred Share?**

If you choose to receive some or all of your Entitlement under Option 1: Income Return, the relevant C Shares will automatically become Deferred Shares once the C Share Dividend has been paid on the C Share Dividend Date. The Deferred Shares will have very limited rights—further details are set out in Part VIII of this document. It is intended that all of the Deferred Shares in issue will automatically be redeemed and cancelled on 12 June 2014 for a total aggregate price of one penny which will then be donated to charity.

**24. Will I get a Deferred Share certificate?**

No. Share certificates will not be issued in respect of the Deferred Shares.

**25. Will any of the shares which I receive as part of the Return of Cash be listed?**

Only the New Ordinary Shares will be listed. They are expected to be admitted to the Official List and admitted to trading on the London Stock Exchange's main market for listed securities at 8.00 am on 2 June 2014. No other class of share to be issued as part of the Return of Cash will be listed.

**26. Can I transfer my B Shares or C Shares?**

The B Shares and the C Shares will be transferable in accordance with the Articles by an instrument of transfer in usual or common form or, if applicable, by settlement within CREST. Nevertheless, given that neither the B Shares nor the C Shares will be listed on any recognised investment exchange, it is unlikely that an active market for them will develop or, if developed, be sustained.

**27. Can I transfer my Deferred Shares?**

No. The Deferred Shares will not be transferrable. It is intended that all of the Deferred Shares in issue will automatically be redeemed on 12 June 2014 for a total aggregate price of one penny which will then be donated to charity.

**28. What is the effect on the Employee Share Plans?**

The Remuneration Committee of the Rexam Board will consider whether the Return of Cash has an impact on existing awards or options granted under the Rexam Employee Share Plans.

**29. What is my tax position?**

If you are a UK resident individual Shareholder then, depending on your circumstances, the tax treatment for each of the relevant options is broadly expected to be as follows:

***Option 1: Income Return***

It is expected that the dividend should generally be treated as income for tax purposes and that the redemption of the Deferred Shares should be treated as a capital disposal for tax purposes in the tax year ending 5 April 2015. Alternatively, depending on circumstances, a negligible value claim could trigger a capital loss in the tax year ending 5 April 2015.

***Option 2: Initial Capital Return***

It is expected that the proceeds of the Initial Redemption should generally be treated as a capital disposal for tax purposes in the tax year ending 5 April 2015.

***Option 3: Final Capital Return***

It is expected that the proceeds of the Final Redemption should generally be treated as a capital disposal for tax purposes in the tax year ending 5 April 2016.

**The above is only a basic guide. We have set out a general guide to taxation for Shareholders resident in and ordinarily resident in the United Kingdom for tax purposes in Part IX of this document. Please read the**

relevant paragraphs carefully. If you have a complicated tax position, or are otherwise in any doubt about your tax circumstances, or if you are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser.

**30. Dividends on my Existing Ordinary Shares are paid directly into my bank account. Do I need to change the existing instruction in respect of my New Ordinary Shares?**

Unless revoked or varied, your present mandate will be deemed to be valid for any dividends from Rexam in respect of the New Ordinary Shares and the C Shares.

**31. What happens in respect of my existing Dividend Reinvestment Plan (“DRIP”) mandate?**

Your present instructions, including any recurring DRIP mandates received in paper or by electronic means via CREST, will automatically be deemed to be valid for any future dividends from the Company in respect of the New Ordinary Shares. For the avoidance of doubt, the DRIP will not apply to any part of your Entitlement under the Return of Cash (including the C Share Dividend).

**32. How will I receive the proceeds from the Return of Cash?**

*Option 1: Income Return*

It is expected that the C Share Dividend will be credited to your bank account or, if you do not have a valid existing bank mandate, a cheque for the C Share Dividend will be sent to you, on 19 June 2014.

*Option 2: Initial Capital Return*

It is expected that a cheque for the Initial Redemption will be sent to you or that your CREST account will be credited, as appropriate, on 19 June 2014.

*Option 3: Final Capital Return*

It is expected that a cheque for the Final Redemption will be sent to you or that your CREST account will be credited, as appropriate, on 13 April 2015.

**33. Why am I not able to reinvest the proceeds from the Return of Cash to buy New Ordinary Shares?**

Rexam and Equiniti considered providing a facility to allow Shareholders to automatically reinvest the proceeds received from the Return of Cash and acquire New Ordinary Shares. However this is not a facility which other companies typically offer in connection with such schemes and it was considered to add a further level of complexity.

**34. What if I hold my Existing Ordinary Shares in an ISA?**

If you hold your Existing Ordinary Shares in an ISA, you should be able to hold the New Ordinary Shares in an ISA (subject to the terms and conditions of your ISA). You should contact your ISA plan manager who will be able to advise you of the procedure for voting on the Return of Cash at the General Meeting and making an election in respect of your Entitlement.

**35. What if I am resident outside the United Kingdom?**

Shareholders resident outside the United Kingdom or who are nationals or citizens of jurisdictions outside the United Kingdom should read the additional information set out in paragraph 7 of Part V of this document.

**36. How does the Return of Cash and B/C Share Scheme differ from Rexam’s B Share Scheme in 2013?**

Both schemes achieve the same result for Shareholders: a return of cash to Shareholders which ensures that each Shareholder is treated equally and has an opportunity to specify the timing and manner of that return (unless resident in a Prohibited Territory). As with the 2013 scheme, the proposed B/C Share Scheme ensures that Shareholders’ economic entitlement is identical, regardless of the elections they choose to make. The advantage of the proposed B/C Share Scheme is that it also affords the Company improved accounting efficiency allowing greater flexibility to make future returns of cash (if any) and may also help manage the cost of implementing any such future returns.

**37. Why have I been sent so much paperwork?**

Rexam is required to provide all Shareholders with full details of the Return of Cash. This document contains important information and you should read it carefully as you have a right to vote on the Return of Cash and make elections in respect of the B/C Share Options.

**Whilst the technical aspects of the B/C Share Scheme may appear complicated, in essence the intention is simple—to return to Shareholders 57 pence for each Existing Ordinary Share that they hold and to give Shareholders a choice of receiving the return either as capital or as income.**

**If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under FSMA.**

**38. Will I receive the Final 2013 dividend on my existing pre consolidation number of shares even though the dividend is to be paid after the share consolidation?**

The record date for the Final 2013 dividend was 9 May 2014 and the dividend will be calculated on the number of shares that you owned on this date.



## PART IV—COMPLETING YOUR ELECTION FORM

Your Election Form is enclosed with this document. Shareholders electing through CREST should not complete an Election Form but instead should refer to paragraph 3 of Part X of this document. Elections in respect of the B/C Share Options will not become effective until the Election Form Effective Date.

**Shareholders who are resident in a Prohibited Territory, or who wish to receive Option 1: Income Return in respect of *all* of their Entitlement should NOT complete or return the Election Form. You are, however, encouraged to vote on the Return of Cash as no B Shares, C Shares or New Ordinary Shares will be created and the Return of Cash will not take effect unless resolution 1 of the resolutions to be considered at the General Meeting is passed. Shareholders will automatically receive the C Share Dividend on the C Share Dividend Date for any portion of their Entitlement in respect of which Shareholders have not elected for the other options.**

The following instructions set out what you should do when completing your Election Form.

References to **Boxes** refer to the boxes so numbered on the Election Form.

### **Shareholder(s) Name and Address**

The name of the Shareholder, or names of joint Shareholders, and the registered address for whose holding an election can be made will be shown in Box 1A.

### **Number of Existing Ordinary Shares held**

Box 1B shows the number of Existing Ordinary Shares held as at 6.00 pm on 8 May 2014. If you buy, sell or transfer any Existing Ordinary Shares, you should take care to ensure that your election is in respect of the equivalent number of Existing Ordinary Shares you hold in your name(s) on 30 May 2014. If you do not buy, sell or otherwise transfer any Existing Ordinary Shares between 8 May 2014 and 30 May 2014 the aggregate number of B Shares and/or C Shares you receive will be equal to the number of Existing Ordinary Shares shown in Box 1B.

### **TO CHOOSE ONE OPTION FOR ALL OF YOUR ENTITLEMENT**

- (a) To choose Option 1: Income Return for ALL of your Entitlement you need TAKE NO FURTHER ACTION and need not complete and return the Election Form. Shareholders who do not return the Election Form will automatically receive the C Share Dividend in respect of ALL of their Entitlement.
- (b) To choose Option 2: Initial Capital Return for ALL of your Entitlement, write ALL in Box 2.
- (c) To choose Option 3: Final Capital Return for ALL of your Entitlement, write ALL in Box 3.

### **TO SPLIT YOUR ENTITLEMENT BETWEEN MORE THAN ONE OPTION:**

#### **To split your Entitlement between Options 1 and 2:**

Enter, in numbers, the number of Existing Ordinary Shares in respect of which you wish to elect for Option 2: Initial Capital Return in Box 2 and leave Box 3 blank. The balance of your Entitlement will be subject to Option 1: Income Return.

#### **To split your Entitlement between Options 1 and 3:**

Enter, in numbers, the number of Existing Ordinary Shares in respect of which you wish to elect for Option 3: Final Capital Return in Box 3 and leave Box 2 blank. The balance of your Entitlement will be subject to Option 1: Income Return.

#### **To split your Entitlement between Options 2 and 3:**

Enter, in numbers, the number of Existing Ordinary Shares in respect of which you wish to be subject to Option 2: Initial Capital Return in Box 2 and enter, in numbers, the number of Existing Ordinary Shares in respect of which you wish to elect for Option 3: Final Capital Return in Box 3.

#### **To split your Entitlement between Options 1, 2 and 3:**

Enter, in numbers, the number of Existing Ordinary Shares in respect of which you wish to elect for Option 2: the Initial Capital Return in Box 2 and enter, in numbers, the number of Existing Ordinary Shares in

respect of which you wish to elect for Option 3: Final Capital Return in Box 3. The balance of your holding will be subject to Option 1: Income Return.

**If the Election Form is incorrectly completed:**

If you have not elected for any other B/C Share Options, Option 1: Income Return will be deemed to have been elected for all of your Entitlement.

If you enter a number in either Box 2 or Box 3 that is greater than your shareholding on 30 May 2014, your election will be reduced to your actual Entitlement.

If you have chosen to split your election between Options 1, 2 and 3 and the total of Existing Ordinary Shares when added together is greater than your shareholding on 30 May 2014, your election in respect of Option 2: Initial Capital Return will be fulfilled first and the excess (if any) will be applied to Option 3: Final Capital Return, and, if this does not exceed your actual holding, the balance of your holding will receive Option 1: Income Return.

If the number entered in Boxes 2 and 3 is lower than your shareholding on 30 May 2014, the balance of your Entitlement for which you have made no election will receive Option 1: Income Return.

If you enter ALL in either Box 2 or Box 3 anything entered in any other box will be disregarded.

If you enter ALL in both Boxes 2 and 3 your election will be invalid and you will be deemed to have elected for Option 1 in respect of all of your Entitlement.

Equiniti and the Company reserve the right at their sole discretion to accept and process an election for all the Entitlement if a tick, cross or other symbol is entered into the relevant box in the absence of the word "all" or a numeric value.

If you are resident in a Prohibited Territory you will be deemed to automatically have elected for Option 1: Income Return in respect of all of your Entitlement and you should not submit an Election Form. Any Election Form which you do submit will therefore be disregarded.

**Notwithstanding the instructions set out above, the Company reserves the right at its sole discretion to accept completed Election Forms received after the relevant due date and to accept incomplete or incorrectly completed Election Forms. The Company further reserves the right at its sole discretion to reject any Election Forms if to act on the election would be illegal. All questions as to the form and validity (including the time of receipt) of any Election Form will be determined by the Company, in its absolute discretion, which determination shall be final and binding. None of the Company, Equiniti, or any of their respective employees, directors, officers or agents will be under any duty to give notification of any defect or irregularity in any Election Form or incur any liability for failure to give any such notification.**

**Submission of your Election Form:**

Once completed and signed the Election Form should be returned in the reply-paid envelope provided to be received no later than 4.30 pm (London time) on 6 June 2014. If you do not use the envelope provided, the Election Form should be sent to Equiniti at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

If you need assistance in completing the Election Form or have any queries relating to it, you should telephone the Shareholder helpline on **0800 169 0161** (or **+44 121 415 0181** if calling from outside the UK) between 8.30 am and 5.30 pm (London time) on any Business Day. The Shareholder helpline will remain open until 3 July 2014. Please note that the Shareholder helpline will not provide advice on the merits of the Return of Cash or give any financial, investment or taxation advice. Please note that calls to these numbers may be monitored or recorded. Calls from within the UK are normally free of charge from landlines but charges may apply from mobile phones. Other telephone provider costs may vary. Calls to +44 121 415 0181 from outside the UK are charged at applicable international rates.

## PART V—DETAILS OF THE RETURN OF CASH

### 1. Return of Cash

The Return of Cash comprises the Capital Reorganisation (see paragraph 2 below) and the B/C Share Options (see paragraphs, 3, 4 and 5 below).

#### *Conditions to the implementation of the Return of Cash*

The Return of Cash is conditional on:

- (i) the approval by Shareholders of resolution 1 of the resolutions to be proposed at the General Meeting; and
- (ii) the Listing of the New Ordinary Shares.

If these conditions are not satisfied no New Ordinary Shares, B Shares or C Shares will be created and the Return of Cash will not take effect.

### 2. Capital Reorganisation

#### *Allotment of B Shares and C Shares*

The proposed Return of Cash involves the allotment and issue of B Shares and C Shares as described below.

It is expected that each Shareholder will be issued with C Shares in respect of any portion of its Entitlement which it elects to receive by way of a dividend and B Shares in respect of any portion of its Entitlement which it elects to receive by way of a redemption of shares.

It is proposed that the Company:

- (i) capitalise a sum not exceeding £451,444,570 standing to the credit of the Company's share premium account, for the purpose of paying up in full B Shares with a nominal value of 57 pence each; and
- (ii) capitalise a sum not exceeding £792.01 standing to the credit of the Company's share premium account and to apply such sum in paying up in full C Shares with a nominal value of 0.0001 pence each.

The B Shares and C Shares will be issued to Shareholders on the basis of one B Share or one C Share for each Existing Ordinary Share held at the B/C Share Record Date, which is expected to be 6.00 pm on 30 May 2014.

The exact number of B Shares and C Shares to be issued will depend upon the elections made by each Shareholder between the B/C Share Options, but in aggregate will be equal to the number of Ordinary Shares in issue at the B/C Share Record Date. As at 13 May 2014 (the latest practicable date prior to the publication of this document) there were 791,978,018 Existing Ordinary Shares in issue.

The rights and restrictions to be attached to the B Shares and the C Shares are more fully set out in Part VI and Part VII, respectively, of this Document.

Neither the B Shares nor the C Shares will be admitted to the Official List or to trading on the London Stock Exchange's market for listed securities.

If you hold your Existing Ordinary Shares in uncertificated form, in order to facilitate the B/C Share Options elections, you will, for the purposes of settlement in CREST only, be credited with one "interim CREST entitlement" under the ISIN GB00BMHTQ051 for each Existing Ordinary Share held at the B/C Share Record Date, from the period from 8.00 am on 2 June 2014 until 4.30 pm on 6 June 2014 (being the end of the Election Period). During this period, CREST holders will have their accounts credited with "interim CREST entitlements" to allow them to elect electronically through the CREST system. From 8.00 am on 9 June 2014 (or such other time and/or date as the directors may determine), "interim CREST entitlements" in relation to which elections have been made under Option 3 will, for the purposes of dealings and settlement in CREST, be designated as B Shares under the ISIN GB00BMHTPZ32. Accordingly, on 9 June 2014 those CREST holders who have elected to receive B Shares in respect of all or some of their B/C Share Entitlement and to hold all or some of such B Shares until the Final Redemption Date, will have their CREST accounts credited with such B Shares.

### ***Share Capital Consolidation***

The Existing Ordinary Shares will be subdivided and consolidated so that Shareholders will receive 8 New Ordinary Shares in place of every 9 Existing Ordinary Shares they own at 6.00 pm on 30 May 2014. The intention of the Share Capital Consolidation is that the price of each New Ordinary Share immediately after Listing of the New Ordinary Shares should be approximately equal to the price of each Existing Ordinary Share immediately prior to the Return of Cash (subject to normal market movements). The effect of the Share Capital Consolidation will be to broadly reduce the number of issued ordinary shares to reflect the return of 57 pence per Existing Ordinary Share to Shareholders, but Shareholders will own the same proportion of Rexam's Ordinary Shares as they did previously, subject to fractional entitlements. Further information on fractional entitlements is set out below.

New Ordinary Shares will be equivalent in all material respects to the Existing Ordinary Shares, including their dividend, voting and other rights. Application will be made for the New Ordinary Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities, with dealings expected to commence on 2 June 2014. The Company will apply for the New Ordinary Shares to be admitted to CREST with effect from Listing of the New Ordinary Shares so that general market transactions in the New Ordinary Shares may be settled within the CREST system.

New Ordinary Share certificates will be issued to those Shareholders who hold their Existing Ordinary Shares in certificated form following the Capital Reorganisation. It is expected that New Ordinary Share certificates will be despatched on 12 June 2014. Holders of Existing Ordinary Shares whose holdings are registered in CREST will automatically have their New Ordinary Shares credited to their CREST account on 2 June 2014.

The Existing Ordinary Share security under ISIN GB00B943Z359 will be disabled after 4.30 pm on 30 May 2014 and on or soon after 8.00 am on 2 June 2014 your CREST account will be credited with New Ordinary Shares under ISIN GB00BMHTPY25.

### ***Fractional entitlements to New Ordinary Shares***

Unless a holding of Existing Ordinary Shares is exactly divisible by 9, a Shareholder will have a fractional entitlement to a New Ordinary Share following the Share Capital Consolidation. So, for example, a Shareholder having 60 Existing Ordinary Shares would, after the Share Capital Consolidation, be entitled to 53 New Ordinary Shares and a fractional entitlement to  $\frac{1}{3}$  of a New Ordinary Share.

The fractional entitlements of all Shareholders will be aggregated and sold in the market on their behalf. The proceeds of sale will be distributed pro rata to the relevant Shareholders. Cheques in respect of the proceeds of sale are expected to be despatched to relevant Shareholders or CREST accounts credited with the proceeds, as appropriate, on 12 June 2014.

Should the cash consideration for your fractional entitlement be less than £3.00, you will not receive a cheque in respect of that entitlement and the proceeds will be retained by the Company and donated to charity.

If necessary in order to ensure that a whole number of New Ordinary Shares is created following the implementation of the Share Capital Consolidation, it is proposed that the Company will issue the minimum number of new Existing Ordinary Shares before the B/C Share Record Date which is necessary in order to ensure that such a whole number is created.

### **3. Option 1: Income Return**

Shareholders may elect to receive some or all of their Entitlement by way of an income return and, if they do, they shall be issued C Shares in respect of their election. The C Share Dividend of 57 pence per C Share will be paid on each C Share issued. Shareholders who make such an election will be issued one C Share for every Existing Ordinary Share in respect of which they elect or are deemed to have elected for Option 1. Elections in respect of the C Share Dividend will not become effective until the Election Form Effective Date.

To elect for the C Share Dividend in respect of *all* of your Entitlement *you need take no further action and do not need to return your Election Form*. You are, however, encouraged to vote on the resolutions to be proposed at the General Meeting as, unless resolution 1 of the resolutions to be considered at the General Meeting is passed, no B Shares, C Shares or New Ordinary Shares will be created and the Return of Cash will not take effect and no cash will be returned to Shareholders.

To elect for the C Share Dividend in respect of some but not all of your Entitlement you should follow the instructions in Part IV of this document unless you hold your Shares through CREST. Shareholders electing through CREST should refer to paragraph 3 of Part X of this document.

Following payment of the C Share Dividend, the C Shares on which the C Share Dividend has been paid will be converted into Deferred Shares, with the Shareholder receiving one Deferred Share in place of each C Share it holds. The Deferred Shares will not be listed, will carry extremely limited rights (as more fully described in Part VII of this document) and will have negligible value.

The Company intends to redeem all Deferred Shares then in issue on or around 12 June 2014 for an aggregate consideration of one penny. Any such redemption by the Company will be treated as a disposal of the Deferred Shares by Shareholders.

Shareholders should carefully read Part IX “*United Kingdom Taxation in relation to the Return of Cash*” of this document, including, in particular, paragraph 2, before deciding whether to elect for the C Share Dividend.

It is expected that Shareholders receiving the C Share Dividend will be sent cheques or, if mandate instructions are held, their bank accounts credited in respect of such C Share Dividend on 19 June 2014. No share certificates will be issued in respect of the C Shares or in respect of the Deferred Shares.

#### **4. Option 2 and Option 3: Capital return**

Shareholders may elect to have all or some of their Entitlement paid by way of a capital return, such return to be effected by way of an issue and subsequent redemption of B Shares. Such Shareholders will also be entitled to elect to have their B Shares redeemed on the Initial Redemption Date or to hold onto all or some of those B Shares until the Final Redemption Date. Elections in respect of Initial Capital Return and Final Capital Return will not become effective until the Election Form Effective Date. No dealing expenses or commissions will arise if you elect for either Option 2 or Option 3.

Any B Shares redeemed by the Company by way of Initial Redemption or Final Redemption will be cancelled and will not be reissued.

##### ***Option 2: Initial Capital Return***

Under the Initial Capital Return, Shareholders may elect to have all or some of their Entitlement satisfied by way on an issue of B Shares which will then be redeemed by the Company, on the Initial Redemption Date, at 57 pence per B Share.

To elect for Initial Capital Return in respect of some or all of your Entitlement you should follow the instructions in Part IV of this document, or, if you hold your Shares through CREST, the instructions set out in paragraph 3 of Part X.

Shareholders should carefully read Part IX “*United Kingdom Taxation in relation to the Return of Cash*” of this document, including, in particular, paragraph 3, before deciding whether to elect for the Initial Capital Return.

It is expected that Shareholders whose B Shares are redeemed on the Initial Redemption Date will be sent cheques or have their CREST accounts credited with the proceeds, as appropriate, in respect of such redemption on 19 June 2014.

##### ***Option 3: Final Capital Return***

Shareholders may elect to retain some or all of their Entitlement satisfied by way of an issue of B Shares until the Final Redemption Date.

Shareholders who elect for Option 3: Final Capital Return in respect of some or all of their Entitlement will have their relevant B Shares redeemed on the Final Redemption Date and it is expected that such Shareholders will be sent cheques or have their CREST accounts credited with the proceeds in respect of the relevant B Shares on 13 April 2015.

To elect for the Final Capital Return in respect of some or all of your Entitlement you should follow the instructions in Part IV of this document, or, if you hold your Shares through CREST, the instructions set out in paragraph 3 of Part X.

Shareholders should carefully read Part IX “*United Kingdom Taxation in relation to the Return of Cash*” of this document, including, in particular, paragraph 3 before deciding whether to elect for the Final Capital Return.

All remaining B Shares in issue will be redeemed by the Company on the Final Redemption Date.

## 5. Additional terms of the B/C Share Options

The following terms will apply to the C Share Dividend, the Initial Redemption and the Final Redemption:

- (i) the Election Form, any TTE Instruction of a Shareholder electing through CREST and all contracts resulting therefrom will be governed by and construed in accordance with English law. Execution by or on behalf of a Shareholder of an Election Form or any TTE Instruction submitted by a Shareholder electing through CREST constitutes their submission, in relation to all matters arising out of or in connection with such form, to the exclusive jurisdiction of the English courts; and
- (ii) no authority conferred by or agreed to by execution of the Election Form or any TTE Instruction submitted by a Shareholder electing through CREST shall be affected by, and all such authority shall survive, the death or incapacity of the Shareholder executing such form. All obligations of such Shareholder shall be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

## 6. Withdrawal rights

Shareholders should note that any election, whether their Existing Ordinary Shares are held in CREST or otherwise, relating to the B/C Share Options may be withdrawn by Shareholders at any time prior to 1.00 pm on 6 June 2014. Thereafter, such election is irrevocable and takes effect on the Election Form Effective Date.

**Shareholders wishing to withdraw their election, whether their Shares are held in CREST or otherwise, MUST first telephone the Shareholder helpline for further information on 0800 169 0161 (or +44 121 415 0181, if calling from outside the UK) between 8.30 am and 5.30 pm (London time) on any Business Day and, if wishing to re-elect in respect of the B/C Share Options, request a Replacement Election Form or receive instructions on how to re-elect through CREST. Please note that calls to these numbers may be monitored or recorded. Calls from within the UK are normally free of charge from landlines but charges may apply from mobile phones. Other telephone provider costs may vary. Calls to +44 121 415 0181 from outside the UK are charged at applicable international rates.**

For a withdrawal of an election in respect of any portion of your Entitlement to be effective, whether your Shares are held in CREST or otherwise, a written instruction signed by the person(s), who signed or, in the case of shares held in uncertificated form, made the relevant election, must:

- (i) be received by post by Equiniti by 1.00 pm (London time) on 6 June 2014; and
- (ii) specify the name(s) and address(es) of the person(s) who tendered the election to be withdrawn, the account number (which, for Shareholders who hold their Existing Ordinary Shares in certificated form, appears on the front of the relevant Form of Election) and the exact number of their Existing Ordinary Shares to which the withdrawal relates; and
- (iii) in the case of an election originally made by a TTE Instruction, be accompanied by a valid ESA Message given by the person(s) who gave the relevant TTE Instruction, by no later than 1.00 pm on 6 June 2014.

Facsimile, electronic mail or other electronic means of transmission or any form of copy of written notice will not constitute a written instruction of withdrawal. The Company will determine all questions as to the form and validity (including time of receipt) of any instruction of withdrawal, in its discretion, which determination shall be final and binding. The Company also reserves the absolute right to waive any defect or irregularity in the withdrawal by any Shareholder and such determination will be binding on such Shareholder. None of the Company or Equiniti or any other person will be under any duty to give notification of any defect or irregularity in any instruction of withdrawal or incur any liability for failure to give any such notification or for any reason with regard to withdrawal and re-election.

Withdrawals may not be rescinded and elections in respect of withdrawn Entitlements will thereafter be deemed invalid for the purposes of the B/C Share Options.

Once a written instruction of withdrawal of an election in respect of certain Existing Ordinary Shares has been received by Equiniti, it is possible to re-elect for the B/C Share Options in respect of those withdrawn shares.

Shareholders who do not hold their Existing Ordinary Shares in CREST should complete and return a Replacement Election Form by following the instructions in Part IV of this document. In addition, such Shareholders must tick the box on such Replacement Election Form indicating that the form is a Replacement Election Form.

Once completed and signed, the withdrawal instruction and the Replacement Election Form should be returned in the reply-paid envelope which will be provided by Equiniti. To be valid, Replacement Election Forms, withdrawal instructions and re-elections through CREST must be returned or submitted by 4.30 pm (London time) on 6 June 2014. If you do not use the envelope provided, the Replacement Election Form and withdrawal instruction should be sent to Equiniti.

## **7. Non United Kingdom Shareholders**

Shareholders who are resident in a Prohibited Territory will automatically be deemed to have elected for Option 1: Income Return in respect of all their Entitlement and need make no election in respect of their Entitlement. They are, however, encouraged to vote on the resolutions to be proposed at the General Meeting as, unless resolution 1 of the resolutions to be considered at the General Meeting is passed, no B Shares, C Shares or New Ordinary Shares will be created, the Return of Cash will not take effect and no cash will be returned to Shareholders.

Shareholders who are not resident in the UK or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the Return of Cash will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or anybody or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Shareholder not resident in the UK or a citizen, resident or national of another country wishing to receive the Return of Cash including receiving the C Share Dividend and/or having B Shares redeemed or otherwise disposing of any shares in the Company to satisfy himself as to full observance of the laws of each relevant jurisdiction in connection with the Return of Cash, including the obtaining of any government, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer, redemption or other taxes or duties in such jurisdiction as may be required in the context of the Return of Cash.

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Neither this document, nor any other document issued or to be issued by or on behalf of the Company in connection with the Return of Cash, constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

In the event that the Company is advised that it would or might be in breach of legal or regulatory requirements in any jurisdiction, or the Company would or might be required to make filings or take any other action in any jurisdiction as a result of the Return of Cash (or any part of it) to Shareholders who have registered addresses in any overseas jurisdiction or who are citizens, residents or nationals of other countries, it is proposed that such Shareholders' respective Entitlements will nevertheless be allotted to such Shareholders and the Capital Reorganisation will take place in respect of their holdings of Existing Ordinary Shares, but their Entitlement may be issued to a nominee who will automatically be deemed to have elected for Option 1: Income Return in respect of all of his/her Entitlement.

The above provisions of this paragraph relating to non United Kingdom Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion.

None of the New Ordinary Shares, the B Shares or the C Shares have been, and none will be, registered under the US Securities Act or under the securities laws of any state of the United States or under any applicable securities laws of the United States of America, Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction (other than the UK).

## **8. Share certificates**

From the date of Listing of the New Ordinary Shares, your Existing Ordinary Share certificate will no longer be valid. New Ordinary Share certificates will only be issued following the Share Capital Consolidation. It is therefore important that, if you hold certificates in respect of your Existing Ordinary Shares, you retain them for the time being until New Ordinary Share certificates are despatched, which is expected to be on 12 June 2014. Once you receive certificates in respect of your New Ordinary Shares, the certificates in respect of the Existing Ordinary Shares can be destroyed. Share certificates are despatched to Shareholders at their own risk. Shareholders holding New Ordinary Shares through the CREST system will not receive any share certificates.

Certificates will be issued in respect of B Shares which are not held in CREST and are to be redeemed on the Final Redemption Date (Option 3). It is expected that such certificates will be despatched on 19 June 2014. No Share certificates will be issued in respect of any other B Share or any C Share. For uncertificated Shareholders holding through the CREST system, the relevant CREST accounts are expected to be credited with the B Shares on or soon after 8.00 a.m. on 9 June 2014.

No share certificates will be issued by the Company in respect of any Deferred Share.

## **9. Amendments to the Articles**

A number of consequential amendments to the Articles are required in order to implement the Return of Cash and such amendments require Shareholder approval. These amendments are set out in Part VI—Part VIII of this document.

## **10. Rexam Employee Share Plans**

The Remuneration Committee of Rexam's Board will consider whether the Return of Cash has an impact on existing awards or options granted under the Rexam Employee Share Plans.

## **11. Dealings and despatch of documents**

The Share Capital Consolidation and the issue of B Shares and/or C Shares will be made by reference to holdings of Existing Ordinary Shares on the register of members as at the Record Date and the B/C Share Record Date respectively.

It is expected that dealings and settlement within the CREST system of the Existing Ordinary Shares will continue until the Record Date when, in the case of Existing Ordinary Shares held in certificated form, the register of members will be closed for transfers and no further transfers of Existing Ordinary Shares will be able to be made. Similarly, the registration of uncertificated holdings in respect of the Existing Ordinary Shares will be "disabled" in CREST on the Record Date.

The Company expects to despatch definitive share certificates in respect of the New Ordinary Shares on 12 June 2014, and B Shares to be redeemed on the Final Redemption Date (Option 3) held in certificated form on 19 June 2014, and expects to despatch cheques and credit CREST accounts in respect of the sale of fractional entitlements to New Ordinary Shares following the subdivision and consolidation on the same date. From Listing of the New Ordinary Shares, certificates in respect of the Existing Ordinary Shares will no longer be valid.

No share certificates will be issued by the Company in respect of any B Shares C Shares or Deferred Shares other than those B Shares which are to be redeemed on the Final Redemption Date (Option 3). It is expected that Shareholders who hold their Existing Ordinary Shares through the CREST system will, on Listing of the New Ordinary Shares, have their CREST accounts credited with the New Ordinary Shares and B Shares which are to be redeemed on the Final Redemption Date (Option 3).

Temporary documents of title will not be issued pending despatch of the New Ordinary Share certificates. Transfers of New Ordinary Shares held in certificated form will be certified against the register held by Equiniti.

It is expected that cheques in respect of B Shares redeemed under the Initial Redemption will be despatched to the relevant Shareholders and CREST accounts credited, as appropriate, on 19 June 2014. It is also expected that cheques in respect of the C Share Dividend will be despatched to the relevant Shareholders, or, where mandate instructions are held, their bank accounts will be credited, on 19 June 2014.



It is expected that cheques in respect of the Final Redemption will be despatched to the relevant Shareholders and CREST accounts credited, as appropriate, on 13 April 2015.

Cheques and share certificates are despatched at each Shareholder's own risk.

## **12. General Meeting**

The General Meeting will be held at 4 Millbank, London SW1P 3XR at 11.00 am (London time) on 29 May 2014. The General Meeting notice is set out in Part XII of this document.

You will find enclosed with this document a Proxy Form for use in respect of the General Meeting.

Whether or not you intend to be present at the General Meeting, you are requested to submit a CREST Proxy Instruction, vote electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk) or complete and sign the Proxy Form and return it, in accordance with the instructions printed on it, by post to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to arrive as soon as possible and, in any event, no later than 11.00 am (London time) on 27 May 2014. Submission of a CREST Proxy Instruction, an electronic vote, or completion and return of the Proxy Form will not prevent you from attending the General Meeting and voting in person, should you wish to do so.

## **13. Summary explanation of resolutions to be put to the General Meeting**

Ordinary resolutions will be passed if at least 50 per cent. of the votes cast are in favour. Special resolutions will be passed if at least 75 per cent. of the votes cast are in favour. Resolutions 2, 3 and 4 are conditional on resolution 1 being passed and becoming unconditional and resolution 1 is itself conditional on Listing.

### **Resolution 1: Return of Cash (a special resolution)**

This special resolution is conditional on Listing and sets out the formal mechanics for the implementation of the Return of Cash and amends the Articles:

- (i) paragraphs (a)(i)-(ii) of resolution 1 propose to authorise the directors to:
  - (a) capitalise a sum not exceeding £451,444,570 standing to the credit of the Company's share premium account, and to apply such sum in paying up in full up to the maximum number of B Shares that may be allotted pursuant to the authority given by paragraph (b); and
  - (b) capitalise a sum not exceeding £792.01 standing to the credit of the Company's share premium account, and to apply such sum in paying up in full up to the maximum number of C Shares that may be allotted pursuant to the authority given by paragraph (b);
- (ii) paragraph (a)(iii) of resolution 1 proposes to authorise the directors to exercise all the powers of the Company to allot and issue B Shares up to an aggregate nominal amount of £451,444,570 and C Shares up to an aggregate nominal amount of £792.01 to Shareholders on the basis of either one B Share or one C Share for each Existing Ordinary Share held on the B/C Share Record Date. The authority granted to the directors shall expire on 1 July 2015;
- (iii) paragraph (b) of resolution 1 sets out the procedure for the subdivision and consolidation of the Existing Ordinary Shares into New Ordinary Shares. All fractional entitlements which arise will be aggregated and sold on behalf of the Shareholders entitled to them with net proceeds of sale, of £3.00 or more, distributed in due proportion to them. The proceeds of sale from fractional entitlements of less than £3.00 will be retained by the Company in accordance with the Articles and donated to such charity as the Company may determine; and
- (iv) paragraph (c) of resolution 1 proposes the amendments to the Articles in order to incorporate the terms of the B Shares (as set out in Part VI of this document), the C Shares (as set out in Part VII of this document) and of the Deferred Shares (as set out in Part VIII of this document).

### **Resolution 2: To authorise the directors to allot Ordinary Shares (an ordinary resolution)**

At the Annual General Meeting held on 2 May 2014, Shareholders authorised the directors, under section 551 of CA 2006, to allot shares without the prior consent of Shareholders for a period expiring at the conclusion of the Annual General Meeting to be held in 2015 or, if earlier, at the close of business on 1 July 2015 (the **AGM Allotment Authority**). It is now proposed to renew this authority and to authorise

the directors under section 551 of the Companies Act 2006 to allot New Ordinary Shares or grant rights to subscribe for or convert any security into New Ordinary Shares in the Company for a period expiring no later than 1 July 2015. If resolution 2 is passed, the AGM Allotment Authority will cease to have effect.

Paragraph (a)(i) of resolution 2 will allow the directors to allot New Ordinary Shares up to a maximum nominal amount of £188,566,000 representing approximately one third (33.33 per cent.) of the Company's New Ordinary Share capital in issue immediately following the Share Capital Consolidation. In accordance with institutional guidelines issued by the Association of British Insurers (**ABI**), paragraph (a)(ii) of resolution 2 will allow directors to allot, including the New Ordinary Shares referred to in paragraph (a)(i) of resolution 2, additional New Ordinary Shares in connection with a pre-emptive offer by way of a rights issue to holders of New Ordinary Shares up to a maximum nominal amount of £377,132,000, representing approximately two thirds (66.67 per cent.) of the Company's New Ordinary Shares in issue immediately following the Share Capital Consolidation.

The directors have no present intention of exercising this authority. However, if they were to exercise the authority, the directors would follow best practice regarding its use, as recommended by the ABI.

Resolution 2 is an ordinary resolution. If the resolution is passed, the authority will remain in force for a period expiring no later than close of business on 1 July 2015.

### **Resolution 3: To disapply pre-emption rights (a special resolution)**

Also at the Annual General Meeting in May, a special resolution was passed, under sections 570 and 573 of CA 2006, authorising the directors to allot equity securities for cash without first being required to offer such shares to existing Shareholders (the **AGM Dis-application of Pre-emption Rights**). It is proposed that this authority also be renewed and to authorise the directors to issue New Ordinary Shares in connection with a rights issue or other pre-emptive offer, and otherwise to issue New Ordinary Shares for cash up to a maximum nominal amount of £28,284,000 which includes the sale for cash on a non pre-emptive basis of any shares the Company may hold in treasury for cash. The £28,284,000 maximum nominal amount of equity securities to which this authority relates represents approximately 5 per cent. of the New Ordinary Share capital in issue immediately following the Share Capital Consolidation. If resolution 3 is passed, the AGM Dis-application of Pre-emption Rights will cease to have effect.

The directors do not intend to issue more than 7.5 per cent. of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three year period without prior consultation with the Shareholders and the Investment Committees of the ABI and the National Association of Pension Funds.

Resolution 3 is a special resolution. If the resolution is passed, the authority will remain in force for a period expiring no later than close of business on 1 July 2015.

### **Resolution 4: To authorise the Company to make market purchases of Ordinary Shares (a special resolution)**

A special resolution was also passed at the Annual General Meeting in May authorising the directors to purchase the Company's shares in the market (the **AGM Market Purchase Authority**). It is proposed that this authority also be renewed in relation to the New Ordinary Shares. The power given by the resolution will only be exercised if the directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the interests of Shareholders. The directors will also give careful consideration to gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits. If resolution 4 is passed, the AGM Market Purchase Authority will cease to have effect.

CA 2006 permits certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by a company. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under employees' share schemes. Once held in treasury, a company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the treasury shares. Further, no dividend or other distribution of the relevant company's assets may be made to that company in respect of the treasury shares. If the directors exercise the authority conferred by resolution 4, they may consider holding those New Ordinary Shares in treasury, rather than cancelling them. No shares are currently held in treasury.

The maximum number of shares which may be purchased under the proposed authority will be 70,398,000 New Ordinary Shares representing approximately 10 per cent. of the New Ordinary Share capital in issue immediately following the Share Capital Consolidation. The price paid for shares will not be less than the

nominal value of 80<sup>5</sup>/<sub>14</sub> pence per share nor more than the higher of 5 per cent. above the average of the middle-market quotation of the Company's ordinary shares as derived from the London Stock Exchange Official List for the five business days preceding the day on which the shares are purchased and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003.

The total number of options to subscribe for Shares that were outstanding as at 12 May 2014 (being the latest practicable date prior to the publication of this document) was 12,408,242, of which 2,177,206 are options over unissued Shares. The proportion of issued share capital of the Company that the unissued Shares represented at that time was approximately 0.27 per cent. Based upon figures as at the latest practicable date prior to publication of this document, the proportion of issued New Ordinary Share capital that the options over unissued Shares will represent immediately following the Share Capital Consolidation will be approximately 0.31 per cent. The proportion of issued New Ordinary Share capital that the unissued Shares will represent if the full authority to purchase shares (existing and being sought) is used is 0.39 per cent.

Resolution 4 is a special resolution. If the resolution is passed, the authority will remain in force for a period expiring no later than close of business on 1 July 2015.

## PART VI—TERMS AND CONDITIONS OF THE B SHARES

The following sets out the detail of the amendments which are proposed to be made to the Articles under resolution 1(c) to be proposed at the General Meeting and summarises the rights of the B Shares and the restrictions to which they are subject.

### 5A. Rights and restrictions attached to the B Shares

Notwithstanding the provisions in these articles which relate to shares, the following paragraphs (1)-(8) of this article comprise all the rights and restrictions relating to the unlisted non-cumulative redeemable preference shares of the Company of 57 pence nominal value (the **B Shares**).

#### (1) Election form

- (a) Together with a circular to shareholders dated 13 May 2014 (the **B/C Share Circular**), holders of Existing Ordinary Shares (as defined in the B/C Share Circular) were sent an election form or, if held through CREST (as defined in the B/C Share Circular), they were invited to submit a Transfer To Escrow instruction (each, an **Election Form**) which, amongst other things, could result in the issue to them of B Shares to be redeemed by the Company either on:
  - (i) 9 June 2014 or such other date as the directors may determine (the **Initial Redemption Date**); and/or
  - (ii) 6 April 2015 or such other date as the directors may determine (the **Final Redemption Date**).
- (b) Elections in respect of the B/C Share Options (as defined in the B/C Share Circular) will not take effect until 4.30 pm on 6 June 2014 or such other time and/or date as the directors may determine.
- (c) The directors may, if they so determine in their absolute discretion, accept an Election Form which is received after the relevant time or which is not correctly completed. The directors may, in addition, if they so determine in their absolute discretion, treat any other document or action as a valid Election Form or as the completion or delivery of a valid Election Form, as the case may be.

#### (2) Income

The B Shares shall confer no right to participate in the profits of the Company save for the right to redemption under Article 5A(4) below.

#### (3) Capital

- (a) Except as provided in article 5A(6) below, on a return of capital on winding-up (excluding any intra-group reorganisation on a solvent basis) but not otherwise, the holders of the B Shares shall be entitled, in priority to any payment to the holders of Ordinary Shares (as defined in the B/C Share Circular) or Deferred Shares but *pari passu* with any payment to holders of C Shares, to 57 pence per B Share (which shall be the nominal capital paid up or credited as paid up on the B Shares) held by them.
- (b) The aggregate entitlement of each holder of B Shares on a winding-up in respect of all of the B Shares held by such holder shall be rounded up to the nearest whole penny.
- (c) The holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in article 5A(3)(a) above. If, on such a winding-up, the amounts available for payment are insufficient to cover in full the amounts payable on the B Shares, the holders of such shares will share rateably in the distribution of assets (if any) in proportion to the full preferential amounts to which they are entitled.

#### (4) Redemption

Subject to the Statutes and to the provisions of these articles, the B Shares will be redeemed in accordance with the following provisions:

- (a) out of the profits available for distribution, holders of B Shares who elect that some or all of their B Shares will be redeemed on the Initial Redemption Date, will have such B Shares redeemed (without the Company providing any notice) on the Initial Redemption Date (unless determined otherwise by the directors);

- (b) unless redeemed earlier, all remaining B Shares in issue on the Final Redemption Date will be redeemed (without the Company providing any notice) on the Final Redemption Date (unless determined otherwise by the directors);
  - (c) for each B Share that is redeemed, there will be paid to the holder thereof a sum equal to the nominal value of that B Share;
  - (d) all B Shares which are redeemed will, immediately and automatically, following such redemption, be cancelled and will not be reissued; and
  - (e) payment in respect of B Shares being redeemed may be made by cheque or by the crediting of accounts in a relevant system (e.g. CREST) (or otherwise as the directors may determine).
- (5) Attendance and voting at general meetings
- (a) The holders of the B Shares shall not be entitled, in respect of their holdings of such shares, to receive notice of any general meeting of the Company, nor to attend, speak or vote at any such general meeting unless the business of the meeting includes the consideration of a resolution for the winding-up (excluding any intra-group reorganisation on a solvent basis) of the Company, in which case the holders of the B Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on any such resolution.
  - (b) Whenever the holders of the B Shares are entitled to vote at a general meeting of the Company, on a show of hands, every holder thereof who (being an individual) is present in person or (being a corporation) by a duly authorised representative not being himself a member shall have one vote, and on a poll every such holder who (being an individual) is present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each B Share which he holds.
- (6) Class rights
- (a) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of B Shares.
  - (b) A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such B Shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose. The Company will be authorised to reduce its capital (in accordance with the Statutes and without obtaining the consent of the holders of the B Shares) including by paying to the holders of the B Shares the preferential amounts to which they are entitled as set out above.
- (7) Form, transferability, certificates and listing
- (a) In accordance with Article 15, no share certificates or other documents of title shall be issued in relation to any B Shares which are to be redeemed by the Company on the Initial Redemption Date. The B Shares are not renounceable and all transfers of B Shares shall be effected in writing in usual or common form or in any other form which the directors may approve. Every transfer of uncertificated B Shares must be carried out using a relevant system (e.g. CREST). For the avoidance of doubt B Shares will be redeemed in accordance with article 5A(4).
  - (b) No application to the UKLA or the London Stock Exchange plc (the **London Stock Exchange**) for the B Shares to be admitted to the official list maintained by the UKLA for the purposes of part 6 of the Financial Services and Markets Act 2000 and to trading on the market for listed securities of the London Stock Exchange, respectively, has been, or will be, made.
  - (c) The B Shares may be settled through a relevant system (e.g. CREST).
- (8) Deletion of article 5A(1)-(8) when no B Shares are in existence

Article 5A(1)-(8) shall remain in force until there are no longer any B Shares in existence, whether by way of conversion into Deferred Shares or redemption, cancellation or reclassification, whichever is earlier, notwithstanding any provision in these articles to the contrary. Thereafter article 5A(1)-(8) shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of

article 5A(1)-(8) are referred to in other articles) and shall be deleted and replaced with the wording “*Article 5A(1)-(8) has been deleted*”, and the separate register for the holders of B Shares shall no longer be required to be maintained by the Company; but the validity of anything done under article 5A(1)-(8), before that date, shall not otherwise be affected and any actions taken under article 5A(1)-(8) above before that date, shall be conclusive and shall not be open to challenge on any grounds whatsoever.

## PART VII—TERMS AND CONDITIONS OF THE C SHARES

The following sets out the detail of the amendments which are proposed to be made to the Articles under resolution 1(c) to be proposed at the General Meeting and summarises the rights of the C Shares and the restrictions to which they are subject.

### 5B. Rights and restrictions attached to the C Shares

Notwithstanding the provisions in these articles which relate to shares, the following paragraphs (1)-(8) of this article comprise all the rights and restrictions relating to the unlisted non-cumulative, redeemable preference shares of the Company of 0.0001 pence nominal value (the **C Shares**).

#### (1) Election form

- (a) Together with the B/C Share Circular, holders of Existing Ordinary Shares (as defined in the B/C Share Circular) were invited to submit an Election Form which, amongst other things, could result in the issue to them of C Shares in respect of which the C Share Dividend (as defined in Article 5B(2)(a), below would be paid).
- (b) Elections in respect of the B/C Share Options (as defined in the B/C Share Circular) will not take effect until 4.30 pm on 6 June 2014 or such other time and/or date as the directors may determine.
- (c) The directors may, if they so determine in their absolute discretion, accept an Election Form which is received after the relevant time or which is not correctly completed. The directors may, in addition, if they so determine in their absolute discretion, treat any other document or action as a valid Election Form or as the completion or delivery of a valid Election Form, as the case may be.

#### (2) Income

- (a) Out of the profits available for distribution, a dividend of 57 pence per C Share (the **C Share Dividend**) shall be payable (without having to be declared) to holders of C Shares.
- (b) The C Share Dividend shall become payable on 9 June 2014 (or such other date as the directors may determine). Each C Share in respect of which such dividend becomes payable shall, on such date (or such other date as the directors may determine), be automatically reclassified without any further action being required of the shareholder and without consent being required, into an unlisted redeemable deferred share of 0.0001 pence nominal value with the rights and restrictions described in article 5C (a **Deferred Share**).
- (c) The holders of the C Shares shall not be entitled to any further right of participation in the profits of the Company, other than as described in articles 5B(2)(a) and (b) above.

#### (3) Capital

- (a) Except as provided in article 5B(5), on a return of capital on winding-up (excluding any intra-group reorganisation on a solvent basis) but not otherwise, the holders of the C Shares shall be entitled, in priority to any payment to the holders of Ordinary Shares (as defined in the B/C Share Circular) or Deferred Shares but *pari passu* with any payment to the holders of B Shares, to the amount of 57 pence per C Share held by them.
- (b) The aggregate entitlement of each holder of C Shares on a winding-up in respect of all of the C Shares held by such holder shall be rounded up to the nearest whole penny.
- (c) The holders of the C Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in article 5(B)(3)(a) above. If, on such a winding-up, the amounts available for payment are insufficient to cover in full the amounts payable on the C Shares, the holders of such shares will share rateably in the distribution of assets (if any) in proportion to the full preferential amounts to which they are entitled.

#### (4) Attendance and voting at general meetings

- (a) The holders of the C Shares shall not be entitled, in respect of their holdings of such shares, to receive notice of any general meeting of the Company, nor to attend, speak or vote at any such general meeting unless the business of the meeting includes the consideration of a resolution for the winding-up (excluding any intra-group reorganisation on a solvent basis) of the Company, in

which case the holders of the C Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on any such resolution.

- (b) Whenever the holders of the C Shares are entitled to vote at a general meeting of the Company, on a show of hands, every holder thereof who (being an individual) is present in person or (being a corporation) by a duly authorised representative not being himself a member shall have one vote, and on a poll every such holder who (being an individual) is present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each C Share which he holds.

(5) Class rights

- (a) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the C Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the C Shares) shall be treated as being in accordance with the rights attaching to the C Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of C Shares.
- (b) A reduction by the Company of the capital paid up or credited as paid up on the C Shares and the cancellation of such C Shares shall be treated as being in accordance with the rights attaching to the C Shares and shall not involve a variation of such rights for any purpose. The Company will be authorised to reduce its capital (in accordance with the Statutes and without obtaining the consent of the holders of the C Shares) including by paying to the holders of the C Shares the preferential amounts to which they are entitled as set out above.

(6) Form, transferability, certificates and listing

- (a) In accordance with article 15, no share certificates or other documents of title shall be issued in relation to any C Shares. The C Shares are not renounceable and all transfers of C Shares shall be effected in writing in usual or common form or in any other form which the directors may approve. Every transfer of C Shares must be carried out using a relevant system (e.g. CREST).
- (b) No application to the UKLA or the London Stock Exchange for the C Shares to be admitted to the official list maintained by the UKLA for the purposes of part 6 of the Financial Services and Markets Act 2000 and to trading on the market for listed securities of the London Stock Exchange, respectively, has been, or will be, made.
- (c) The C Shares may be settled through a relevant system (e.g. CREST).

(7) Redemption

The C Shares shall be redeemable in accordance with article 5(C) following their conversion into Deferred Shares pursuant to article 5B(2)(b) above.

(8) Deletion of article 5B(1)-(8) when no C Shares are in existence

Article 5B(1)-(8) shall remain in force until there are no longer any C Shares in existence, whether by way of conversion into Deferred Shares, cancellation or reclassification, whichever is earlier, notwithstanding any provision in these articles to the contrary. Thereafter article 5B(1)-(8) shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of article 5B(1)-(8) are referred to in other articles) and shall be deleted and replaced with the wording “*Article 5B(1)-(8) has been deleted*”, and the separate register for the holders of C Shares shall no longer be required to be maintained by the Company; but the validity of anything done under article 5B(1)-(8), before that date, shall not otherwise be affected and any actions taken under article 5B(1)-(8) above before that date, shall be conclusive and shall not be open to challenge on any grounds whatsoever.



## PART VIII—TERMS AND CONDITIONS OF THE DEFERRED SHARES

The following sets out the detail of the amendments which are proposed to be made to the Articles under resolution 1(c) to be proposed at the General Meeting and summarises the rights of the Deferred Shares and the restrictions to which they are subject.

### 5C. Rights and restrictions attached to the Deferred Shares

Notwithstanding the provisions in these articles which relate to shares, the following paragraphs (1)-(7) of this article comprise all the rights and restrictions relating to the redeemable deferred shares of the Company of 0.0001 pence nominal value (the **Deferred Shares**).

(1) Income

The Deferred Shares shall confer no right to participate in the profits of the Company.

(2) Capital

On a return of capital on a winding-up (excluding any intra-group re-organisation on a solvent basis) there shall be paid to the holders of the Deferred Shares the nominal value paid up or credited as paid up on such Deferred Shares after:

- (a) first, paying to the holders of B Shares and the holders of C Shares, in each case if any, *pari passu* as if the same were consolidated as one class, the amounts they are entitled to receive on a winding up in accordance with their terms; and
- (b) second, paying to the holders of ordinary shares the nominal capital paid up or credited as paid up on the ordinary shares held by them respectively, together with the sum of £100,000,000 on each Ordinary Share.

The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

(3) Attendance and voting at general meetings

The holders of the Deferred Shares shall not be entitled to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.

(4) Form, transferability and certificates

- (a) The Deferred Shares shall not be listed on any stock exchange and the Deferred Shares shall be non-renounceable and non-transferable.
- (b) In accordance with article 15 the Deferred Shares shall not be certificated.

(5) Class rights

The Company may, from time to time, create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Shares, and, on such creation, allotment or issue, any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares.

The reduction by the Company of the capital paid up on the Deferred Shares shall be in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised, at any time, to reduce its capital (subject to the confirmation of the court in accordance with the Statutes) without obtaining the consent of the holders of the Deferred Shares.

(6) Redemption

Subject to the provisions of the Statutes and to the provisions of these articles, the Company may, at any time without prior notice, redeem all Deferred Shares then in issue but all such Deferred Shares shall be automatically redeemed on 12 June 2014 (unless otherwise determined by the directors) for a total aggregate price not exceeding one penny for all such Deferred Shares redeemed. This payment may be made over, if the directors so determine, to such charity as the directors may determine. All Deferred Shares shall, upon redemption, immediately and automatically be cancelled and the Company shall not be entitled to reissue any of them.

(7) Deletion of article 5C(1)-(7) when no Deferred Shares are in existence

Article 5C(1)-(7) shall remain in force until there are no longer any Deferred Shares in existence, notwithstanding any provision in these articles to the contrary. Thereafter article 5C(1)-(7) shall be, and shall be deemed to be, of no effect (save to the extent that the provisions of article 5C(1)-(7) are referred to in other articles) and shall be deleted and replaced with the wording “*Article 5C(1)-(7) has been deleted*”, and the separate register for the holders of Deferred Shares shall no longer be required to be maintained by the Company; but the validity of anything done under article 5C(1)-(7) before that date shall not otherwise be affected and any actions taken under article 5C(1)-(7) before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever.

## PART IX—UNITED KINGDOM TAXATION IN RELATION TO THE RETURN OF CASH

The comments below are intended as a general guide only and are based on current UK tax law and HM Revenue and Customs practice. The comments below apply only to Shareholders who are resident and ordinarily resident in the UK for tax purposes and who hold their Existing Ordinary Shares, New Ordinary Shares, B Shares and/or C Shares beneficially as investments and not on trading account. The position may be different for any future disposal and may alter between the date of this document and the implementation of the Return of Cash.

The Return of Cash to participants in Rexam's Employee Share Plans may result in different tax consequences from those set out below for Shareholders.

**Shareholders who are in any doubt as to their tax position, who have a complicated tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.**

### 1. Capital Reorganisation

For the purposes of United Kingdom taxation of capital gains and corporation tax on chargeable gains (CGT):

- (i) the receipt of the New Ordinary Shares, B Shares and/or C Shares arising from the Capital Reorganisation will be a reorganisation of the share capital of the Company. Accordingly, the New Ordinary Shares replacing a Shareholder's holding of Existing Ordinary Shares as a result of the Share Capital Consolidation, the B Shares and/or C Shares will be treated as the same asset as the Shareholder's holding of Existing Ordinary Shares, and as having been acquired at the same time as the Shareholder's holding of Existing Ordinary Shares was acquired. As a result of the Capital Reorganisation, a Shareholder's original base cost in his or her Existing Ordinary Shares will be apportioned between the New Ordinary Shares, the B Shares and/or C Shares by reference to their respective market values of the Shares on the first day on which the market value or price is quoted or published for the New Ordinary Shares. The apportionment ratio between the New Ordinary Shares, the B Shares and/or C Shares will be posted on the Company's website at the earliest possible time following a quotation or publication of a price or market value of the New Ordinary Shares; and
- (ii) the sale, on behalf of relevant Shareholders, of fractional entitlements to New Ordinary Shares resulting from the Share Capital Consolidation will not constitute a part disposal of his or her pool of Existing Ordinary Shares. Instead the amount of any payment received by the Shareholder will be deducted from the base cost of the B Shares, C Shares and any New Ordinary Shares received.

The issue of the B Shares and/or C Shares should not give rise to any liability to United Kingdom income tax (or corporation tax) in a Shareholder's hands.

### 2. Option 1: Income Return (C Share Dividend)

#### *Income tax*

The Company will not be required to withhold tax at source when paying the C Share Dividend.

A United Kingdom resident individual Shareholder who is liable to income tax at the starting or basic rate will pay no tax on the C Share Dividend, unless it takes that Shareholder's income into a higher or additional rate tax band.

A United Kingdom resident individual Shareholder who is liable to income tax at the higher rate will be liable to pay tax equal to 25 per cent. of the cash dividend received to the extent that the gross dividend, when treated as the top slice of that Shareholder's income, falls above the threshold for higher rate income tax.

A United Kingdom resident individual shareholder who is liable to income tax at the additional rate will be liable to pay tax equal to 30.6 per cent. of the cash dividend received, to the extent that the gross dividend, when treated as the top slice of that Shareholder's income, falls above the threshold for additional rate income tax.

United Kingdom resident taxpayers who are not liable to United Kingdom tax on dividends, including pension funds and charities, will not be liable to pay tax on the C Share Dividend.

United Kingdom resident corporate Shareholders will generally be subject to corporation tax on the C Share Dividend, unless the dividend falls into an exempt class. If such a Shareholder holds less than 10 per cent. of the issued share capital of the Company, is entitled to less than 10 per cent. of the profits and assets of the Company available for distribution to Shareholders, and provided certain anti-tax avoidance rules do not apply, the expectation would be that the C Share Dividend would qualify for exemption from UK corporation tax in the hands of that Shareholder. A different rule may apply if a UK resident corporate Shareholder is treated as a “small company” for the purpose of the relevant corporation tax provisions. Corporate shareholders may wish to consult an appropriate professional adviser if they are unsure as to the corporation tax treatment of their receipt of the C Share Dividend.

Non-United Kingdom resident Shareholders will not generally be able to claim repayment from HM Revenue and Customs under any double tax treaty in respect of the UK tax credit attaching to the C Share Dividend.

A Shareholder resident outside the United Kingdom may also be subject to foreign taxation on dividend income under local law. Shareholders who are not resident in the United Kingdom (for tax purposes) should consult their own tax adviser concerning their tax liabilities on dividends received from the Company.

### *Taxation of chargeable gains*

For CGT purposes, the C Share Dividend (and the consequent conversion of the C Shares into Deferred Shares) will not be treated as giving rise to a disposal or part disposal of the C Shares.

Shareholders who receive the C Share Dividend should note that, consequent to the Capital Reorganisation, a proportion of the base cost, for CGT purposes, of their Existing Ordinary Shares will be attributed to the C Shares and this amount will continue to be attributed to those C Shares following their conversion into Deferred Shares (notwithstanding that the Deferred Shares have limited rights or value). Correspondingly, only a proportion of the base cost of the original holding of Existing Ordinary Shares will be available on a disposal of New Ordinary Shares.

A redemption of the Deferred Shares will be treated in the same way as described in paragraph 3 below and may result in a Shareholder realising a capital loss. Corporate Shareholders should also note that it is possible that section 30 of the Taxation of Chargeable Gains Act 1992 could be regarded as being applicable to such a Shareholder who elects for the C Share Dividend and is not charged to corporation tax in respect of that dividend. If that provision applies, the consideration would be increased on a just and reasonable basis to reflect the C Share Dividend.

### **3. Option 2 and Option 3 (Redemption of B Shares)**

- (i) On redemption of all or any of the B Shares, a Shareholder may, depending on his individual circumstances, be subject to CGT on the amount of any chargeable gain realised. Any gain will be measured by reference to the excess of the redemption price above the Shareholder’s allowable expenditure for the B Shares redeemed. The Shareholder’s allowable expenditure in relation to his Existing Ordinary Shares will be apportioned between the New Ordinary Shares and the B Shares by reference to their respective market values on the first day on which the market value or price is quoted or published for the New Ordinary Shares.
- (ii) The amount of CGT, if any, payable by an individual Shareholder in relation to the capital gain, described in paragraph 3(i) above, will depend on his personal tax position. No tax will be payable on any gain realised on the redemption if the amount of the chargeable gain, when aggregated with other chargeable gains realised by the Shareholder in the year of assessment in question (and after taking account of exemption and allowable losses as may be available in each case), does not exceed the annual allowance of tax-free gains (£11,000 for 2014/15 and is expected to be £11,100 for 2015/2016). Broadly, any gains in excess of this amount will be taxed at either 18 or 28 per cent. (or possibly, some part of the gain may be charged at 18 per cent. and the remainder at 28 per cent.) depending on whether the individual Shareholder is subject to United Kingdom income tax at the basic or higher rate and whether receipt by a Shareholder of amounts on redemption of the B Shares takes that Shareholder into the higher rate band for United Kingdom income tax purposes. Gains are added to taxable income to determine the rates applicable.
- (iii) A corporate Shareholder is taxable on its chargeable gains (subject to any exemption). Corporate Shareholders are entitled to indexation allowance up to the date the chargeable gain is realised.

- (iv) No part of the proceeds received by a Shareholder on redemption will be an income distribution in the Shareholder's hands.

#### **4. Chapter 1, Part 13 Income Tax Act 2007 (ITA 2007)**

Under the provisions of Chapter 1, Part 13, ITA 2007 HM Revenue and Customs can in certain circumstances counteract tax advantages arising to individuals in relation to a transaction or transactions in securities. If these provisions were to be applied by HM Revenue & Customs to the proposed Return of Cash, in broad terms, those Shareholders who elected to receive a capital return might be liable to taxation as if they have received an income amount.

No application has been made to HM Revenue & Customs seeking clearance that these provisions will not be applied to the Return of Cash. However, Chapter 1 of Part 13 of ITA 2007 only applies in relation to distributions by companies which are "close companies" (as defined in Chapter 2, Part 10, CTA 2010). Given the Company's shareholder base, the Company should not be treated as a "close company" for these purposes and the above provisions should not apply.

#### **5. Part 15, Corporation Tax Act 2010 (CTA 2010)**

A similar adjusting provision applies to companies under the provisions of Part 15 of the Corporation Tax Act 2010. If these rules were to apply certain United Kingdom resident corporate Shareholders might be liable for corporation tax on chargeable gains as if they had received an amount on redemption of the B Shares they hold equal to the C Share Dividend. The Company and its advisers do not expect Part 15, CTA 2010 to be applicable in respect of the Return of Cash. No application for clearance has been made under s.748 CTA 2010 in this regard. Any Shareholder who is in doubt as to their tax position in the light of their own particular circumstances should take appropriate professional advice.

#### **6. Stamp Duty and Stamp Duty Reserve Tax**

Except in relation to depositary receipt arrangements or clearance services to which special rules apply:

- (i) No stamp duty or stamp duty reserve tax (SDRT) will be payable on the issue of the B Shares or C Shares.
- (ii) An agreement to sell B Shares, C Shares or New Ordinary Shares will normally give rise to liability on the purchaser to SDRT, at the rate of 0.5 per cent. of the actual consideration paid. If an instrument of transfer of the B Shares, C Shares or New Ordinary Shares is subsequently produced, it will generally be subject to stamp duty at the rate of 0.5 per cent. of the actual consideration paid (rounded up, to the nearest £5). When such stamp duty is paid within 6 years of the agreement becoming unconditional, the SDRT charge will be cancelled and any SDRT already paid will be refunded. Stamp duty is generally the liability of the purchaser.
- (iii) A redemption of B Shares under the Initial Redemption or Final Redemption will not give rise to any liability to stamp duty or SDRT for the Shareholder.
- (iv) No stamp duty or SDRT charge when the Existing Ordinary Shares are consolidated into New Ordinary Shares.
- (v) There will be no stamp duty or SDRT charge if the C Shares are converted into Deferred Shares.

## PART X—ADDITIONAL INFORMATION

### 1. Summary of the rights and restrictions attaching to the New Ordinary Shares

The rights and restrictions attaching to the New Ordinary Shares are as set out in the Articles of the Company in relation to the Existing Ordinary Shares, as proposed to be amended by resolution 1 as set out in the notice convening the General Meeting.

The New Ordinary Shares are not renounceable and will be transferable by an instrument of transfer in usual or common form. The New Ordinary Shares will be in registered form. The Company will apply for the New Ordinary Shares to be admitted to CREST with effect from Listing of the New Ordinary Shares. Accordingly, settlement of transactions in the New Ordinary Shares may take place within the CREST system in respect of general market transactions.

### 2. CREST

Shareholders holding their Existing Ordinary Shares in CREST will not be sent a Form of Election with this document. Their election will be by means of a TTE Instruction.

If you hold your Existing Ordinary Shares in uncertificated form, in order to facilitate the B/C Share Options elections, you will, for the purposes of settlement in CREST only, be credited with one “interim CREST entitlement” under the ISIN GB00BMHTQ051 for each Existing Ordinary Share held at the B/C Share Record Date, from the period from 8.00 am on 2 June 2014 until 4.30 pm on 6 June 2014 (being the end of the Election Period). During this period, CREST holders will have their accounts credited with “interim CREST entitlements” to allow them to elect electronically through the CREST system. From 8.00 am on 9 June 2014 (or such other time and/or date as the directors may determine), “interim CREST entitlements” in relation to which elections have been made under Option 3 will, for the purposes of dealings and settlement in CREST, be designated as B Shares under the ISIN GB00BMHTPZ32. Accordingly, on 9 June 2014 those CREST holders who have elected to receive B Shares in respect of all or some of their B/C Share Entitlement and to hold all or some of such B Shares until the Final Redemption Date, will have their CREST accounts credited with such B Shares.

If Existing Ordinary Shares held in certificated form, to which any election made on the enclosed Election Form relates, are subsequently dematerialised into CREST before 6.00 pm (London time) on 30 May 2014, any instruction given by the submission of an Election Form will become ineffective. Shareholders who subsequently hold their Existing Ordinary Shares in CREST will need to submit a valid TTE Instruction in place of the submitted Election Form by 4.30 pm on 6 June 2014.

If Existing Ordinary Shares held in CREST are subsequently rematerialised into certificated form before 6.00 pm (London time) on 30 May 2014, holders of such shares will need to submit a valid Election Form bearing details of the new shareholding account by 4.30 pm (London time) on 6 June 2014. Election Forms can be obtained by telephoning Equiniti on **0800 169 0161** (or, if calling from outside the UK, **+44 121 415 0181**) between 8.30 am and 5.30 pm (London time) on any Business Day. Please note that calls to these numbers may be monitored or recorded. Calls from within the UK are normally free of charge from landlines but charges may apply from mobile phones. Other service providers’ costs may vary. Calls to +44 121 415 0181 are charged at applicable international rates, if called from outside the UK.

### 3. Electing in CREST

#### *Electing for Option 1: Income Return*

Shareholders who hold their Existing Ordinary Shares in CREST who wish to elect for Option 1: Income Return need take no action. CREST holders who do not return a TTE Instruction will automatically receive a C Share Dividend in respect of their Entitlement on the C Share Dividend Date.

#### *Electing for Option 2: the Initial Capital Return*

Shareholders who hold Existing Ordinary Shares in CREST who wish to elect for Option 2: the Initial Redemption in respect of some or all of their Entitlement should use the following procedure after their CREST accounts have been credited with their Entitlement on or after 2 June 2014. The prescribed form of redemption is a TTE Instruction. If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Existing Ordinary Shares are held. In

addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Entitlement.

The TTE 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 Existing Ordinary Shares to which the election for Initial Redemption relates;
- (ii) the participant ID of the holder of the Existing Ordinary Shares;
- (iii) the member account ID of the holder of the Existing Ordinary Shares;
- (iv) the participant ID of Equiniti. This is 5RA96;
- (v) the member account ID of Equiniti. This is INTCAP01;
- (vi) the ISIN of the interim CREST entitlement (which corresponds to your Entitlement). This is GB00BMHTQ051;
- (vii) the intended settlement date. This must be by 4.30 pm on 6 June 2014;\*
- (viii) the corporate action number. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- (ix) input with standard delivery instruction priority of 80.

In order for an uncertificated election to be valid, the TTE Instruction must comply with the requirements as to authentication and contents set out above and must settle by 4.30 pm on 6 June 2014.\*

CREST members and (where applicable) their CREST sponsors should note that the last time at which a TTE Instruction may settle is 4.30 pm on 6 June 2014.

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\* Or such other time and/or date as the directors may determine.

### ***Electing for Option 3: Final Capital Return***

Shareholders who hold Existing Ordinary Shares in CREST who wish to elect for Option 3: Final Capital Return in respect of some or all of their Entitlement should use the following procedure after their CREST accounts have been credited with their Entitlement on or after 2 June 2014. The prescribed Election Form is a TTE Instruction. If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Existing Ordinary Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Entitlement.

The TTE 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 Existing Ordinary Shares to which the election for the Final Redemption relates;
- (ii) the participant ID of the holder of the Existing Ordinary Shares;
- (iii) the member account ID of the holder of the Existing Ordinary Shares;
- (iv) the participant ID of Equiniti. This is 5RA96;
- (v) the member account ID of Equiniti. This is FINALCAP;
- (vi) the ISIN of the interim CREST entitlement (which corresponds to your Entitlement). This is GB00BMHTQ051;
- (vii) the intended settlement date. This must be by 4.30 pm on 6 June 2014;\*
- (viii) the corporate action number. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- (ix) input with standard delivery instruction priority of 80.

In order for an uncertificated election to be valid, the TTE Instruction must comply with the requirements as to authentication and contents set out above and must settle by 4.30 pm on 6 June 2014.\*

CREST members and (where applicable) their CREST sponsors should note that the last time at which a TTE Instruction may settle is 4.30 pm on 6 June 2014.\*

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\* Or such other time and/or date as the directors may determine.

#### **4. Documents available for inspection**

Copies of the following documents will be available for inspection during normal business hours on any weekday (public holidays excepted) at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD and at the registered office of the Company from the date of this document up to and including the date of the General Meeting and will also be available for inspection for at least 15 minutes before and during the General Meeting:

- (i) the Articles;
- (ii) the list of proposed amendments to the Articles in consequence of the Capital Reorganisation;
- (iii) the letters of consent from each of Credit Suisse Securities (Europe) Limited, Merrill Lynch International and Rothschild referred to in paragraph 5 below; and
- (iv) this document.

#### **5. Consent**

Credit Suisse Securities (Europe) Limited has given and not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which they appear.

Merrill Lynch International has given and not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which they appear.

Rothschild has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which they appear.



## PART XI—DEFINITIONS

The following definitions apply throughout this document and the accompanying Proxy Form and Election Form (unless the context requires otherwise).

<b>Annual General Meeting</b> . . . . .	has the meaning given to it in the CA 2006;
<b>Articles</b> . . . . .	articles of association of the Company from time to time;
<b>B/C Share Options</b> . . . . .	Option 1, Option 2 and Option 3, each a <b>B/C Share Option</b> ;
<b>B/C Share Record Date</b> . . . . .	6.00 pm on 30 May 2014 (or such other time and/or date as the directors may determine);
<b>B/C Share Scheme</b> . . . . .	the return of approximately £450 million by the Company to Shareholders by way of a ‘B/C share scheme’ in accordance with the terms set out in this document;
<b>B Shares</b> . . . . .	the unlisted non-cumulative redeemable preference shares of 57 pence each in the capital of the Company, the rights and restrictions of which are set out in Part VI of this document “Terms and Conditions of the B Shares”;
<b>Board or directors</b> . . . . .	the board of directors of Rexam, from time to time, or, where appropriate, any duly authorised committee thereof;
<b>Business Day</b> . . . . .	a day (other than a Saturday, Sunday or public holiday) on which pounds sterling deposits may be dealt on the London inter-bank market and commercial banks are open for general business in London;
<b>C Share Dividend</b> . . . . .	the dividend of 57 pence per C Share to be declared and paid pursuant to Option 1;
<b>C Share Dividend Date</b> . . . . .	9 June 2014 (or such other date as the directors may determine);
<b>C Shares</b> . . . . .	the unlisted non-cumulative redeemable preference shares of 0.0001 pence each in the capital of the Company, the rights and restrictions of which are set out in Part VII of this document “Terms and Conditions of the C Shares”;
<b>CA 2006</b> . . . . .	the Companies Act 2006 (as amended from time to time);
<b>Capital Reorganisation</b> . . . . .	the reorganisation of the Company’s share capital comprising the issuance of B Shares and C Shares, and the Share Capital Consolidation;
<b>Company</b> . . . . .	Rexam;
<b>CREST</b> . . . . .	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the Operator (as defined in such regulations);
<b>CREST Manual</b> . . . . .	the current version of the CREST Manual which at the date of this document is available on <a href="http://www.euroclear.com">www.euroclear.com</a> ;
<b>CREST Proxy Instruction</b> . . . . .	properly authenticated CREST message appointing and instructing a proxy to attend and vote in the place of the Shareholder at the General Meeting and containing the information required to be contained therein by the CREST Manual;
<b>Deferred Shares</b> . . . . .	the unlisted redeemable deferred shares of 0.0001 pence each in the capital of the Company, the rights and restrictions of which are set out in Part VIII of this document “Terms and Conditions of the Deferred Shares”;
<b>Disclosure and Transparency Rules</b> . . . . .	the Disclosure and Transparency Rules of the FCA;

<b>Disposed Businesses</b> . . . . .	Rexam's Pharmaceutical Devices and Prescription Retail Packaging divisions;
<b>Election Form</b> . . . . .	the form enclosed with this document by which a Shareholder who does not hold Existing Ordinary Shares in CREST may elect for the B/C Share Options;
<b>Election Form Effective Date</b> . . . . .	4.30 pm on 6 June 2014 (or such other time and/or date as the directors may determine);
<b>Election Period</b> . . . . .	the period from 13 May 2014 until the Election Form Effective Date, during which time Shareholders may submit Election Forms or give TTE Instructions in respect of the B/C Share Options but such forms shall not take effect until the Election Form Effective Date to the extent not withdrawn;
<b>Employee Share Plans</b> . . . . .	the Rexam Deferred Bonus Plan 2011; the Rexam Long Term Incentive Plan 2009; the Rexam Executive Share Option Scheme 2007; the Rexam Inc. Phantom Stock Plan 2007; the Rexam Savings Related Share Option Scheme 2007; and the Rexam Savings Related Share Option Scheme 2007 (Republic of Ireland);
<b>Entitlement</b> . . . . .	in respect of a Shareholder, his or her total entitlement in respect of the Return of Cash (being 57 pence for every Existing Ordinary Share he or she holds on the B/C Share Record Date);
<b>Equiniti</b> . . . . .	the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA;
<b>Existing Ordinary Shares</b> . . . . .	issued ordinary shares of 71 <sup>3</sup> / <sub>4</sub> pence each in the capital of the Company existing prior to the Share Capital Consolidation;
<b>Euroclear</b> . . . . .	Euroclear UK & Ireland Limited, the operator of CREST;
<b>FCA</b> . . . . .	the Financial Conduct Authority;
<b>Final Redemption</b> . . . . .	the redemption by Rexam of B Shares on the Final Redemption Date pursuant to Option 3;
<b>Final Redemption Date</b> . . . . .	6 April 2015 (or such other date as the directors may determine);
<b>FSMA</b> . . . . .	the Financial Services and Markets Act 2000 (as amended from time to time);
<b>General Meeting</b> . . . . .	the General Meeting of the Company to be held at 4 Millbank, London SW1P 3XR at 11.00 am on 29 May 2014;
<b>Group</b> . . . . .	Rexam and its subsidiaries as at the date of this document;
<b>Initial Redemption</b> . . . . .	the redemption by Rexam of B Shares on the Initial Redemption Date pursuant to Option 2;
<b>Initial Redemption Date</b> . . . . .	9 June 2014 (or such other date as the directors may determine);
<b>ISIN</b> . . . . .	International Security Identification Number;
<b>Listing</b> . . . . .	admission to the Official List of the New Ordinary Shares becoming effective in accordance with the Listing Rules and admission to trading of such shares on the London Stock Exchange's market for listed securities becoming effective in accordance with the rules of the London Stock Exchange;
<b>Listing Rules</b> . . . . .	the listing rules made by the UKLA for the purposes of Part IX of FSMA;
<b>London Stock Exchange</b> . . . . .	London Stock Exchange plc;

<b>New Ordinary Shares</b> . . . . .	following the Share Capital Consolidation, the new ordinary shares of 80 <sup>5</sup> / <sub>14</sub> pence each in the capital of the Company quoted in the Official List under the ISIN GB00BMHTPY25;
<b>Official List</b> . . . . .	the official list maintained by the UKLA for the purposes of Part IX of FSMA;
<b>Option 1</b> . . . . .	the income option open to Shareholders to be paid by way of the C Share Dividend pursuant to the Return of Cash, further details of which are set out in Part V of this document, and references to <b>Option 1: Income Return</b> shall be construed accordingly;
<b>Option 2</b> . . . . .	the initial capital option open to Shareholders pursuant to the Return of Cash and to be effected by way of the Initial Redemption, further details of which are set out in Part V of this document, and references to <b>Option 2: Initial Capital Return</b> shall be construed accordingly;
<b>Option 3</b> . . . . .	the final capital option open to Shareholders pursuant to the Return of Cash and to be effected by way of the Final Redemption, further details of which are set out in Part V of this document, and references to <b>Option 3: Final Capital Return</b> shall be construed accordingly;
<b>Ordinary Shares</b> . . . . .	Existing Ordinary Shares or New Ordinary Shares, as the context may require;
<b>PRA</b> . . . . .	the Prudential Regulation Authority;
<b>Prohibited Territories</b> . . . . .	Australia, Canada, Japan, the Republic of South Africa and the United States of America and <b>Prohibited Territory</b> means any one of them;
<b>Proxy Form</b> . . . . .	the proxy form enclosed with this document, for use by Shareholders in connection with the General Meeting;
<b>Record Date</b> . . . . .	6.00 pm on 30 May 2014 (or such other time and/or date as the directors may determine);
<b>Replacement Election Form</b> . . . . .	the Election Form provided to a Shareholder wishing to re-elect for the B/C Share Options following a withdrawal of an Election Form;
<b>Return of Cash</b> . . . . .	the proposed transaction comprising the Capital Reorganisation and the B/C Share Options;
<b>Rexam</b> . . . . .	Rexam PLC incorporated and registered in England and Wales with company number 191285, with its registered office at 4 Millbank, London, SW1P 3XR;
<b>RIS</b> . . . . .	Regulatory Information Service;
<b>Rothschild</b> . . . . .	N M Rothschild & Sons Limited;
<b>Share Capital Consolidation</b> . . . . .	the consolidation and subdivision of the Existing Ordinary Shares in the manner set out in paragraph (b) of resolution 1 in the notice convening the General Meeting set out at the end of this document;
<b>Shareholders</b> . . . . .	holders of Ordinary Shares, Deferred Shares, B Shares and/or C Shares as the context may require;
<b>TTE Instruction</b> . . . . .	Transfer To Escrow instruction;
<b>TCGA</b> . . . . .	Taxation of Chargeable Gains Act 1992 (as amended from time to time);

**UKLA** . . . . . means the UK Listing Authority;

**UK or United Kingdom** . . . . . the United Kingdom of Great Britain and Northern Ireland;

**US or United States** . . . . . the United States of America, its territories, possessions, any State of the United States of America and the District of Columbia; and

**US Securities Act** . . . . . US Securities Act of 1933 (as amended from time to time).

*References to time in this document are to London time. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a RIS.*

## PART XII—NOTICE OF GENERAL MEETING

### REXAM PLC

(the Company)

*(incorporated and registered in England and Wales under the Companies Act 1908 to 1917  
with registered number 191285)*

#### Notice of General Meeting

**NOTICE IS HEREBY GIVEN** that a General Meeting of the Company will be held at 4 Millbank, Westminster, London SW1P 3XR on Thursday 29 May 2014 at 11.00 am to consider and, if thought fit, pass the following resolutions, of which resolutions 1, 3 and 4 will be proposed as special resolutions and resolution 2 will be proposed as an ordinary resolution:

#### SPECIAL RESOLUTION

##### Resolution 1:

**THAT**, conditional on the admission to the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's market for listed securities becoming effective (**Listing**) by 8.00 am on 2 June 2014 (or such other time and/or date as the directors of the Company (**directors**) may determine) of the New Ordinary Shares (as defined below):

(a) the directors be and are hereby authorised to:

- (i) capitalise up to a maximum sum not exceeding £451,444,570 standing to the credit of the Company's share premium account and to apply such sum in paying up in full up to 792,008,018 non-cumulative redeemable preference shares of 57 pence each having the rights and restrictions set out in article 5A of the articles of association of the Company (the **Articles**) as proposed to be amended by paragraph (c) below (**B Shares**);
- (ii) capitalise up to a maximum sum not exceeding £792.01 standing to the credit of the Company's share premium account and to apply such sum in paying up in full up to 792,008,018 non-cumulative redeemable preference shares of 0.0001 pence each in the capital of the Company carrying the rights and restrictions set out in article 5B of the Articles (**C Shares**); and
- (iii) pursuant to section 551 of the Companies Act 2006 (**CA 2006**), allot and issue such B Shares and C Shares credited as fully paid up:

(A) B Shares up to a maximum nominal amount of £451,444,570; and

(B) C Shares up to a maximum nominal amount of £792.01,

to the holders of the existing ordinary shares of 71 $\frac{3}{4}$  pence each in the capital of the Company (**Existing Ordinary Shares**) on the basis of one B Share or one C Share for each Existing Ordinary Share held and recorded on the register of members of the Company (excluding any Existing Ordinary Shares held as treasury shares) at 6.00 pm on 30 May 2014 (or such other time and/or date as the directors may determine), in accordance with (I) the terms of the circular sent by the Company to its shareholders on 13 May 2014 (the **Circular**), (II) the directors' determination (as described in the Circular) as to the number of B Shares and C Shares to be allotted and issued and (III) subject to the terms set out in the Circular and the aforementioned directors' determination, valid elections made (or deemed to be made) by the holders of the Existing Ordinary Shares pursuant to the terms of the Circular as to whether to receive B Shares and/or C Shares, provided that the authority hereby conferred shall expire at the close of business on 1 July 2015;

- (b) each issued Existing Ordinary Share as shown in the register of members of the Company (including any Existing Ordinary Shares held as treasury shares) at 6.00 pm on 30 May 2014 (or such other time and/or date as the directors may determine) be and is hereby subdivided into 8 shares of 8 $\frac{13}{14}$  pence each and forthwith upon such subdivision every 9 shares of 8 $\frac{13}{14}$  pence each resulting from such subdivision be and are hereby consolidated into one new ordinary share of 80 $\frac{5}{14}$  pence in the capital of the Company (**New Ordinary Shares**), PROVIDED THAT no member shall be entitled to a fraction

of a New Ordinary Share and all fractional entitlements arising out of the sub-division and consolidation shall be aggregated into as many New Ordinary Shares as possible and the directors are authorised to sell, on behalf of the relevant members, the whole number of New Ordinary Shares so arising and the net proceeds of sale in excess of £3.00 be distributed in due proportion (rounded down to the nearest penny) among those members who would otherwise be entitled to such fractional entitlements and any net proceeds of sale not exceeding £3.00 be retained by the Company and donated to such charity as the Company may determine; and

- (c) the rights and restrictions attaching to each of the B Shares and the C Shares, and the deferred shares created as a consequence of the C Share Dividend (as defined in the Articles) being paid on the C Shares shall be as set out in the Articles, the rights and restrictions attaching to the New Ordinary Shares shall be the same in all respects as those attaching to the Existing Ordinary Shares as set out in the Articles existing at the time of this resolution (save in respect of their nominal value) and the Articles of the Company be and are hereby amended in the manner set out in the list of amendments produced to the meeting and initialled for the purpose of identification by the Chairman.

## ORDINARY RESOLUTION

### Resolution 2:

**THAT**, subject to the passing of resolution 1 and such resolution becoming unconditional in accordance with its terms that:

- (a) the directors be authorised to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
- (i) in accordance with article 7 of the Articles up to a maximum nominal amount of £188,566,000 (such amount to be reduced by the nominal amount of any equity securities (as defined in article 8 of the Articles) allotted under paragraph (ii) below in excess of £188,566,000); and
  - (ii) comprising equity securities (as defined in article 8 of the Articles) up to a maximum nominal amount of £377,132,000 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in article 8 of the Articles);
- (b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2015;
- (c) this authority shall be in addition to the authority granted by resolution 1; and
- (d) all other previous unutilised authorities under section 551 of the CA 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the CA 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

## SPECIAL RESOLUTION

### Resolution 3:

**THAT**, subject to the passing of resolution 2 and such resolution becoming unconditional in accordance with its terms, in accordance with article 8 of the Articles:

- (a) the directors be given the power to allot equity securities for cash;
- (b) the power under paragraph (a) above (other than in connection with a rights issue, as defined in article 8 of the Articles) shall be limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £28,284,000;
- (c) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2015; and
- (d) all previous unutilised authorities under sections 570 and 573 of the CA 2006 shall cease to have effect.

## SPECIAL RESOLUTION

### Resolution 4:

**THAT**, subject to the passing of resolution 1 and such resolution becoming unconditional in accordance with its terms, in accordance with the CA 2006, the Company is generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the CA 2006) of New Ordinary Shares of 80<sup>5</sup>/<sub>14</sub> pence each (the **shares**) in the capital of the Company on such terms and in such manner as the directors may determine, provided that:

- (a) the maximum number of shares that may be purchased pursuant to this authority is 70,398,000;
- (b) the maximum price which may be paid for any share purchased pursuant to this authority shall not be more than the higher of an amount equal to 5% above the average of the middle market prices shown in the quotations for the shares in the London Stock Exchange Official List for the five business days immediately preceding the day on which that share is purchased and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003. The minimum price which may be paid for any such share shall be 80<sup>5</sup>/<sub>14</sub> pence (in each case exclusive of expenses payable by the Company in connection with the purchase);
- (c) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2015 unless renewed or revoked before that time, but the Company may make a contract or contracts to purchase shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority, and may make a purchase of shares pursuant to any such contract; and
- (d) all existing authorities for the Company to make market purchases of shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has or have not yet been executed.

*On behalf of the Board*

Registered office:  
4 Millbank  
London  
SW1P 3XR  
United Kingdom

David Gibson  
Company Secretary

13 May 2014

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Notes:

- 1 To be entitled to attend and vote at the General Meeting (and for the purpose of determining the number of votes that may be cast), shareholders' names must have been entered into the register of members of the Company as at 6.00 pm on Tuesday 27 May 2014 (or, in the event of any adjournment of the General Meeting, 6.00 pm on the date which is two days before the day of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 2 All resolutions to be proposed at the General Meeting will be put to vote on a poll. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including the votes of those shareholders who are unable to attend the meeting but who have appointed a proxy for the meeting. On a poll, each shareholder has one vote for every share held.
- 3 Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, to speak and to vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. Shareholders can register their proxy appointment electronically as described in note 4 or use the Proxy Form to make a proxy appointment and give proxy instructions.
- 4 Electronic voting facilities are available to all shareholders to give instructions as to how you wish your proxy to vote your shares. To vote electronically, please register your proxy's appointment and voting instructions through Equiniti's website, [www.sharevote.co.uk](http://www.sharevote.co.uk) or through the link to Equiniti on our website, [www.rexam.com](http://www.rexam.com). Full details of the procedure to be followed are given on the sharevote website.
- 5 Alternatively, to vote by post, please complete the Proxy Form in accordance with the instructions printed thereon. The Proxy Form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. A Proxy Form accompanies this document. If you do not have a Proxy Form and believe that you should have one, or if you require additional Proxy Forms, please contact: Equiniti,

Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, telephone 0800 169 0161 for UK shareholders<sup>1</sup> or +44 121 415 0181 for overseas shareholders<sup>2</sup>.

- 6 To be valid a Proxy Form or other instrument appointing a proxy that has been sent by post or hand delivered, or any instruction given electronically through the sharevote website or a CREST proxy instruction (see notes 11 to 14) must be received no later than **11.00 am on Tuesday 27 May 2014** (or, in the event of any adjournment of the General Meeting, 48 hours before the adjourned meeting). A shareholder must inform the Company's registrars, Equiniti, in writing of any termination of the authority of a proxy.
- 7 The return of a completed Proxy Form, or other such instrument, or any voting instructions given electronically through the sharevote website or a CREST proxy instruction (see note 12) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
- 8 Any person to whom this notice is sent who is a person nominated under section 146 of the CA 2006 to enjoy information rights (a **Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Nominated Persons are reminded that they should contact the registered holder of the shareholding (not the Company) on matters relating to the shareholder's investment in the Company.
- 9 The statement of the rights of shareholders in relation to the appointment of proxies in notes 3 to 7 does not apply to Nominated Persons. These rights can only be exercised by shareholders of the Company.
- 10 As at 12 May 2014 the Company's issued share capital consists of 791,978,018 Existing Ordinary Shares, carrying one vote each. Therefore the total voting rights in the Company as at 4.30 pm on 13 May 2014 were 791,978,018.
- 11 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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.
- 12 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 the specifications of Euroclear UK & Ireland Limited (Euroclear) and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is 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 Equiniti (ID RA19) no later than **11.00 am on Tuesday 27 May 2014** (or, in the event of any adjournment of the General Meeting, 48 hours before the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 13 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. 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, 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 14 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 15 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- 16 Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if (a) to do so would interfere unduly with the formal business of the General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on the Company's website in the form of an answer to a question, or (c) it is not desirable in the interests of the Company or the good order of the General Meeting that the question be answered.
- 17 A copy of this notice, and other information required by section 311A of the CA 2006, can be viewed and/or downloaded at [www.rexam.com](http://www.rexam.com)
- 18 You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated.
- 19 Copies of the Articles; the list of proposed amendments to the Articles in consequence of the Capital Reorganisation; and this document will be available for inspection during normal business hours on any weekday (public holidays excepted) at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD and at the registered office of the Company from the date of this document up to and including the date of the General Meeting and will also be available for inspection for at least 15 minutes before and during the General Meeting.

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1 Calls from within the UK are normally free of charge from landlines but charges may apply from mobile phones. Other telephone provider costs may vary.

2 Calls from outside the UK are charged at applicable international rates.









