

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, please seek advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are taking advice in the United Kingdom or, if you are taking advice in a territory outside of the United Kingdom, from an appropriately authorised independent financial adviser.

If you have sold or transferred all your Shares in Baring Emerging Europe PLC, please send this document, but not any accompanying personalised Tender Form or Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any Excluded Jurisdiction.

Baring Emerging Europe PLC

(a company incorporated in England and Wales with registered number 4560726)

Tender Offer by J.P. Morgan Cazenove to purchase Shares representing up to 10 per cent. of the issued share capital of the Company

and

Change of Investment Policy

and

Notice of General Meeting

In the preparation of this document and in relation to the matters described herein, J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove), which is authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and by the UK Prudential Regulation Authority, is acting exclusively for Baring Emerging Europe PLC and no one else in connection with the Tender Offer and will not be responsible to any other person (subject to the responsibilities and liabilities imposed by the Financial Services and Markets Act 2000) for providing the protections afforded to its customers or for providing advice in connection with the matters set out in this document or any transaction or arrangement referred to herein.

IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES, DO NOT COMPLETE AND RETURN A TENDER FORM OR ISSUE INSTRUCTIONS IN CREST, AS APPLICABLE.

Notice of a General Meeting of Baring Emerging Europe PLC to be held at 155 Bishopsgate, London EC2M 3XY at 3.00 pm on 24 January 2017 (or as soon thereafter as the Annual General Meeting of Baring Emerging Europe PLC is concluded or adjourned) is set out at the end of this document. The accompanying Form of Proxy for use by Shareholders at the General Meeting should be completed and returned in accordance with the instructions printed thereon so as to be received by Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event is requested to be completed and returned by no later than 3.00 pm on 20 January 2017.

Enclosed with this document is a Tender Form for use by certificated Shareholders in connection with the Tender Offer. To be effective, such forms must be returned, together with the relevant share certificate(s) or other document(s) of title, or an indemnity acceptable to J.P. Morgan Cazenove in connection therewith, as indicated on the forms so as to be received as soon as possible and in any event by no later than 3.00 pm on 20 January 2017.

The Tender Offer is not being made, directly or indirectly, in or into, any Excluded Jurisdiction, details of which are given in paragraph 10 of Part V of this document.

Your attention is drawn to the section on Risk Factors in Part I of this document. Shareholders considering whether to tender their Shares in the Tender Offer should read the whole of this document.

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Expected Timetable of Principal Events

Expected timing for receipt of FCA confirmation under the AIFMD Regulations in relation to the Investment Policy	on or by 9 January 2017
Requested time and date for receipt of Forms of Proxy in respect of the General Meeting	by 3.00 pm on 20 January 2017
Latest time and date for receipt of Tender Forms	3.00 pm on 20 January 2017
Record Date for Tender Offer	5.00 pm on 20 January 2017
General Meeting	3.00 pm on 24 January 2017 (or as soon thereafter as the Annual General Meeting of the Company is concluded or adjourned)
Expected effective date of change of Investment Policy	24 January 2017
Announcement of results of General Meeting and announcement of take-up of Tender Offer	by close of business on 24 January 2017
Calculation Date for Tender Price	close of business on 24 January 2017
Announcement of Tender Price	by close of business on 25 January 2017
Trade Date for Shares submitted for Tender Offer	27 January 2017
Settlement of proceeds through CREST in respect of Tender Offer shares to uncertificated Shareholders	31 January 2017
Despatch of settlement proceeds by cheque in respect of Tender Offer shares to certificated Shareholders	by 3 February 2017

Unless otherwise stated, all references to time in this document are to London time.

Part I

Risk Factors

In considering the Proposals set out in this document, Shareholders should have regard to the following risk factors. Shareholders considering whether to tender their Shares in the Tender Offer should read this section carefully.

The issued share capital of the Company will be reduced as a result of the Tender Offer (and associated repurchase) and the Company will be smaller. As a result, the funds so returned will no longer be available for application in the ordinary course of the Company's business or to meet contingencies, and the fixed costs of the Company will be spread over fewer Shares.

Levels of taxation may change. Investors should have regard to the information in relation to taxation set out in Part V of this document.

In order to qualify as an investment trust, the Company must comply with the provisions contained in section 1158 of the Corporation Taxes Act 2010. A breach of section 1158 in an accounting period could lead to the Company being subject to corporation tax on gains realised in that accounting period.

The Company has no employees and therefore relies upon the services provided by third parties and is dependent on the control systems of the Investment Manager and the Company's service providers. The Company's continuing compliance with the regulatory and legal requirements to which it is subject is dependent upon the effective operation of these systems.

A sudden departure of the Investment Manager or several members of the investment management team could result in a short-term deterioration in investment performance.

The market price of the Company's Shares may not reflect their Net Asset Value and the discount (or premium) to Net Asset Value at which the Company's Shares trade may fluctuate on a daily basis and is dependent upon factors which may be partly or wholly outside the control of the Company, including general market sentiment and market volatility. A disproportionate widening of the discount relative to the Company's peers could result in a loss of value for Shareholders.

The future development of the Company is dependent upon the success of the Company's investment strategy in light of economic and equity market developments in the countries in which it invests. There is no guarantee that the Company's investment strategy (including the proposed changes to the Investment Policy) will be successful or that its investment objectives will be achieved.

The Company's returns are sensitive to changes in the exchange rates for the various currencies to which the Company's investments are exposed. Adverse changes in such exchange rates may have a significant impact on the revenue and capital return of the Company's assets. Similarly, interest rate movements may have an adverse effect on the level of income receivable on the cash deposits of the Company.

The Company may be exposed to the credit risk of the counterparties to its transactions. The failure of a counterparty to discharge its liabilities could result in the Company suffering a loss.

The Company will pay dividends from capital where considered appropriate by the Board. Shareholders should note that this may result in capital erosion and a reduction in the potential for future capital growth.

Part II

Letter from the Chairman

BARING EMERGING EUROPE PLC

*(a company incorporated and registered in England and Wales with
registered number 4560726)*

Directors

Steven Bates
Ivo Coulson
Frances Daley
Nadya Wells
Jonathan Woollett

Registered office

155 Bishopsgate
London
EC2M 3XY

15 December 2016

To Shareholders

Dear Shareholder,

Introduction

On 9 December 2016, in accordance with the discount management policy of the Company, the Company announced a proposed tender offer of the Company's issued share capital. The Tender Offer is available to Shareholders (other than certain Overseas Persons) on the Register on the Record Date, which is 5.00 pm on 20 January 2017. This document sets out the background to and details of the Tender Offer and convenes a General Meeting of the Company to be held at 3.00 pm on 24 January 2017 following the Company's Annual General Meeting.

If you do not wish to tender any of your Shares, you do not need to complete a Tender Form or submit a TTE Instruction. This letter is not a recommendation to Shareholders to tender their Shares.

Background

In 2013, the Board set out a discount management target of maintaining the Discount to NAV for any given financial year at an average of under 12 per cent., failing which a tender would be offered to Shareholders. During FY16, despite the Board's efforts to manage this process, the Discount to NAV has averaged 14.4 per cent, which means that the conditions for a tender offer have been triggered. Through the course of FY16, the Shares have traded at a Discount to NAV in a range between 18.8 per cent. and 7.9 per cent. The Company has repurchased and cancelled 1,364,512 Shares over the same period, for a net consideration of just under £7.5 million. The repurchase and cancellation of those Shares has added approximately six pence per Share to NAV, accounting for just under one per cent. of the opening NAV during FY16. In accordance with the intention set out in 2013, the Board now intends to offer Shareholders the opportunity to receive a return of capital closer to NAV through the implementation of the Tender Offer (and associated repurchase) as detailed in this document.

Notwithstanding the proposed implementation of the Tender Offer (and associated repurchase), the Board also believes that it is in the Company's interest that it takes certain steps to address the long term viability of the Company's approach to discount management. It is the Board's view that the current approach to discount management diverts the Company's resources into liquidity management in order to finance buy-backs, and gives the Investment Manager an implicit time horizon, which is shorter than that of its natural investment process. Furthermore, the Board recognises that the shrinking of the Company through repeated tenders and large buybacks risks reducing liquidity for Shareholders and restricting the investor audience for the Shares. The Board believes that this could lead to the Company becoming less relevant for its Shareholders and in turn increase the difficulty of controlling Discount to NAV going forward. In order to address these problems, the Board has approved the implementation of a revised approach to discount management, subject to the Shareholders' approval of the Proposals and certain of the resolutions to be presented at the Annual General Meeting.

The Board believes that the long term attraction of the Company's investment strategy remains intact and that the proposed change in the approach to discount management will ensure that the Investment Manager is able to focus on achieving the optimal results for Shareholders without the concern of liquidity management in the face of a shrinking capital base. The Proposals, together with the revised approach to discount management, taken as a whole, recognise the smaller scale of the Company and the risk that further shrinkage would make the Company less appealing to Shareholders who might want it to continue, whilst setting prudent targets to control the Discount to NAV but without penalising good performance.

In addition, the Board proposes to seek approval from Shareholders at the General Meeting to implement certain changes to the Investment Policy. As reported in the Company's 2015 annual report, following a proposal from the Investment Manager to expand the geographical remit of the Company to permit investment in the Middle East and Africa (MEA), the Board agreed to increase the limit on investment in other countries, outside Emerging Europe, from two per cent. to five per cent. to provide some scope for this. The immediate trigger for the proposal was the opening up of the Saudi market to foreign investors, but capital markets in both Africa and the Middle East continue to develop rapidly and may offer opportunities to expand the scope of investments. The team at the Investment Manager is led by Matthias Siller, head of the Europe, Middle East and Africa (EMEA) equities group. In order to provide the Investment Manager with additional flexibility, the Board has decided to seek Shareholder approval to increase the permitted investment in other countries, outside Emerging Europe, from five per cent. to 15 per cent., notwithstanding that the Company is yet to make an investment outside Emerging Europe. The Board currently intends that the "other countries" for the purposes of the change in the Investment Policy will comprise Bahrain, Egypt, Jordan, Kenya, Kuwait, Lebanon, Mauritius, Morocco, Nigeria, Oman, Qatar, Saudi Arabia, South Africa, Tunisia and UAE. The Company's benchmark will remain unchanged (MSCI EM Europe 10/40 Index).

Tender Offer

The price per Share at which Shares will be acquired by J.P. Morgan Cazenove, as principal, under the Tender Offer will be 97.5 per cent. of the Net Asset Value ('cum-income') per Share of the Company (after accounting for the costs of the Tender Offer, which are estimated at approximately £310,000 excluding portfolio realization costs) as at the close of business on 24 January 2017. Prior to that date, it is intended that the Company will have realised a sufficient proportion of its investment portfolio to fund the Company's repurchase under the Repurchase Agreement of the Shares acquired by J.P. Morgan Cazenove under the Tender Offer. Further details of the calculation of the Tender Price are set out in paragraph 3 of Part V of this document.

By way of illustration, assuming that the maximum number of Shares is acquired under the Tender Offer (and associated repurchase), the purchase of Shares under the Tender Offer (and associated repurchase) would be expected to result in no change to the Net Asset Value per Share (based on the 'cum-income' Net Asset Value per Share as at close of business on 14 December 2016 (being the latest practicable date prior to the publication of this document) and the Company's estimate of costs of the Tender Offer, adjusted for the 23 pence per share dividend which goes "ex-div" on 20 January 2017) for Shareholders who continue with their investment in the Company (without taking account of any portfolio reorganisation costs incurred in connection with the Tender Offer (and associated repurchase)).

In making the Tender Offer, J.P. Morgan Cazenove will purchase the Shares, as principal, by means of an on-market purchase from tendering Shareholders and will sell them on to the Company pursuant to the terms of the Repurchase Agreement. Under the terms of the Tender Offer, Shareholders (other than certain Overseas Persons) will be able to tender up to their Basic Entitlement, being 10 per cent. of the Shares registered in their name on the Register on the Record Date, rounded down to the nearest whole number of Shares. Shareholders will also have the option to tender additional Shares which may be purchased by J.P. Morgan Cazenove to the extent that other Shareholders tender less than their Basic Entitlement. Any such excess tenders will be satisfied pro rata in proportion to the amount tendered in excess of the Basic Entitlement (rounded down to the nearest whole number of Shares).

All Shares acquired by the Company from J.P. Morgan Cazenove under the Repurchase Agreement will be cancelled. The repurchase of Shares by the Company pursuant to the terms of the Repurchase Agreement will be funded by the sale of investments in the Company's investment portfolio and from the Company's existing cash resources, as described more fully in paragraph 3.3 of Part V of this document.

The Record Date for participation in the Tender Offer is 5.00 pm on 20 January 2017. The Tender Offer may lapse or be terminated in certain circumstances as set out in paragraphs 2 and 8 of Part V of this document.

Shareholders' attention is drawn to the letter from J.P. Morgan Cazenove in Part IV of this document and to Part V of this document, which, together with the Tender Form (in relation to Shareholders holding Shares in certificated form only) constitute the terms and conditions of the Tender Offer. Details of how Shareholders may tender Shares can be found in paragraph 4 of Part V of this document and on the Tender Form (if applicable).

Discount Management

Subject to the approval of the Proposals at the General Meeting and the approval of a general authority for the Company to make market purchases of Shares at the Annual General Meeting (as further detailed below), the Board has approved the implementation of the following measures in relation to the Company's ongoing approach to discount management:

1. With effect from 1 June 2017, the introduction of a policy to offer Shareholders a tender of up to 25 per cent. of the Shares (at the minimum discount at which no dilution will occur) in the event that:
 - (i) the average daily Discount to NAV ('cum-income') exceeds 12 per cent. as calculated with reference to the trading of the Shares over the four year period immediately preceding each relevant publication date of the Company's financial results (the "**New Calculation Period**"), provided that the first New Calculation Period will be the period between 1 October 2016 and 30 September 2020 (Discount to NAV, for discount management purposes, is currently calculated with reference to the 365 day period prior to the publication of the Company's results for the financial year); or
 - (ii) the performance of the Company's portfolio on a total return basis does not exceed its benchmark (being the MSCI EM Europe 10/40 Index) by an average of 100 basis points per annum over the New Calculation Period.

The making of any tender offer pursuant to the above will be conditional upon the Company having the required Shareholder authority or such Shareholder authority being obtained, the Company having sufficient distributable reserves to effect the repurchase and, having regard to its continuing financial requirements, sufficient cash reserves to settle the relevant transaction with Shareholders, and the Company's continuing compliance with the Listing Rules and all other applicable laws and regulations. The Company may require a minimum level of participation in any such tender offer to be met, failing which the tender offer may be declared void.

2. An increase in the Company's focus on a dividend yield by paying income from capital where considered appropriate by the Board. The Board anticipates paying out up to one per cent. per annum of NAV from capital. The Board believes that this is a sustainable policy that should improve the Company's appeal amongst investors. The regular dividend of the Company of 23 pence per Share per annum equates to a yield (with reference to the market price of Shares as at 14 December 2016) of 3.5 per cent. With distributions out of capital, the Board anticipates that the Company's dividend yield will increase going forward.¹

In addition to the implementation of the discount management measures listed above, Shareholders will be requested at the Annual General Meeting to grant the Company authority to make market purchases of up to 2,377,318 Shares, representing approximately 14.99 per cent. of the issued share capital of the Company as at 8 December 2016 (being the latest practicable date prior to the publication of the Company's annual report for FY16). Authorising the Tender Offer (and associated repurchase) will not affect any such general authority granted at the Annual General Meeting, except that the number of Shares in respect of which the general authority is granted shall be reduced by a proportion equal to the proportion of the issued share capital (excluding any treasury Shares held by the Company) which is repurchased by the Company in connection with the Tender Offer. No part of the general authority granted at the Annual General Meeting will be used to implement the Tender Offer (and associated repurchase). Immediately following the Tender Offer (and associated repurchase), assuming that the maximum number of Shares will be purchased under the Tender Offer (and associated repurchase), there will be approximately 14,273,428 Shares in issue (excluding 3,318,207 Shares held in treasury by the Company), provided that no further Shares are bought back by the Company in the meantime.

Investment Policy

The Company requires approval from the FCA (pursuant to the Listing Rules) and the approval of Shareholders for any material change to its Investment Policy. The Company has received the FCA approval required by the Listing Rules. Separately, the Company has provided the proposed Investment Policy to the FCA for consideration under the AIFMD Regulations. The proposed resolution to change the Investment Policy is set out in the notice of General Meeting at the end of this document.

The proposed Investment Policy will only become effective once approved by Shareholders at the General Meeting. Further details on the change to the Investment Policy, including the text of the proposed Investment Policy, are set out in Part III of this document.

¹ This is a target only and not a profit forecast. There can be no assurance that the target can or will be met and should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in their decision-making or assume that the Company will make any distributions at all and should decide for themselves whether or not the target dividend yield is reasonable or achievable.

Overseas Persons

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands and the Isle of Man may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders with registered or mailing addresses outside the United Kingdom, the Channel Islands or the Isle of Man or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands or the Isle of Man should read paragraph 10 of Part V of this document. It is the responsibility of all Overseas Persons to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such persons to tender their Shares.

Taxation

Comments on certain aspects of the general UK tax treatment of the Tender Offer are set out in Part VI of this document, to which Shareholders are referred.

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

General Meeting

The Tender Offer (and associated repurchase) is subject to Shareholder approval. A notice convening a general meeting of the Company, which is to be held at 3.00 pm on 24 January 2017 (or as soon thereafter as the Annual General Meeting of the Company is concluded or adjourned) at 155 Bishopsgate, London EC2M 3XY is set out at the end of this document. At this meeting, two special resolutions will be proposed to sanction the Proposals.

Whether or not you wish to tender your Shares under the Tender Offer, and regardless of whether you intend to be present at the General Meeting, Shareholders are requested to complete and return the accompanying Form of Proxy in accordance with the instructions printed thereon, so as to be received by the Registrars as soon as possible, and in any event by no later than 3.00 pm on 20 January 2017. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person, should you so wish.

Recommendation

Your Board considers that the Proposals are in the best interests of Shareholders as a whole. The Board has received financial advice from J.P. Morgan Cazenove and in giving that financial advice, J.P. Morgan Cazenove has placed reliance on the Board's commercial assessments. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings totalling 11,000 Shares (representing approximately 0.07 per cent. of the Company's issued share capital (excluding Shares held in treasury by the Company)).

The Directors make no recommendation to Shareholders as to whether to tender their Shares in the Tender Offer. Whether or not Shareholders decide to tender their Shares will depend, among other things, on their view of the Company's prospects and their own individual circumstances, including their tax position. The Directors will not be tendering any of their Shares in the Tender Offer.

Yours faithfully,

Steven Bates
Chairman

Part III

Change of Investment Policy

The Company is seeking Shareholder approval at the General Meeting to amend the Investment Policy as set out below:

Investment Policy

The policy of the Directors is that, in normal market conditions, the portfolio of the Company should consist primarily of diversified securities listed or traded on Emerging European securities markets (including over the counter markets). Equity securities for this purpose include equity-related instruments such as preference shares, convertible securities, options, warrants and other rights to subscribe for or acquire, or relating to, equity securities. The Company may also invest in debt instruments such as bonds, bills, notes, certificates of deposit and other debt instruments issued by private and public sector entities in Emerging Europe.

In addition, Emerging European exposure may be obtained by indirect means. Investments may, for example, be made in securities of companies listed on securities markets outside Emerging Europe that derive, or are expected by the Directors to derive, the majority of their revenues and/or profits and/or growth from activities in Emerging Europe.

The Company may also invest in other funds in order to gain exposure to Emerging Europe where, for example, such funds afford one of the few practicable means of access to a particular market, or where such a fund represents an attractive investment in its own right. The Company will not invest more than 15 per cent. of its gross assets in other UK listed investment companies (including investment trusts).

The Company may from time to time invest in unquoted securities, but the amount of such investment is not expected to be material. Furthermore the Board has agreed that the maximum exposure to unquoted securities should be restricted to 5 per cent. of the Company's **net gross** assets. At the year end there was one unquoted investment valued at nil in the portfolio.

For the purposes of this investment policy the Board has defined Emerging Europe as the successor countries of the former Soviet Union, Poland, Hungary, the Czech Republic, Slovakia, Turkey, the States of former Yugoslavia, Romania, Bulgaria, Albania and Greece. There is no restriction on the proportion that may be invested in these countries.

In addition, the Board has agreed that up to **5-15** per cent. of the **total gross** assets may be invested in other countries provided that any investments made are companies listed on a regulated stock exchange.

The Board has agreed that the maximum value of any one investment should not exceed 12 per cent. of the Company's **gross assets total portfolio** save with the prior written consent of the Board. Where excess occurs due to market movement the manager will notify the Board of this and will reduce the holding to below 12 per cent. within six months.

In addition to the above restriction on investment in a single company the Board seeks to achieve a spread of risk in the portfolio through monitoring the country and sector weightings of the portfolio. There will be a minimum of 30 stocks in the portfolio.

The Company's Articles provide that the Company may borrow an amount equal to its share capital and reserves. At 30 September 2016, the only loan facility in place was a US\$17 million loan facility with State Street Bank and Trust Company Limited which can be used as a source of gearing. In order to provide a mechanism to gear the portfolio the Board has authorised the Alternative Investment Fund Manager to invest in long only derivatives in Polish, Russian and Turkish index futures where feasible. The Alternative Investment Fund Manager has discretion to operate with an overall exposure of the portfolio to the market of between 90 per cent. and 110 per cent., to include the effect of any derivative positions. Gearing was employed during the year, US\$13 million was drawn down on 13 July 2016 and remained at this level up to and including 30 September 2016.

Part IV

Letter from J.P. Morgan Securities plc

J.P. MORGAN SECURITIES PLC

(a company registered in England and Wales with registered number 2711006 and authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and by the UK Prudential Regulation Authority and a member of the London Stock Exchange)

15 December 2016

To Shareholders,

Dear Sir or Madam,

Tender Offer

As explained in the letter from the Chairman in Part II of this document, Shareholders (other than certain Overseas Persons) are being given the opportunity to tender some or all of their Shares for purchase by J.P. Morgan Cazenove in the Tender Offer. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer.

J.P. Morgan Cazenove hereby invites Shareholders who are on the Register on the Record Date to tender Shares for purchase by J.P. Morgan Cazenove for cash at a price equal to the Tender Price. The Tender Offer is made on the terms and subject to the conditions set out in Part V of this document and, in the case of Shares held in certificated form, the Tender Form. **This letter is not a recommendation to Shareholders to tender their Shares.**

Shareholders (other than certain Overseas Persons) may tender their Basic Entitlement, being 10 per cent. of the Shares registered in their name on the Register on the Record Date rounded down to the nearest whole number of Shares. Such Shareholders may tender fewer Shares than their Basic Entitlement, or they may tender Shares in excess of their Basic Entitlement. If the aggregate number of Shares tendered exceeds the Basic Entitlement of all Shareholders, excess tenders will be satisfied pro rata in proportion to the excess over the Basic Entitlement tendered, rounded down to the nearest whole number of Shares.

The number of Shares to be acquired by J.P. Morgan Cazenove under the Tender Offer will not in any event exceed 1,585,936 Shares, representing 10 per cent. of the Company's issued share capital (excluding any Shares held in treasury by the Company) as at 14 December 2016 (being the latest practicable date prior to the publication of this document).

Shareholders are not obliged to tender Shares and those who do not wish to tender Shares should not return any Tender Form or issue any TTE Instructions.

Procedure for Tendering Shares

Shareholders who wish to tender Shares held in certificated form should complete the Tender Form in accordance with the instructions set out thereon and return the completed form by post using the enclosed pre-paid envelope to the Receiving Agent so as to be received as soon as possible and in any event by no later than 3.00 pm on 20 January 2017. They should also return the share certificate(s) and/or other document(s) of title in respect of the Shares being tendered.

Shareholders who hold their Shares in uncertificated form (that is, in CREST) should arrange for their Shares to be transferred to escrow through a TTE Instruction input so as to settle by no later than 3.00 pm on 20 January 2017 as described in paragraph 4 of Part V of this document.

Full details of the procedure for tendering Shares are set out in paragraph 4 of Part V of this document and, in the case of Shares which are held in certificated form, the Tender Form.

Validity of Tenders

TTE Instructions and Tender Forms which are received by the Receiving Agent after the deadlines specified above or which at that time are incorrectly completed or not accompanied by the relevant instructions or documents, or a satisfactory indemnity in lieu thereof, may be rejected and returned to Shareholders or their appointed agents, together with any accompanying share certificate(s) and/or other document(s) of title.

J.P. Morgan Cazenove reserves the right to treat as valid only Tender Forms and TTE Instructions received by the Receiving Agent by the deadline specified above which are entirely in order and, in the case of Shares held in certificated

form, which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

Overseas Persons

Shareholders with registered or mailing addresses outside the United Kingdom, the Channel Islands or the Isle of Man or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom, the Channel Islands or the Isle of Man should read paragraph 10 of Part V of this document.

The making of the Tender Offer to persons outside the United Kingdom, the Channel Islands and the Isle of Man may be prohibited or affected by the laws of the relevant overseas jurisdiction. It is the responsibility of all Overseas Persons to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such persons to tender their Shares.

Conditions

The Tender Offer is conditional, *inter alia*, on the passing of the special resolution set out in the notice of General Meeting at the end of this document by no later than 28 February 2017 and upon the Company having paid sufficient funds to meet its obligations under the Repurchase Agreement into an account as set out in paragraph 2.1(iii) of Part V of this document by no later than 4.00 pm on 26 January 2017 (or such later date or time as may be agreed between the Company and J.P. Morgan Cazenove). If the Conditions are not so satisfied, the Tender Offer will lapse.

Termination of the Tender Offer

The Tender Offer may be terminated in certain circumstances as referred to in paragraph 8 of Part V of this document.

Settlement

Subject to the Tender Offer becoming unconditional and not being terminated, payment of the Tender Price due to Exiting Shareholders in respect of Exit Shares held in certificated form will be made by cheque, as described in paragraph 5 of Part V of this document, to be despatched by 3 February 2017 on the basis of the expected timetable. Subject to the Tender Offer becoming unconditional and not being terminated, payment by J.P. Morgan Cazenove of the Tender Price due to Exiting Shareholders in respect of Exit Shares held in uncertificated form will be made electronically through CREST on 31 January 2017 on the basis of the expected timetable as described in paragraph 5 of Part V of this document.

Further information

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part V of this document.

Yours faithfully,

William Simmonds

For and on behalf of
J.P. Morgan Securities plc

Part V

Terms and Conditions of the Tender Offer

1. Tenders

- 1.1 All Shareholders on the Register as at the Record Date (other than certain Overseas Persons) may tender Shares for purchase by J.P. Morgan Cazenove (as principal) on the terms and subject to the conditions set out in this document and, in the case of certificated Shares only, the accompanying Tender Form. Shareholders are not obliged to tender any Shares.
- 1.2 The Tender Offer is made at the Tender Price, calculated in accordance with paragraph 3 below.
- 1.3 The consideration for each tendered Share acquired by J.P. Morgan Cazenove pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 5 below.
- 1.4 Upon the Tender Offer becoming unconditional and unless the Tender Offer has lapsed or been terminated in accordance with the provisions of paragraph 8 below, J.P. Morgan Cazenove will accept the tenders of Shareholders validly made in accordance with this Part V, on the following basis:
- (i) each Shareholder (other than certain Overseas Persons) will be entitled to sell to J.P. Morgan Cazenove his Basic Entitlement, being such number of Shares, rounded down to the nearest whole number, as represents 10 per cent. of the Shares registered in that Shareholder's name in the Register as at the Record Date; and
 - (ii) each Shareholder will also be entitled to sell Shares to J.P. Morgan Cazenove in excess of his Basic Entitlement to the extent that other Shareholders do not tender Shares at all or tender Shares representing less than the whole of their Basic Entitlement. Any such excess tenders will be satisfied pro rata in proportion to the amount tendered in excess of the Basic Entitlement (rounded down to the nearest whole number of Shares).
- 1.5 A maximum number of 1,585,936 Shares, representing 10 per cent. of the Company's issued share capital as at 14 December 2016, being the latest practicable date prior to the publication of this document, (excluding any Shares held in treasury by the Company) will be acquired by J.P. Morgan Cazenove under the Tender Offer.

2. Conditions

- 2.1 The Tender Offer is conditional on the following:
- (i) the passing as a special resolution, by no later than 28 February 2017, of the resolution to be proposed at the General Meeting authorising the Company to make market purchases of Shares purchased under the Tender Offer and such resolution remaining in full force and effect;
 - (ii) the Company and J.P. Morgan Cazenove entering into the Repurchase Agreement;
 - (iii) J.P. Morgan Cazenove being satisfied that the Company has paid the aggregate amount payable under the Tender Offer by 4.00 pm on 26 January 2017 (or such later date or time as the parties may agree) into an account in accordance with the terms of the Repurchase Agreement;
 - (iv) the Tender Offer not having been terminated in accordance with paragraph 8 of this Part V prior to the fulfilment of the conditions referred to in sub-paragraphs 2.1(i) to (iii) (inclusive) of this Part V; and
 - (v) J.P. Morgan Cazenove being satisfied, acting in good faith, that the Company has complied with its obligations, and is not in breach of any of the warranties and undertakings given by it, under the Repurchase Agreement.
- 2.2 Conditions 2.1(iii) and 2.1(v) may be waived by J.P. Morgan Cazenove in its sole discretion. The other Conditions set out above may not be waived by J.P. Morgan Cazenove. J.P. Morgan Cazenove will not purchase Shares pursuant to the Tender Offer unless the Conditions have been satisfied (or, where applicable, waived).
- 2.3 If the Conditions are not satisfied or, if applicable, waived by the applicable date specified in sub-paragraphs 2.1(i) and 2.1(iii) above, the Tender Offer will lapse.

3. Tender Price

3.1 The Tender Price per Share shall be calculated as provided in this paragraph 3.

3.2 The Company will calculate its NAV including income (to the nearest pound sterling) as at the close of business on the Calculation Date, which, for the purposes of the Tender Offer, shall mean the value of all the assets less all the liabilities of the Company. All assets and liabilities will be taken into account in accordance with United Kingdom GAAP and with the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” issued by the Association of Investment Companies in November 2014 and, save as inconsistent therewith, such NAV will be calculated in accordance with the Company’s current accounting policies. For this purpose, the following bases of valuation shall be adopted:

- (i) all investments which are listed, quoted or dealt in on a recognised stock exchange shall be valued by reference to the closing bid market quotations or prices as at the Calculation Date (the quotation or price shall be taken from the principal stock exchange or market where the relevant investment is listed, quoted or dealt in, as shown by the exchange’s or market’s recognised method of publication of prices for such investments as at the close of business on the Calculation Date or in the absence of such recognised method, by the latest quoted price as at the close of business of the relevant stock exchange or market on the relevant day);
- (ii) all traded options and futures contracts which are traded on a stock, commodities, financial futures or other securities exchange shall be valued by reference to the official closing bid prices as at the Calculation Date, as shown by the relevant exchange’s recognised method of publication of such prices;
- (iii) any value otherwise than in sterling shall be converted at the relevant foreign exchange rate prevailing as at the close of business in the United Kingdom on the Calculation Date as determined in accordance with the Company’s current accounting policies, having regard to any relevant conversion costs; and
- (iv) an amount which reflects all other liabilities and obligations of the Company whatsoever, including a fair provision for any contingent liabilities (if any) (including (i) a provision for unpaid liabilities under the Repurchase Agreement, (ii) stamp duty payable as a result of the repurchase of the Shares under the Repurchase Agreement, (iii) any commission payable on the repurchase in connection with the Tender Offer, (iv) fees of professional advisers in connection with the Tender Offer and (v) the 23 pence per share dividend to be paid in February 2017) or losses as at the close of business on the Calculation Date shall be included in the calculation of the NAV of the Company.

No party shall incur any liability by reason of the fact that a price reasonably believed to be the appropriate price for any investment may be found subsequently not to be such. The calculation of the NAV by the Company as at the close of business on the Calculation Date will not be reviewed by the Company’s auditors.

3.3 In order to fund the repurchase of its Shares under the Repurchase Agreement, the Company will begin realising certain investments in its portfolio prior to the Calculation Date and will hold the proceeds in cash pending settlement of the amount due under the Repurchase Agreement. The costs of realising such investments will therefore be reflected in the calculation of the NAV of the Company pursuant to paragraph 3.2 above.

3.4 The Tender Price per Share will be determined by dividing an amount equal to 97.5 per cent. of the NAV of the Company as calculated in accordance with paragraph 3.2 above by the total number of Shares in issue (excluding any Shares held in treasury by the Company) as at the close of business on the Calculation Date. The resulting amount will be expressed in pence per Share to two decimal places.

3.5 The consideration payable by J.P. Morgan Cazenove to each Exiting Shareholder will be an amount in sterling equal to the Tender Price per Share (as calculated in the manner specified above), multiplied by the number of Exit Shares purchased from that Exiting Shareholder, rounded down to the nearest pence.

4. Procedure for Tendering Shares

There are different procedures for tendering Shares depending on whether they are held in certificated or uncertificated form.

If Shares are held in certificated form, a Shareholder may tender such Shares only by completing and returning a Tender Form in accordance with the procedure set out in paragraph (A) below and the instructions printed on the Tender Form. If you require further copies of the Tender Form, please telephone Capita Asset Services on

0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am and 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the helpline cannot provide advice on the merits of the Tender Offer and cannot provide any financial, legal or tax advice in connection with the Tender Offer.

If Shares are held in uncertificated form (that is, in CREST), they may be tendered only by TTE Instruction in accordance with the procedure set out in paragraph (C) below. If those Shares are held under different member account IDs, Shareholders should send a separate TTE Instruction for each member account ID.

Shareholders who are in any doubt as to how to complete the Tender Form or as to the procedure for tendering Shares should contact Capita Asset Services on the applicable number above.

Shareholders, if they are CREST sponsored members, should contact their CREST sponsor before taking any action.

(A) Procedure for Shares held in certificated form (that is, not in CREST)

To tender Shares held in certificated form, each Shareholder must complete and execute (including having witnessed where applicable) the Tender Form in accordance with the instructions on the Tender Form. The completed and executed Tender Form should be sent either by post in the accompanying reply-paid envelope (for use in the United Kingdom only) along with the relevant share certificate(s) and/or other document(s) of title or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 3.00 pm on 20 January 2017.

Shareholders who have lost their share certificate(s) and/or other document(s) of title should write to Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU for a letter of indemnity in respect of the lost share certificate(s) which, when completed in accordance with the instructions provided, should be returned to Capita Asset Services so as to be received by no later than 3.00 pm on 20 January 2017.

By executing the Tender Form, Shareholders will be deemed to have instructed J.P. Morgan Cazenove to remit the cash consideration to the Receiving Agent with instructions that such consideration be remitted in accordance with the instructions set out in the Tender Form and shall authorise J.P. Morgan Cazenove to execute a form of transfer in respect of their Exit Shares in favour of J.P. Morgan Cazenove.

(B) Validity of Tender Forms

J.P. Morgan Cazenove reserves the right to treat as valid only Tender Forms which are received by 3.00 pm on 20 January 2017, which are deemed to be, in J.P. Morgan Cazenove's sole discretion, entirely in order and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof in respect of the entire number of Shares tendered. J.P. Morgan Cazenove will not accept responsibility for documents lost or delayed in the postal system.

Notwithstanding the completion of a valid Tender Form, the Tender Offer may lapse or be terminated in accordance with the terms and conditions set out in this Part V. J.P. Morgan Cazenove shall be entitled in its sole discretion to accept Tender Forms which are received after 3.00 pm on 20 January 2017. The decision of J.P. Morgan Cazenove as to which Shares have been validly tendered shall be conclusive and binding on all Shareholders.

(C) Procedures for Shares held in uncertificated form (that is, in CREST)

A Shareholder who wishes to tender Shares which are held in uncertificated form should take (or procure to be taken) the action set out below to transfer (by means of TTE Instruction(s)) the number of Shares which he wishes to tender under the Tender Offer to an escrow balance, specifying Capita Asset Services (in its capacity as a CREST receiving agent under its Participant ID and relevant Member Account ID referred to below) as the escrow agent, **as soon as possible and, in any event, so that the transfer to escrow settles by no later than 3.00 pm on 20 January 2017. J.P. Morgan Cazenove shall be entitled in its sole discretion to accept late transfers to escrow.**

If a Shareholder is a CREST sponsored member, he should refer to his CREST sponsor before taking any action. The CREST sponsor will be able to confirm details of his Participant ID and the member account ID under which his Shares are held. In addition, only the CREST sponsor will be able to send the TTE Instruction(s) in relation to the Shares which he wishes to tender.

Shareholders should send (or, if a CREST sponsored member, procure that their CREST sponsor sends) TTE Instruction(s) to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to other information that is required for the TTE Instruction(s) to settle in CREST, the following details:

- the corporate action number of the Tender Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- the number of Shares to be transferred to an escrow balance in respect of the Tender Offer;
- his member account ID;
- his participant ID;
- the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is RA10;
- the member account ID of the Receiving Agent, in its capacity as a CREST escrow agent. This is 29016BAR;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 3.00 pm on 20 January 2017;
- the ISIN of the Shares, which is GB0032273343;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number in the shared note field.

After settlement of the TTE Instruction, Shareholders will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Capita Asset Services in its capacity as a CREST escrow agent for the Tender Offer, until the Tender Offer either is completed or lapses or is terminated. If the Tender Offer becomes unconditional, Capita Asset Services will transfer the Shares tendered under the Tender Offer and which are accepted for purchase by J.P. Morgan Cazenove to J.P. Morgan Cazenove.

Shareholders are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined above.

Shareholders should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Shareholders should therefore ensure that all necessary action is taken by them or their CREST sponsor to enable a TTE Instruction relating to the Shares to settle prior to 3.00 pm on 20 January 2017. In this connection, they are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings. J.P. Morgan Cazenove shall be entitled in its sole discretion to accept late TTE Instructions to settle.

An appropriate announcement will be made if any of the details contained in this paragraph (C) are altered.

(D) Deposits of Shares into, and withdrawals of Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer. Shareholders are reminded, however, that the Tender Offer is not open to persons who are not on the Register as at the Record Date.

(E) Miscellaneous

If the Conditions are not satisfied or the Tender Offer is terminated, all documents lodged pursuant to the Tender Offer will be returned by post at the Shareholder's risk not later than eight Business Days after such date to the tendering Shareholder or, in the case of joint holders, the first named on the Register at his, her or its registered address outside the United States, Canada, Australia, New Zealand

or Japan. In the case of Shares held in uncertificated form, the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow balances by TFE Instructions to the original available balances from which those Shares came within such time. In any of these circumstances, Tender Forms will cease to have any effect.

If in J.P. Morgan Cazenove's determination, in its absolute discretion, neither Box 1A nor Box 1B of the Tender Form has been validly completed, the instruction to tender will be rejected. If in J.P. Morgan Cazenove's determination, in its absolute discretion, entries have been made in both Box 1A and Box 1B, then provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, the tender will be accepted as a valid tender in respect of the lower of the tendering Shareholder's Basic Entitlement and the number of Shares specified in Box 1B.

If in J.P. Morgan Cazenove's determination, in its absolute discretion, an entry has been made in Box 1B which is greater than the number of Shares held by the Shareholder to whom the Tender Form relates as at the Record Date, then, provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, the tender will be deemed to be a tender in respect of that Shareholder's entire holding of Shares. Such tender in excess of the relevant Shareholder's Basic Entitlement will be satisfied only to the extent that other Shareholders have not tendered all or any part of their Basic Entitlement. Tenders in excess of the Basic Entitlement will be satisfied pro rata in proportion to the excess over the Basic Entitlement tendered, rounded down to the nearest whole number of Shares.

J.P. Morgan Cazenove reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and may consider void and reject any tender that does not in J.P. Morgan Cazenove's sole judgement (acting reasonably) meet the requirements of the Tender Offer. J.P. Morgan Cazenove also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form (in whole or in part) which is not entirely in order or which is not accompanied by (in the case of Shares held in certificated form) the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to J.P. Morgan Cazenove in respect thereof. In that event, for Shares held in certificated form, the consideration under the Tender Offer will be despatched only when the Tender Form is entirely in order and the share certificate(s) or other document(s) of title or indemnities acceptable to J.P. Morgan Cazenove has/have been received. None of J.P. Morgan Cazenove, the Company, the Registrars or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give such notification.

5. Settlement

5.1 Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by J.P. Morgan Cazenove is expected to be made as follows:

(A) Shares held in certificated form (that is, not in CREST)

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by the Receiving Agent by first class post by 3 February 2017 to the registered address of the tendering Shareholder or, in the case of joint holders, the address of the first named (or, if relevant, to the person whose name and address is set out in Box 4 of the Tender Form). All cash payments will be made in sterling by cheque drawn on a branch of a UK clearing bank.

(B) Shares held in uncertificated form (that is, in CREST)

Where an accepted tender relates to Shares held in uncertificated form, the consideration due will be paid by means of CREST by J.P. Morgan Cazenove procuring the creation of a CREST payment by the Receiving Agent on 31 January 2017 in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

5.2 If only part of a holding of Shares is sold pursuant to the Tender Offer or if any tendered Shares in excess of a Shareholder's Basic Entitlement are not purchased pursuant to the terms of the Tender Offer:

- (i) where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares; or
- (ii) where the Shares are held in uncertificated form (that is, in CREST), the unsold Shares will be transferred by the Receiving Agent, as escrow agent, by means of a TFE Instruction to the original available balance from which those Shares came.

6. Effect of Tender

(A) *Tender Forms*

The lodgement of a Tender Form, including the completion and lodgement of a Tender Form which is treated by J.P. Morgan Cazenove as valid, shall constitute the irrevocable agreement and undertaking, warranty and representation of the relevant Shareholder to J.P. Morgan Cazenove and the Company (so as to bind the Shareholder, his personal representatives, heirs, successors and assigns) that:

- (i) the execution of the Tender Form shall constitute an offer to sell to J.P. Morgan Cazenove as principal such Shareholder's Basic Entitlement or, if applicable, such number of certificated Shares as is inserted in Box 1B of the Tender Form or deemed to be tendered on and subject to the terms and conditions set out or referred to in this document and the Tender Form and, once lodged, such tenders shall be irrevocable;
- (ii) such Shareholder has observed the laws of all relevant jurisdictions, obtained any requisite consents, complied with all applicable formalities, may be the subject of the invitation under the Tender Offer under the laws of the relevant jurisdiction and has not taken or omitted to take any action which would result in J.P. Morgan Cazenove or the Company acting in breach of any applicable legal or regulatory requirement in respect of the purchase of the Shares;
- (iii) such completion and lodgement shall, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of:
 - (a) J.P. Morgan Cazenove as the Shareholder's attorney and/or agent and an irrevocable instruction and authority to J.P. Morgan Cazenove to complete and execute any and all forms and take any and all actions which are necessary or, in J.P. Morgan Cazenove's absolute discretion, desirable to give effect to the purchase by J.P. Morgan Cazenove of the Shares which are the subject of the Tender Form; and
 - (b) the Receiving Agent as the Shareholder's agent for settlement and an irrevocable instruction and authority to the Receiving Agent to despatch or otherwise make payment of the proceeds of sale in respect of the Exit Shares in accordance with the settlement provisions set out above upon receipt of such proceeds from J.P. Morgan Cazenove,
(each of J.P. Morgan Cazenove and the Receiving Agent, for the purposes of this paragraph 6(A), being an "**attorney**");
- (iv) such Shareholder will be registered as at the Record Date as the holder of the Shares which are the subject of the Tender Form;
- (v) such Shareholder has full power and authority to tender, sell, grant options over, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, if the same are purchased by J.P. Morgan Cazenove, J.P. Morgan Cazenove will acquire the Exit Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching to them on or after 3.00 pm on 20 January 2017, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (vi) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by J.P. Morgan Cazenove or any person nominated by J.P. Morgan Cazenove, the Receiving Agent or the Company in the proper exercise of their powers and/or authorities under the Tender Offer;
- (vii) such Shareholder, holding Shares in certificated form, will deliver to the Receiving Agent share certificate(s) and/or other document(s) of title in respect of the Shares tendered or an indemnity acceptable to J.P. Morgan Cazenove in respect thereof, or will procure the delivery of such document(s) to the Receiving Agent as soon as possible thereafter and, in any event, by no later than 3.00 pm on 20 January 2017;
- (viii) if the appointment of attorney and/or agent provision under sub-paragraph (iii) above shall be unenforceable or invalid or shall not operate so as to afford to J.P. Morgan Cazenove or the Receiving Agent the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may

be required to enable J.P. Morgan Cazenove or the Receiving Agent to secure the full benefits of sub-paragraph (iii) above;

- (ix) such Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from any Excluded Jurisdiction and such Shareholder is accepting the Tender Offer from outside the Excluded Jurisdictions;
- (x) on execution, the Tender Form shall take effect as a deed;
- (xi) the execution of the Tender Form constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form;
- (xii) the despatch of a cheque in respect of the Tender Price to such Shareholder at his registered address or such other address as is specified in the Tender Form will constitute a complete discharge by J.P. Morgan Cazenove of its obligations to make such payment to such Shareholder;
- (xiii) such Shareholder shall not take any action which would prevent the Company or the Registrars from cancelling the Shares to which the Tender Form relates upon the Company acquiring such Shares from J.P. Morgan Cazenove under the Repurchase Agreement; and
- (xiv) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by J.P. Morgan Cazenove to be desirable, in each case to complete the purchase of the Shares and/or perfect any of the authorities expressed to be given hereunder.

A reference in this paragraph 6(A) to a Shareholder includes a reference to the person or persons executing the Tender Form and, in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and severally. Acceptance of any tender will be effected by notification of such acceptance by J.P. Morgan Cazenove to the Receiving Agent.

(B) Electronic Tenders

Each Shareholder by whom, or on whose behalf, a tender through CREST is made irrevocably undertakes, represents, warrants and agrees to and with J.P. Morgan Cazenove and the Company (so as to bind the Shareholder, his personal representatives, heirs, successors and assigns) that:

- (i) the input of the TTE Instruction shall constitute an offer to sell to J.P. Morgan Cazenove as principal such number of Shares as are specified in the TTE Instruction or deemed to be tendered on and subject to the terms and conditions set out or referred to in this document and that once the TTE Instruction has settled, such tender shall be irrevocable;
- (ii) such Shareholder has full power and authority to tender, sell assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, if the same are purchased by J.P. Morgan Cazenove, J.P. Morgan Cazenove will acquire the Exit Shares with full title guarantee, fully paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching to them on or after 3.00 pm on 20 January 2017, including the right to receive all dividends and other distributions declared, paid or made after that date;
- (iii) the input of a TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as the Shareholder's agent for settlement (for the purposes of this paragraph 6(B), the "**agent**") and an irrevocable instruction and authority to the agent (i) subject to the Tender Offer becoming unconditional, to transfer to J.P. Morgan Cazenove by means of CREST (or to such person or persons as J.P. Morgan Cazenove may direct) all of the Relevant Shares (as defined below) accepted under the Tender Offer or deemed to be accepted; and (ii) if the Tender Offer does not become unconditional and lapses or is terminated, or there are Shares which have not been successfully tendered under the Tender Offer, as promptly as practicable after the lapsing or termination of the Tender Offer to transfer the Relevant Shares to the original available balances from which those Shares came.

For the purposes of this sub-paragraph (iii), "**Relevant Shares**" means Shares in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part V;

- (iv) such Shareholder will ratify and confirm each and every act or thing which may be done or effected by J.P. Morgan Cazenove or the Receiving Agent or any of their respective directors or any person nominated by J.P. Morgan Cazenove or the Receiving Agent in the proper exercise of its or his powers and/or authorities hereunder;
- (v) such Shareholder shall do all such acts and things as shall be necessary or expedient, and execute any additional documents deemed by J.P. Morgan Cazenove to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (vi) such Shareholder has observed the laws of all relevant jurisdictions, obtained any requisite consents, complied with all applicable formalities, may be the subject of the invitation under the Tender Offer under the laws of the relevant jurisdiction and has not taken or omitted to take any action which would result in J.P. Morgan Cazenove or the Company acting in breach of any applicable legal or regulatory requirements in respect of the purchase of the Shares;
- (vii) the creation of a CREST payment obligation in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 above will, to the extent of the obligations so created, discharge fully any obligation of J.P. Morgan Cazenove to pay to such Shareholder the cash consideration to which he is entitled under the Tender Offer;
- (viii) the input of a TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer;
- (ix) if, for any reason, any Shares in respect of which a TTE Instruction has been made are, prior to 3.00 pm on 20 January 2017, converted into certificated form, the tender through CREST in respect of such Shares shall cease to be valid;
- (x) if the appointment of agent provision under sub-paragraph (iii) above shall be unenforceable or invalid or shall not operate so as to afford the Receiving Agent the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Receiving Agent to secure the full benefits of sub-paragraph (iii) above;
- (xi) such Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from any Excluded Jurisdiction and such Shareholder is accepting the Tender Offer from outside the Excluded Jurisdictions; and
- (xii) such Shareholder shall not take any action which would prevent the Company or the Registrars from cancelling the Shares to which the TTE Instruction relates upon the Company acquiring such Shares from J.P. Morgan Cazenove under the Repurchase Agreement.

7. Additional Provisions

- 7.1 Shares acquired by J.P. Morgan Cazenove in the Tender Offer will be market purchases in accordance with the rules of the London Stock Exchange and the UK Listing Authority.
- 7.2 Subject to the provisions of this Part V, the Tender Offer will close at 3.00 pm on 20 January 2017. No Tender Form, share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after that time will be accepted, except at the sole discretion of J.P. Morgan Cazenove.
- 7.3 Each Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of J.P. Morgan Cazenove agreeing to process his tender, such Shareholder will not revoke his tender or withdraw his Shares. **Shareholders should note that once tendered, Shares may not be sold, transferred, charged or otherwise disposed of until such time as they have been informed otherwise.**
- 7.4 Any omission to despatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 7.5 No acknowledgement of receipt of any Tender Form, TTE Instruction, share certificate and/or other document of title will be given. All communications, instructions (including in CREST), notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.

- 7.6 All powers of attorney and authorities on the terms conferred by or referred to in this Part V or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and shall be irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 7.7 The Tender Offer and all tenders will be governed by and construed in accordance with English law.
- 7.8 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the terms of the Tender Offer. The definitions set out in this document apply to this document generally (including, without limitation, the terms and conditions contained in this Part V) and to the Tender Form.

8. Termination of the Tender Offer

If the Company notifies J.P. Morgan Cazenove, at any time prior to the satisfaction of the Conditions, that in the reasonable opinion of the Company there shall have occurred any change in national or international financial, economic, political or market conditions, currency exchange rates or foreign exchange controls, any change in the financial position or prospects of the Company, any change in fiscal or other laws, regulations, rules or treaties applicable to the Company or in their application or interpretation or any other circumstances of any kind beyond the Company's control as would, in any such case, render the Tender Offer temporarily or permanently impracticable or inadvisable, J.P. Morgan Cazenove will, by written notice to the Company, terminate the Tender Offer and in such event the Tender Offer shall cease and determine absolutely unless, with the Company's prior written consent, J.P. Morgan Cazenove decides to proceed with the Tender Offer.

9. Miscellaneous

- 9.1 Any termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than 3.00 p.m. on the Business Day following the date of such termination. Such an announcement will be released via a Regulatory Information Service. References to the making of an announcement by the Company include the release of an announcement on behalf of the Company by J.P. Morgan Cazenove to the press and delivery of, by telephone, facsimile or other electronic transmission, such announcement through a Regulatory Information Service.
- 9.2 Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from J.P. Morgan Cazenove by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and such Shares will subsequently be cancelled.
- 9.3 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by J.P. Morgan Cazenove or the Company. Under no circumstances should the delivery of this document or the delivery or any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 9.4 No rights under the Contracts (Rights of Third Parties) Act 1999 shall be given to any third party by virtue of this document.

10. Overseas Persons

- 10.1 The making of the Tender Offer in, or to persons who are citizens, residents or nationals of, or resident in, jurisdictions outside the United Kingdom, the Channel Islands or the Isle of Man, or trustees, nominees or custodians for such persons, may be affected by the laws of the relevant overseas jurisdiction. Overseas Persons should inform themselves about (by taking legal advice or in some other appropriate manner) and observe fully any applicable legal requirements. It is the responsibility of any Overseas Persons to satisfy themselves as to the full compliance with the laws of the relevant jurisdiction in connection with the Tender Offer, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due in such jurisdiction. Any Overseas Person will be responsible for payment of any such transfer or other taxes or any other requisite payments due by whomsoever payable and the Company, J.P. Morgan Cazenove, and any person acting on behalf of either of them shall be entitled to be fully indemnified and held harmless by such Shareholder for any such transfer or other taxes as such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Form in any territory outside the United Kingdom, the Channel Islands or the Isle of Man. The Tender Offer is not subject to Regulation 14D under the

United States Securities Exchange Act of 1934, as amended, and no Schedule TO has been filed in connection therewith.

- 10.2 In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrument (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Excluded Jurisdiction. Copies of this document, the Tender Form and any related documents are not being and must not be mailed or otherwise forwarded, distributed or sent in or into any Excluded Jurisdiction, including to Shareholders with registered addresses in those jurisdictions or to persons who are known to be trustees, nominees or custodians holding Shares for persons who have addresses in those jurisdictions. Persons receiving such documents (including, without limitation, trustees, nominees or custodians) must not distribute or send them in or into any Excluded Jurisdiction or use such mails or any such means, instrument or facility for any purpose, directly or indirectly, in connection with the Tender Offer, and in so doing may invalidate any purported tender pursuant to the Tender Offer. Persons wishing to tender Shares pursuant to the Tender Offer must not use such mails or any such means, instrument or facility for any purpose, directly or indirectly, related to any tender pursuant to the Tender Offer. Envelopes containing any Tender Form should not be postmarked in any Excluded Jurisdiction or otherwise despatched from any Excluded Jurisdiction and all Shareholders wishing to tender Shares pursuant to the Tender Offer must provide addresses outside the Excluded Jurisdictions for the remittance of cash, or for the return of any Tender Form, share certificate(s) or other document(s) of title.
- 10.3 A Shareholder will be deemed not to have made a valid tender if: (i) such Shareholder is unable to make the representations and warranties set out in sub-paragraphs 6(A)(ii) and 6(A)(ix) (in the case of a Shareholder whose Shares are held in certificated form) or sub-paragraphs 6(B)(vi) and 6(B)(xi) (in the case of a Shareholder whose Shares are held in uncertificated form), of this Part V; (ii) such Shareholder has a registered address in an Excluded Jurisdiction, is known to be a trustee, nominee or custodian holding Shares for persons with addresses in those jurisdictions or inserts an address in those jurisdictions in Box 3 of the Tender Form; (iii) such Shareholder inserts in Box 4 of the Tender Form the name and address of a person or agent in an Excluded Jurisdiction to whom he wishes the consideration to which that Shareholder is entitled under the Tender Offer to be sent; or (iv) the Tender Form received from him is in an envelope postmarked in, or which otherwise appears to J.P. Morgan Cazenove or its agents to have been sent from an Excluded Jurisdiction.
- 10.4 J.P. Morgan Cazenove reserves the right in its sole discretion (based on legal advice or otherwise) to investigate whether in any case or cases any agreement, representation, undertaking and warranty set out in sub-paragraphs 6(A)(ii) or 6(A)(ix) (in the case of a Shareholder whose Shares are held in certificated form) or sub-paragraphs 6(B)(vi) or 6(B)(xi) (in the case of a Shareholder whose Shares are held in uncertificated form), of this Part V, cannot or should not have been made and, if so, to determine that the relevant tender should be void and the person making the tender shall have no claim against J.P. Morgan Cazenove or the Company.
- 10.5 The provisions of any terms of the Tender Offer relating to Overseas Person may be waived, varied or modified as regards specified Overseas Persons or on a general basis by J.P. Morgan Cazenove in its absolute discretion but shall not in any circumstances be waived, varied or modified so as to permit any purported tender postmarked or otherwise despatched from an Excluded Jurisdiction to be valid. Subject to this, the provisions of this paragraph 10 shall supersede any terms of the Tender Offer inconsistent herewith. References in this paragraph 10 to an Overseas Person shall include references to the person(s) executing a Tender Form on behalf of an Overseas Person and, in the event of more than one person executing a Tender Form, the provisions of this paragraph 10 shall apply to them jointly and severally.

Part VI

United Kingdom Taxation in relation to the Tender Offer

THE FOLLOWING COMMENTS DO NOT CONSTITUTE TAX ADVICE AND ARE INTENDED ONLY AS A GUIDE TO CURRENT UNITED KINGDOM LAW AND H.M. REVENUE & CUSTOMS' PUBLISHED PRACTICE (WHICH ARE BOTH SUBJECT TO CHANGE AT ANY TIME, POSSIBLY WITH RETROSPECTIVE EFFECT). THEY RELATE ONLY TO CERTAIN LIMITED ASPECTS OF THE UNITED KINGDOM TAXATION TREATMENT OF SHAREHOLDERS WHO ARE RESIDENT IN THE UNITED KINGDOM FOR UNITED KINGDOM TAX PURPOSES, WHO ARE, AND WILL BE, THE BENEFICIAL OWNERS OF THEIR SHARES AND WHO HOLD, AND WILL HOLD, THEIR SHARES AS INVESTMENTS (AND NOT AS ASSETS TO BE REALISED IN THE COURSE OF A TRADE, PROFESSION OR VOCATION). THEY MAY NOT RELATE TO CERTAIN SHAREHOLDERS, SUCH AS DEALERS IN SECURITIES OR SHAREHOLDERS WHO HAVE (OR ARE DEEMED TO HAVE) ACQUIRED THEIR SHARES BY VIRTUE OF AN OFFICE OR EMPLOYMENT OR SHAREHOLDERS WHO ARE TREATED AS HOLDING THEIR SHARES AS CARRIED INTEREST. SHAREHOLDERS ARE ADVISED TO TAKE INDEPENDENT ADVICE IN RELATION TO THE TAX IMPLICATIONS FOR THEM OF SELLING SHARES PURSUANT TO THE TENDER OFFER.

Taxation of chargeable gains

The sale of Shares by a Shareholder to J.P. Morgan Cazenove pursuant to the Tender Offer should be treated as a disposal of those shares for United Kingdom tax purposes. This may, subject to the Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains ("CGT").

The amount of CGT payable by a Shareholder who is an individual as a consequence of the sale of Shares, if any, will depend on his or her own personal tax position. Broadly, a Shareholder whose total taxable gains and income in a given year, including any gains made on the sale of Shares ("**Total Taxable Gains and Income**"), are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the "**Band Limit**") (£32,000 for 2016/2017) will normally be subject to CGT at a rate of 10 per cent. in respect of any gain arising on the sale of his or her Shares. A Shareholder whose Total Taxable Gains and Income are more than the Band Limit will normally be subject to CGT at a rate of 10 per cent. in respect of any gain arising on the sale of his or her Shares (to the extent that, when added to the Shareholder's other taxable gains and income, the gain is less than or equal to the Band Limit) and at a rate of 20 per cent. in respect of the remainder of the gain arising on the sale of his or her Shares. However, no tax will be payable on any gain arising on the sale of Shares if the amount of the chargeable gain realised by a Shareholder in respect of the sale, when aggregated with other chargeable gains realised by that Shareholder in the year of assessment (and after taking into account aggregate losses), does not exceed the annual exemption (£11,100 for 2016/2017).

A corporate Shareholder is normally taxable on all of its chargeable gains, subject to any relief and exemptions. Corporate Shareholders should be entitled to indexation allowance up to the date the chargeable gain is realised.

Transactions in Securities

Under the provisions of Part 15 of the Corporation Tax Act 2010, H.M. Revenue & Customs can in certain circumstances counteract corporation tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by H.M. Revenue & Customs to the Tender Offer, Shareholders who are subject to corporation tax might be liable to corporation tax as if they had received an income amount rather than a capital amount.

No application has been made to H.M. Revenue & Customs for clearance in respect of the application of Part 15 of the Corporation Tax Act 2010 to the Tender Offer. **Shareholders who are within the charge to corporation tax are advised to take independent advice as to the potential application of the above provisions in light of their own particular motives and circumstances.**

Stamp duty and stamp duty reserve tax ("SDRT")

The sale of Shares pursuant to the Tender Offer will not give rise to any liability to stamp duty or SDRT for the selling Shareholder.

Stamp duty at a rate of 0.5 per cent. on the Shares repurchased, rounded up to the nearest £5 if necessary, will be payable by the Company on its purchase of Shares from J.P. Morgan Cazenove pursuant to the Repurchase Agreement.

Part VII

General Information

1. Repurchase Agreement

The Company and J.P. Morgan Cazenove entered into a repurchase agreement on 14 December 2016 pursuant to which the Company has agreed to purchase from J.P. Morgan Cazenove, on the London Stock Exchange, such number of Shares as J.P. Morgan Cazenove shall purchase pursuant to the Tender Offer, at an aggregate price equal to the amount paid by J.P. Morgan Cazenove for the Exit Shares. J.P. Morgan Cazenove will terminate the Tender Offer if it receives notice from the Company that, in the Company's reasonable opinion, one or more of the conditions set out in subparagraph 2.1 of Part V of this document have not been satisfied or if it receives notice from the Company as referred to in paragraph 8 of Part V of this document unless, with the Company's prior written consent, J.P. Morgan Cazenove decides to proceed with the Tender Offer.

In acquiring Exit Shares pursuant to valid tenders made in the Tender Offer and in selling such Exit Shares to the Company, J.P. Morgan Cazenove will act as principal.

The Repurchase Agreement, which is stated not to create a relationship of agency between J.P. Morgan Cazenove and the Company, is governed by and construed in accordance with English law.

2. Outstanding warrants and options

As at 14 December 2016, being the latest practicable date prior to the publication of this document, the Company had no outstanding warrants or options granting rights to subscribe for any of its Shares.

3. Consent of J.P. Morgan Cazenove

J.P. Morgan Cazenove has given and has not withdrawn its written consent to the issue of this document and its letter with the references to its name in the form and context in which it is included.

4. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any Business Day from the date of this document until the completion, lapse or termination of the Tender Offer at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY and at the registered office of the Company:

- (a) the Repurchase Agreement between the Company and J.P. Morgan Cazenove referred to in paragraph 1 above;
- (b) the letter of consent from J.P. Morgan Cazenove referred to in paragraph 3 above; and
- (c) this document.

Definitions

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

Alternative Investment Fund Manager	Baring Fund Managers Limited;
AIFMD Regulations	the Alternative Investment Fund Managers Regulations 2013 (SI No. 2013/1773), as such regulations may be amended, modified, supplemented or re-enacted from time to time;
Annual General Meeting	the annual general meeting of the Company to be held at 2:30pm on 24 January 2017;
Basic Entitlement	in the case of each Shareholder, the entitlement to tender in the Tender Offer up to 10 per cent. of the Shares registered in such person's name on the Register as at the Record Date in each case rounded down to the nearest whole number;
Board or Directors	the board of directors of the Company and “ Director ” means any one of them;
Business Day	any day other than a Saturday, Sunday or public holiday in England and Wales;
Calculation Date	close of business on 24 January 2017;
Capita Asset Services	a trading name of Capita Registrars Limited;
Company	Baring Emerging Europe PLC;
Conditions	the conditions precedent to the Tender Offer as set out in paragraph 2 of Part V of this document;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST member	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
CREST participant	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
CREST Regulations	the Uncertificated Securities Regulations 2001 (2001/3755) as amended;
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor;
CREST sponsored member	a CREST member admitted to CREST as a sponsored member;
Discount to NAV	the discount to NAV at which the Shares trade;

Euroclear	Euroclear UK & Ireland Limited;
Excluded Jurisdiction(s)	the United States, Canada, Australia, New Zealand and Japan and any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man in which it would be illegal to make the Tender Offer on the basis set out in this document, or otherwise where the mailing of this document or the accompanying documents into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction;
Exiting Shareholders	those Shareholders who shall have successfully tendered Shares for purchase by J.P. Morgan Cazenove pursuant to the terms of the Tender Offer;
Exit Share	a Share which has been successfully tendered for purchase by J.P. Morgan Cazenove pursuant to the terms of the Tender Offer;
Form of Proxy	the form of proxy for use at the General Meeting;
FCA	the Financial Conduct Authority, acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
FSMA	the Financial Services and Markets Act 2000, as amended from time to time;
FY16	the financial year of the Company ending 30 September 2016;
General Meeting	the general meeting of the Company convened for 3.00 pm on 24 January 2017 (or as soon thereafter as the Annual General Meeting of the Company is concluded or adjourned), notice of which is set out at the end of this document, or any adjournment thereof;
Investment Manager	Baring Asset Management Limited;
Investment Policy	the investment policy of the Company;
J.P. Morgan Cazenove	J.P. Morgan Securities plc which conducts its UK investment banking activities as J.P. Morgan Cazenove;
Listing Rules	the Listing Rules of the FCA;
London Stock Exchange	London Stock Exchange plc;
Net Asset Value or NAV	the aggregate value of all assets less all liabilities of the Company (as determined in accordance with paragraph 3.2 of Part V);
Overseas Person	a Shareholder who is a citizen or national of, or resident in, a jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man or a custodian, nominee or trustee for a citizen, national or resident or a jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man;
Proposals	the proposed change of Investment Policy and the proposed Tender Offer (and associated repurchase), as detailed in this document;

Receiving Agent	Capita Asset Services;
Record Date	the date on which Shareholders have to be on the Register in order to participate in the Tender Offer, being 5.00 pm on 20 January 2017;
Register	the register of Shareholders of the Company;
Registrars	Capita Asset Services;
Regulatory Information Service	any of the services set out in the FCA's list of regulated information services (as set out on the FCA's website) from time to time;
Repurchase Agreement	the agreement dated 14 December 2016 entered into between the Company and J.P. Morgan Cazenove (acting as a principal) for the repurchase by the Company on the London Stock Exchange of those Shares purchased by J.P. Morgan Cazenove pursuant to the Tender Offer, summary details of which are set out in Part VI of this document;
Share	an ordinary share of 10 pence in the capital of the Company;
Shareholders	holders of Shares;
sterling	the lawful currency for the time being of the United Kingdom;
Tender Form	the tender form for use by Shareholders who hold their Shares in certificated form in connection with the Tender Offer;
Tender Offer	the invitation by J.P. Morgan Cazenove (acting as principal) to Shareholders (other than certain Overseas Persons) to tender Shares on the terms and subject to the conditions set out in this document and, in the case of Shares held in certificated form, on the Tender Form;
Tender Price	the price at which the Exit Shares will be purchased pursuant to the Tender Offer as described in paragraph 3 of Part V of this document;
TFE Instruction	a Transfer from Escrow instruction under CREST;
TTE Instruction	a Transfer to Escrow instruction under CREST;
UK Listing Authority	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part V of FSMA; and
uncertificated or in uncertificated form	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.

Notice of General Meeting

BARING EMERGING EUROPE PLC

(a company incorporated in England and Wales with registered number 4560726)

NOTICE IS HEREBY GIVEN that a general meeting of Baring Emerging Europe PLC (the “**Company**”) will be held at 155 Bishopsgate, London EC2M 3XY on 24 January 2017 at 3.00 pm (or as soon thereafter as the Annual General Meeting of the Company is concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as a special resolution:

Special Resolutions

1. **THAT** the proposed investment policy described in Part III of the circular of which the notice of this meeting forms part (the “**Circular**”) be approved and adopted as the investment policy of the Company in substitution for, and to the exclusion of, the Company’s existing investment policy with such substitution to take effect from the passing of this resolution.
2. **THAT** the Company be and is hereby generally and unconditionally authorised, for the purposes of section 701 of the Companies Act 2006 (the “**Act**”), to make one or more market purchases of the ordinary shares of 10 pence each in the capital of the Company (“**Shares**”) purchased by J.P. Morgan Securities plc under the tender offer (the “**Tender Offer**”) on the terms described in the Circular, provided that:
 - (a) the maximum aggregate number of Shares hereby authorised to be purchased is 1,585,936;
 - (b) the price which may be paid for any shares is the Tender Price (as defined in the Circular) (which shall be both the maximum and the minimum price for the purposes of section 701 of the Act);
 - (c) the authority hereby conferred shall expire at midnight on 31 December 2017;
 - (d) the Company may make a contract or contracts to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Shares in pursuance of any such contract or contracts;
 - (e) the aggregate nominal amount of any authority to allot shares and to grant rights to subscribe for or convert any security into shares in the Company (within the meaning of section 551 of the Act) conferred by shareholders at the last annual general meeting of the Company shall be reduced by a proportion equal to the proportion of the total issued share capital of the Company (excluding any shares held in treasury) as is represented by the total number of Shares repurchased by the Company pursuant to the authority hereby conferred as at the date immediately prior to such repurchase;
 - (f) the aggregate nominal amount of any authority to allot equity securities, as defined in the Act, for cash under any general authority to allot equity shares referred to in paragraph (e) of this resolution and/or where the allotment is treated as an allotment of equity securities under section 560(3) of the Act, free from the restriction in section 561(1) of the Act, conferred by shareholders at the last annual general meeting of the Company shall be reduced by a proportion equal to the proportion of the total issued share capital of the Company (including any shares held in treasury) as is represented by the total number of Shares repurchased by the Company pursuant to the authority hereby conferred as at the date immediately prior to such repurchase;
 - (g) the maximum number of shares referred to in any authority to make market purchases within the meaning of section 693(4) of the Act conferred by shareholders at the last annual general meeting of the Company shall be reduced by a proportion equal to the proportion

of the total issued share capital of the Company (excluding any shares held in treasury) as is represented by the total number of Shares repurchased by the Company pursuant to the authority hereby conferred as at the date immediately prior to such repurchase (save that to the extent that such a reduction results in a fractional number, such number shall be rounded down to the nearest whole number of Shares), but any authority granted at the last annual general meeting of the Company shall otherwise continue in effect and shall not otherwise be affected by the passing of this resolution or used to any extent in implementing the Tender Offer; and

- (h) any authorities conferred by shareholders at the last annual general meeting of the Company which are referred to in paragraphs (e), (f) and (g) of this resolution shall not be exercised prior to the completion of the Tender Offer or the Tender Offer being terminated or lapsing in accordance with its terms but shall, save as provided in the resolution, remain in full force and effect.

By order of the Board

Baring Emerging Europe PLC
Company Secretary

15 December 2016

Registered office:

155 Bishopsgate
London
EC2M 3XY

Registered in England and Wales with company no. 4560726

Notes to the Notice of Meeting

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Capita Asset Services by telephone on 0871 664 0300 from within the UK or +44 371 664 0300 if telephoning from outside the UK between 9.00 a.m. and 5.30 p.m. Monday to Friday (excluding UK public holidays). Calls to the 0871 number cost 12 pence per minute (including VAT) plus your phone company's access charge, calls outside the UK will be charged at the applicable international rate.
2. To be valid, any form of proxy or other instrument appointing a proxy must be received by post using the enclosed business reply envelope or (during normal business hours only) by hand at the offices of the Company's registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not less than 48 hours before the time of the meeting or any adjournment thereof. The Company requests that this form is completed and lodged with the Company's registrar (at the address above) no later than 3.00 pm on 20 January 2017.
3. The return of a completed form of proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the 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.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company as at close of business on 20 January 2017 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting for the purposes of which no account is to be taken of any part of a day that is not a working day). 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 General Meeting or any adjournment thereof.
7. As at 14 December 2016, (being the last practicable date prior to the publication of this document), the Company's issued share capital consists of 15,859,364 ordinary shares carrying one vote each (excluding 3,318,207 Shares held in treasury by the Company in relation to which voting rights have been suspended). Therefore, the total number of voting rights in the Company as at 14 December 2016 is 15,859,364.
8. 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 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.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via 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 the issuer's agent (ID RA10) by not less than 48 hours before the time of the meeting or any adjournment thereof. 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. The Company requests that this form is completed and lodged with the Company's registrar (at the address above) no later than 3.00 p.m. on Friday 20 January 2017.

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited 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 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. 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.
12. 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.
13. In the case of joint holders of a Share, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by order in which the names appear in the register of members. A company which is a member can appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that they do not do so in relation to the same Shares.
14. 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 preparation for the General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
15. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at <http://www.bee-plc.com/>.

