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HANSON

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If you require any further information or details of our services, please contact us at at the above address:

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

This document should be read in conjunction with (where appropriate) the accompanying Form of Acceptance.

If you have sold or otherwise transferred all of your shares in Castle Support Services plc, please forward this document, together with the Form of Acceptance (for shares held in certificated form) and the reply-paid envelope, as soon as possible to the buyer or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the buyer or transferee. However, such documents should not be mailed, transmitted or distributed, in whole or in part, in, into or from the United States, Canada, Australia, Japan or any other jurisdiction where to do so would violate the relevant rules of that jurisdiction. If you have sold part only of your holding of Ordinary Shares, you should retain these documents.

If you hold your Ordinary Shares as a CREST sponsored member, you should refer to your CREST sponsor before complying with the procedures set out in **paragraph 13(b) of Part II** of this document.

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**RECOMMENDED CASH OFFER**  
by  
**SULZER (UK) HOLDINGS LIMITED**  
(a wholly owned subsidiary of Sulzer Ltd)  
for  
**CASTLE SUPPORT SERVICES PLC**

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Your attention is drawn to the letter from the Chairman of Castle Support Services plc set out in **Part I** of this document which contains the unanimous recommendation of the directors of Castle Support Services plc to accept the Offer.

**To accept the Offer in respect of shares held in certificated form, the Form of Acceptance should be completed, signed and returned as soon as possible and, in any event, so as to be received by no later than 1.00 p.m. on 23 June 2010. The procedure for acceptance is set out on pages 14 to 16 of Part II of this document and in the accompanying Form of Acceptance.**

**To accept the Offer in respect of shares held in uncertificated form, unless the Offeror agrees otherwise, an Electronic Acceptance must be made and must settle as soon as possible and, in any event, by no later than 1.00 p.m. on 23 June 2010. The procedure for acceptance is set out on pages 14 to 16 of Part II of this document.**

A copy of this document is available at [www.sulzer.com](http://www.sulzer.com) and [www.castlesupportservices.com](http://www.castlesupportservices.com).

Rothschild, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Sulzer and the Offeror as financial adviser in relation to the Offer and is not acting for or advising any other person and accordingly will not be responsible to any person other than Sulzer and the Offeror for providing the protections afforded to clients of Rothschild or for providing advice in relation to the contents of this document or any offer or arrangements referred to herein. Neither Rothschild nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild in connection with this document, any statement contained herein or otherwise.

Strand Hanson, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Castle as financial adviser in relation to the Offer and is not acting for or advising any other person and accordingly will not be responsible to any person other than Castle for providing the protections afforded to clients of Strand Hanson or for providing advice in relation to the contents of this document or any offer or arrangements referred to herein. Neither Strand Hanson nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Strand Hanson in connection with this document, any statement contained herein or otherwise.

## IMPORTANT NOTICE

The Offer referred to in this document and (where appropriate) the accompanying Form of Acceptance is not being made, directly or indirectly, in, into or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia, Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. This document does not constitute an offer in the United States, Canada, Australia, Japan or any such other jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or otherwise from or within the United States, Canada, Australia, Japan or any such other jurisdiction. Accordingly, neither this document nor any accompanying document are being, nor should be, mailed, transmitted or otherwise distributed, in whole or in part, in or into or from the United States, Canada, Australia, Japan or any such other jurisdiction. Doing so may render invalid any purported acceptance of the Offer.

The distribution of this document to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any and all applicable legal or regulatory requirements of their jurisdiction. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. Castle Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

**All Castle Shareholders (including, without limitation, nominees, trustees or custodians) who intend to forward this document and (if appropriate) the accompanying document to any jurisdiction outside the United Kingdom should read paragraph 6 of Section B of Part III of this document and seek appropriate advice before taking any action.**

## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This document may contain certain “forward looking statements” which are based on the current expectations of the management of Castle and the Offeror and are subject to uncertainty and changes in circumstances. The forward-looking statements contained herein may include statements about the expected effects on the Sulzer Group and the Castle Group of the Offer, the expected timing and scope of the Offer, anticipated earnings enhancements, estimated cost savings and other synergies, costs to be incurred in achieving synergies, potential divestitures and other strategic options and all other statements in this document other than historical facts. Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates” and words of similar import. By their nature, forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future.

Although the Boards of Castle and the Offeror and the Relevant Officers of Sulzer believe that the expectations in such forward looking statements are reasonable, there are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, unanticipated issues associated with the satisfaction of the Conditions to the Offer; issues associated with obtaining necessary regulatory approvals and the terms and conditions of such approvals; the inability to integrate successfully the Castle Group within the Sulzer Group or to realise synergies from such integration within the time periods anticipated; and changes in anticipated costs related to the acquisition of Castle. Additional factors that could cause actual results and developments to differ materially include, among other things:

- unanticipated changes in revenue, margins, costs, and capital expenditures;
- issues associated with new product or service introductions;
- foreign currency fluctuations;
- increased raw material prices;
- unexpected issues associated with the availability of local suppliers and skilled labour;
- the risks associated with growth;
- geographic factors and political and economic risks;
- actions of competitors;
- changes in economic or industry conditions generally or in the markets served by the Castle Group and the Sulzer Group;
- the state of financial and credit markets;
- efficiencies and capacity utilisation of facilities;

- issues related to new facilities and expansion of existing facilities;
- work stoppages, labour negotiations, and labour rates;
- government approval and funding of projects;
- the ability of our customers to receive financing;
- the ability to complete and appropriately integrate restructurings, consolidations, acquisitions, divestitures, strategic alliances, and joint ventures; and
- risks and other factors cited in Sulzer's filings with the SIX Swiss Exchange.

**Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Castle, Sulzer UK and Sulzer assume no obligation to update or correct the forward-looking statements contained in this document. Forward-looking statements only speak as of the date on which they are made.**

### **DEALING DISCLOSURE REQUIREMENTS**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of "relevant securities" of Castle must make an "Opening Position Disclosure" following the commencement of the Offer Period. An "Opening Position Disclosure" must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of Castle. An "Opening Position Disclosure" by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the Offer Period. Relevant persons who deal in the relevant securities of Castle prior to the deadline for making an "Opening Position Disclosure" must instead make a "Dealing Disclosure".

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of Castle must make a "Dealing Disclosure" if the person deals in any "relevant securities" of Castle. A "Dealing Disclosure" must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of Castle, save to the extent that these details have previously been disclosed under Rule 8. A "Dealing Disclosure" by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Castle, they will be deemed to be a single person for the purpose of Rule 8.3.

"Opening Position Disclosures" must also be made by Castle and by Sulzer and "Dealing Disclosures" must also be made by Castle and Sulzer and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the companies in respect of whose relevant securities "Opening Position Disclosures" and "Dealing Disclosures" must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced. If you are in any doubt as to whether you are required to make an "Opening Position Disclosure" or a "Dealing Disclosure", you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website.

### **Publication on websites**

In accordance with Rule 19.11 of the Code, a copy of this document will be published, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on the Castle website at [www.castlesupportservices.com](http://www.castlesupportservices.com) by no later than 12 noon on 3 June 2010 and will also be available on the Sulzer website at [www.sulzer.com](http://www.sulzer.com) during the course of the Offer.

**TO ACCEPT THE OFFER:**

For Castle Shares held in certificated form, you should:

1. Complete and sign the Form of Acceptance in accordance with **paragraph 13 (a)** of the letter from Sulzer UK set out in **Part II** of this Offer Document (see pages 14 to 15 inclusive).
2. **Return the completed Form of Acceptance (along with your share certificate(s) and any appropriate documents of title) by post or by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible but, in any event, so as to be received by no later than 1.00 p.m. on 23 June 2010.**

For Castle Shares held in uncertificated form, you should ensure that:

1. unless the Offeror otherwise agrees, an Electronic Acceptance is made in accordance with **paragraph 13(b)** of the letter from Sulzer UK set out in **Part II** of this Offer Document (see pages 15 to 16 inclusive); and
2. such Electronic Acceptance settles as soon as possible but, in any event, by no later than **1.00 p.m. on 23 June 2010**. If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.

**If you require assistance, please telephone Equiniti Limited on 0871 384 2809 or, if calling from outside the UK, on +44 121 415 0089 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday.**

**Please note that, for legal reasons, the helpline cannot provide advice on the merits of the proposals or give any financial advice.**

**Calls to 0871 384 2809 are charged at 8p per minute from a BT landline. Other service providers' costs may vary. Calls to +44 121 415 0089 from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.**

**THE FIRST CLOSING DATE OF THE OFFER IS 1.00 P.M. ON WEDNESDAY 23 JUNE 2010**

## CONTENTS

	<u>Page</u>
PART I Letter of Recommendation from the Chairman of Castle .....	6
PART II Letter from Sulzer UK .....	10
PART III Conditions and Further Terms of the Offer.....	19
PART IV Financial information on Castle.....	41
PART V Additional Information .....	43
PART VI Definitions .....	52

## PART I

### LETTER OF RECOMMENDATION FROM THE CHAIRMAN OF CASTLE

#### CASTLE SUPPORT SERVICES PLC

*(Incorporated and registered in England with registered number 5351402)*

*Directors:*

Christopher Mills *(Non-executive Chairman)*  
Tudor Davies *(Executive Director)*  
Timothy Barrett *(Finance Director)*  
Colin Keith *(Non-executive Director)*  
David Banks *(Non-executive Director)*

*Registered office:*

C/o Dowding Mills  
Camp Hill  
Birmingham  
B12 0JJ

2 June 2010

To Castle Shareholders

Dear Shareholder

#### Recommended Cash Offer for Castle

##### 1. Introduction

It was announced on 14 May 2010 that your Board was in talks which might or might not lead to an offer being made for Castle. It was further announced earlier today that the Boards of Sulzer UK and Castle had reached agreement on the terms of a recommended cash offer to be made by Sulzer UK, a wholly owned subsidiary of Sulzer, for the entire issued and to be issued share capital of Castle. The Offer is 108 pence in cash for each Castle Share valuing the entire issued share capital of Castle held outside treasury at approximately £127.5 million.

This letter sets out the background to the Offer and the reasons why your Board considers the Offer to be fair and reasonable and is unanimously recommending Castle Shareholders to accept it. Full details of the Offer and the action you should take in order to accept it are set out in the letter from Sulzer UK set out in **Part II** of this document.

##### 2. The Offer

The Offer, which is subject to the Conditions and further terms set out in this document and (in respect of Castle Shares held in certificated form or as otherwise agreed by the Offeror) the Form of Acceptance, is made on the following basis:

**for each Castle Share**

**108 pence in cash**

The Offer values the whole of Castle's issued share capital held outside treasury at approximately £127.5 million.

The Offer represents a premium of approximately:

- 44.0 per cent. over the Closing Price of 75.0 pence per Castle Share on 1 June 2010, the last business day before the Announcement;
- 70.1 per cent. over the Closing Price of 63.5 pence per Castle Share on 13 May 2010, the last business day before Castle announced it had received a number of provisional approaches; and
- 59.9 per cent. over the average Closing Price of 67.5 pence per Castle Share for the twelve months prior to and including 1 June 2010.

##### 3. Irrevocable undertakings

The Offeror has received Irrevocable Undertakings to accept the Offer from all of the Castle Directors who currently hold Castle Shares, in respect of beneficial shareholdings (or the shareholdings they control) amounting to, in aggregate, 5,518,880 Castle Shares representing approximately 4.67 per cent. of Castle's existing issued ordinary share capital held outside treasury. These undertakings will remain binding even if a higher competing offer for Castle is announced unless the Offer lapses or is withdrawn.

The Offeror has also received Irrevocable Undertakings to accept the Offer from certain significant Castle Shareholders (who are listed in **Part V** of this document) in respect of, in aggregate, a further 105,582,296 Castle Shares representing approximately 89.41 per cent. of Castle's existing issued ordinary share capital held outside

treasury. These undertakings will also remain binding even if a higher competing offer for Castle is announced unless the Offer lapses or is withdrawn.

In aggregate, therefore, the Offeror has received Irrevocable Undertakings to accept the Offer in respect of 111,101,176 Castle Shares, representing approximately 94.09 per cent. of Castle's existing issued ordinary share capital held outside of treasury.

Further details of these Irrevocable Undertakings to accept the Offer received by Sulzer UK are set out in **Part V** of this document.

#### **4. Background to and reasons for recommending the Offer**

Since re-admission of the Castle Shares to trading on AIM in June 2007, following completion of the successful reverse acquisition of DMTSL, the Castle Group's core commitment to offering a high quality reliable service to its customers has enabled it to deliver a resilient financial performance and achieve progress in a number of areas, including:

- improving the operating performance of its business, growing revenue, EBITDA and operating profit (before pension settlement and profit on disposals) from approximately £104.6m, £15.1m and £12.7m respectively (being the pro-forma annualised 2007 results based on the ten-month period to 30 June 2007) to £125.5m, £19.6m and £17.2m in the latest financial year ended 30 June 2009;
- completing a strategic move into the Middle East region through the acquisition in January 2008 of a 50 per cent. equity interest in Intersel FZE based in Dubai, United Arab Emirates for a total consideration of £1.9m (including costs), thereby providing a platform from which to leverage the Castle Group's skills and experience and benefit from growth in this region;
- commencing two expansion projects to meet the growth in demand for the Castle Group's services at its existing operations in the United States of America and Australia, comprising the expansion of the service facility in Gillette, Wyoming, United States of America and a workshop extension in Brisbane, Australia;
- converting, through strong cash generation and efficient management of capital resources, including the recent disposal in April 2010 of Dowding & Mills (UK) Limited's calibration division, a net debt position of approximately £24.1m as at 30 June 2007 into a current net cash position of approximately £4m;
- making additional contributions since 30 June 2007 of £8.1m to the Castle Group's defined benefit pension scheme over and above the normal service costs and undertaking a number of initiatives to safeguard members' accrued benefits, mitigate the Castle Group's funding exposure, de-risk and reduce the size of the scheme including: the closure of the scheme to future accrual and the introduction of a defined contribution scheme; the buyout of £27m of pensioners' liabilities with a major insurance company; the transfer of £7.3m of liabilities out of the scheme following a transfer value exercise for deferred members; and a change from a predominantly equity based investment strategy to a more balanced portfolio that better matches the income requirements of retiring members; and
- buying back a total of 7,975,214 ordinary shares at an average price (including costs) of 47.3 pence per share which are currently held in treasury.

#### ***Reasons for Recommending the Offer***

In deciding to recommend the Offer, the Castle Board has taken into account the following important considerations:

- Between March 2008 and March 2009 the Castle Board conducted a comprehensive strategic review of the business to assess the considerable opportunities for growth including the possibility of alliances, joint ventures, mergers and acquisitions, in order to leverage the Castle Group's considerable expertise into a range of industrial sectors and geographic locations for the benefit of its business, its employees and Castle Shareholders. The Castle Board believes that Sulzer is an excellent fit with Castle and will enable the Castle Group to achieve its plans for international expansion and the long term development of the business;
- Despite the strong operational performance and other above mentioned achievements, Castle's share price has declined from an issue price of 89 pence on re-admission to trading on AIM in June 2007 to a Closing Price of 63.5 pence on 13 May 2010, being the last Business Day prior to the announcement by Castle that it had received a number of provisional approaches;
- The Castle Group's defined benefit pension scheme had a net deficit under IAS19 as at 31 December 2009 of £18.1m and despite being closed to future accrual continues to require significant regular and additional annual funding contributions in accordance with a payment schedule agreed with the scheme's trustees to address this deficit;

- Irrevocable Undertakings obtained by the Offeror amount, in aggregate, to provisional acceptance of the Offer in respect of 111,101,176 Castle Shares, representing approximately 94.09 per cent. of Castle's existing issued ordinary share capital held outside treasury. Accordingly, the Castle Board believes that the acceptance condition to the Offer is most likely to be met shortly following publication of the Offer Document and that further to paragraph 3 of the letter from the Offeror in **Part II** of this document, the Offeror will then declare the Offer unconditional in all respects. If the Offer becomes, or is declared, wholly unconditional or the Offeror receives sufficient acceptances from Castle Shareholders and/or otherwise acquires more than 75 per cent. of the Castle Shares, the Offeror has stated that it intends to procure the making of an application by Castle to the London Stock Exchange for the cancellation of the admission of Castle Shares to trading on AIM. Any such cancellation is anticipated to take effect no earlier than 20 Business Days after the Offer becomes or is declared wholly unconditional or the Offeror receives sufficient acceptances from Castle Shareholders and/or otherwise acquires more than 75 per cent. of Castle Shares. This is likely to reduce significantly the liquidity and marketability of any Castle Shares not assented to the Offer.

The Castle Board recognises the complementary strengths and service offerings of the Sulzer and Castle businesses and considers that being part of a well capitalised Sulzer Group will provide Castle with access to greater financial resources and a stronger platform to take advantage of potential opportunities to accelerate its long term future growth, international development and expansion.

The Castle Board acknowledges that the Offer consideration represents an attractive premium of approximately 70.1 per cent. to the Closing Price of 63.5 pence per Castle Share on 13 May 2010, being the last Business Day prior to the announcement by Castle that it had received a number of provisional approaches and a 21.3 per cent. premium to the issue price on 19 June 2007, being the date of re-admission of the enlarged Castle Group to trading on AIM following the successful reverse acquisition of DMTSL.

**As a result of the factors outlined above, the Castle Board has concluded that the certainty of the cash amount represented by the Offer represents an excellent opportunity for Castle Shareholders to realise a fair and reasonable value for their Castle Shares and achieve an immediate exit from their investment in Castle.**

## 5. Management, employees and locations

Sulzer intends to continue the businesses of Castle, including supporting Castle's current activities. There are currently no planned major restructurings or significant changes in the location of Castle's operations and places of business.

Sulzer attaches great importance to the skills and experience of the management and employees of Castle and expects Castle's managers and employees to play an important role in the enlarged group as well as benefiting from greater opportunities within it. If the Offer becomes or is declared unconditional in all respects, Sulzer intends that the existing employment rights, including accrued pension rights, of the Castle employees and management will be safeguarded in accordance with statutory and contractual requirements. There are currently no plans to significantly change the incentivisation arrangements with the management of Castle.

The non-executive chairman of Castle, Christopher Mills, and the non-executive directors of Castle, David Banks and Colin Keith, have agreed to resign following the Offer becoming unconditional in all respects. Furthermore, Tudor Davies and Timothy Barrett, Executive Director and Finance Director respectively will step down from the Castle Board following the Offer becoming unconditional in all respects, in line with the Sulzer Group's normal practice of separating board membership and executive management.

## 6. Taxation

Your attention is drawn to **paragraph 12** headed "United Kingdom Taxation" in the letter from Sulzer UK set out in **Part II** of this document. **If you are in any doubt about your tax position, you should consult an appropriately qualified independent professional adviser immediately.**

## 7. Action to be taken to accept the Offer

The procedure for acceptance of the Offer is set out in **paragraph 13** of the letter from Sulzer UK in **Part II** of this document and also (in respect of Castle Shares held in certificated form and any other Castle Shares which the Offeror may agree can use that form) in the accompanying Form of Acceptance.

If you require further assistance on how to complete the Form of Acceptance or how to make an Electronic Acceptance, please contact Equiniti Limited by telephoning 0871 384 2809 or, if telephoning from outside the UK, + 44 121 415 0089. Calls to 0871 384 2809 are charged at 8p per minute from a BT landline. Other service providers' costs may vary. Calls to + 44 121 415 0089 from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

If you are in any doubt about the Offer or the action you should take, you are recommended immediately to seek your own financial advice from a stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) or, in the case of Castle Shareholders who are not resident in the UK, from another appropriately authorised financial adviser.

## **8. Recommendation**

**The Castle Directors, who have been so advised by Strand Hanson, consider the terms of the Offer to be fair and reasonable. In providing its advice to the Castle Directors, Strand Hanson has taken into account the Castle Directors' commercial assessments of the Offer. Accordingly, the Castle Board unanimously recommends Castle Shareholders to accept the Offer as each of the Castle Directors who currently hold Castle Shares have irrevocably undertaken to do in respect of their entire beneficial holdings (or the shareholdings they control) of Castle Shares amounting to, in aggregate, 5,518,880 Castle Shares, representing approximately 4.67 per cent. of the existing issued ordinary share capital of Castle held outside treasury.**

Yours faithfully

Christopher Mills  
*Chairman*



nature whatsoever and together with all rights attaching to them, now or in the future, including the right to receive and retain all dividends, interest and other distributions declared, paid or made in the future.

The Offer is subject to the Conditions and certain further terms set out in **Part III** of this document and also (in respect of Castle Shares held in certificated form and any other Castle Shares which the Offeror may agree can use that form) in the Form of Acceptance. The Offer can only become effective if all Conditions to the Offer, have been satisfied or waived.

Upon the Offeror receiving valid acceptances of the Offer in respect of 90 per cent. or more of the Castle Shares to which the Offer relates, the Offeror will waive all other Conditions to the Offer and will waive the term of the Offer set out in **paragraph 6 of Section A of Part III** and will declare the Offer unconditional in all respects.

#### **4. Irrevocable undertakings**

The Offeror has received Irrevocable Undertakings to accept the Offer from all of the Castle Directors who currently hold Castle Shares, in respect of beneficial shareholdings (or the shareholdings they control) amounting to, in aggregate, 5,518,880 Castle Shares representing approximately 4.67 per cent. of Castle's existing issued ordinary share capital held outside treasury. These undertakings will remain binding even if a higher competing offer for Castle is announced unless the Offer lapses or is withdrawn.

The Offeror has also received Irrevocable Undertakings to accept the Offer from certain significant Castle Shareholders (who are listed in Part V of this document) in respect of, in aggregate, a further 105,582,296 Castle Shares representing approximately 89.41 per cent. of Castle's existing issued ordinary share capital held outside treasury. These undertakings will also remain binding even if a higher competing offer for Castle is announced unless the Offer lapses or is withdrawn.

In aggregate, therefore, the Offeror has received Irrevocable Undertakings to accept the Offer in respect of 111,101,176 Castle Shares, representing approximately 94.09 per cent. of Castle's existing issued ordinary share capital held outside treasury.

Further details of these Irrevocable Undertakings to accept the Offer received by Sulzer UK are set out in **Part V** of this document.

#### **5. Information relating to Sulzer and the Offeror**

Sulzer is listed on the SIX Swiss Exchange and has a market capitalisation of approximately CHF 3.2 billion.

The Sulzer Group was founded in 1834 in Winterthur, Switzerland and now operates in over 120 locations worldwide. The Sulzer Group specialises in the manufacture of industrial machinery and equipment, surface technology, and rotating equipment maintenance, operating through four divisions (Sulzer Pumps, Sulzer Metco, Sulzer Chemtech and Sulzer Turbo Services).

The Sulzer Group employs some 12,000 people worldwide, who are dedicated to creating innovative solutions to help customers strengthen their competitive position. Markets served include the oil and gas, hydrocarbon processing, power generation, pulp and paper, aviation and automotive industries. The Sulzer Group had sales of CHF3,350m and operating income of CHF368m in the twelve months to 31 December 2009.

Sulzer Turbo Services is an independent provider of repair and maintenance services for thermal turbomachinery and other rotating equipment. The division also manufactures and sells replacement parts for gas turbines, steam turbines and compressors. Sulzer Turbo Services' customers are in the oil and gas, hydrocarbon processing, power generation and other industrial markets. Sulzer Turbo Services had sales of CHF291m and operating income of CHF33m in the twelve months to 31 December 2009.

The Offeror is a wholly-owned subsidiary of Sulzer, incorporated in the United Kingdom.

#### **6. Information relating to Castle**

Incorporated on 3 February 2005, Castle acts as the ultimate holding company for the Dowding & Mills Group. Established in 1919, the Dowding & Mills Group has operations in a number of countries and is principally engaged in the provision of high quality specialist electro-mechanical inspection, maintenance and repair services encompassing: power generator and electric motor repair; mechanical repair; mechanical and electrical site work and condition monitoring services.

The Castle Group operates globally from its headquarters in Birmingham, United Kingdom, and its well-established overseas subsidiaries in the United States, Australia and the United Arab Emirates. It has a leading position and high levels of expertise in generators and motors, servicing key international sectors including energy generation, oil, gas, resources and shipping. Its quality repair and remanufacturing service provides a fast and ecologically sound

alternative to the replacement of motors and generators. The provision of repair services on an emergency rapid turnaround helps to maintain the productivity levels of its global customers.

Castle is a public company whose shares have been admitted to trading on AIM since 3 May 2005. In its latest financial year to 30 June 2009, the Castle Group achieved total revenue of £125.5m (2008: £116.3m), an operating profit (before profit on disposals) of £17.2m (2008: £15.4m) and a profit on ordinary activities after taxation of £12.1m (2008: £12.9m). As at 31 December 2009, total assets were £100.7m (2008: £104.8m) with net assets of £29.5m (2008: £50.1m) and net debt of £4.2m (2008: £6.9m). As at 31 December 2009, the Castle Group's defined benefit pension scheme had a gross deficit under IAS 19 of approximately £25.1m and £18.1m net of deferred tax (2008: surplus of £8.7m gross and £6.2m net of deferred tax).

The total number of Castle Shares in issue outside of treasury as at the date of this document is 118,083,186 and there are approximately 2,150 registered shareholders. The market capitalisation of Castle, based on the Closing Price of 75.0 pence per Castle Share on 1 June 2010, being the last Business Day prior to the date of this document, was approximately £88.6m.

### ***Current trading and prospects***

Trading has continued to be in line with the Chairman's Statement to the recent Interim Financial Statements released on 31 March 2010 with the business continuing to achieve good margins and improvements in the levels of incoming business, despite dampened activity in the current global macro-economic environment.

## **7. Background to and reasons for the Offer**

Sulzer sees clear strategic benefits from a combination of Sulzer Turbo Services and Castle. The proposed acquisition of Castle will increase Sulzer's service sales. The proposed acquisition of Castle will expand the Sulzer Group's technical competences and complement the current activities of Sulzer Turbo Services. The proposed acquisition will create a leading independent provider of maintenance and repair services for turbomachinery, generators and motors with potential for further geographic expansion. Castle and Sulzer believe that together they can become an even stronger partner to both existing and potential future customers. Sulzer believes the successful integration of the two businesses will result in improved growth prospects for both Castle and Sulzer Turbo Services.

## **8. Management, employees and locations**

Sulzer intends to continue the businesses of Castle, including supporting Castle's current activities. There are currently no planned major restructurings or significant changes in the location of Castle's operations and places of business.

Sulzer attaches great importance to the skills and experience of the management and employees of Castle and expects Castle's managers and employees to play an important role in the enlarged group as well as benefiting from greater opportunities within it. If the Offer becomes or is declared unconditional in all respects, Sulzer intends that the existing employment rights, including accrued pension rights, of the Castle employees and management will be safeguarded in accordance with statutory and contractual requirements. There are currently no plans to significantly change the incentivisation arrangements with the management of Castle.

The non-executive chairman of Castle, Christopher Mills, and the non-executive directors of Castle, David Banks and Colin Keith, have agreed to resign following the Offer becoming unconditional in all respects. Furthermore, Tudor Davies and Timothy Barrett, Executive Director and Finance Director respectively will step down from the Castle Board following the Offer becoming unconditional in all respects, in line with the Sulzer Group's normal practice of separating board membership and executive management.

## **9. Disclosure of interests in Castle**

As at the Printing Date, neither Sulzer UK, any of the Sulzer UK Directors, the Relevant Officers, their immediate families or related trusts, nor any party acting in concert with Sulzer UK, had any interest in or right to subscribe in respect of any relevant securities of Castle, or had any short positions in respect of relevant securities of Castle, or had borrowed or lent any relevant securities of Castle.

## **10. Financing of the Offer**

The total cash consideration payable pursuant to the Offer is approximately £127.5 million. Sulzer has made available to the Offeror sufficient funds to enable the Offeror to finance the Offer entirely from the Offeror's existing cash resources.

Rothschild, financial adviser to Sulzer and the Offeror, is satisfied that sufficient resources are available to the Offeror to enable it to satisfy in full the total cash consideration payable under the terms of the Offer.

## 11. Overseas Shareholders

The attention of Overseas Shareholders, or other Castle Shareholders who would, or otherwise intend to, forward this document and the accompanying documents to any jurisdiction outside the UK, is drawn to **paragraph 6 of Section B of Part III** of this document.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any and all applicable legal and regulatory requirements of their jurisdiction.

The Offer referred to in this document and the accompanying document is not being made, directly or indirectly, in, into or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia, Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. This document does not constitute an offer in the United States, Canada, Australia, Japan or any such jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or otherwise from or within the United States, Canada, Australia, Japan or any other such jurisdiction. Accordingly, neither this document nor the accompanying document are being, nor should be, mailed, transmitted or otherwise distributed, in whole or in part, in or into or from the United States, Canada, Australia, Japan or any other such jurisdiction. Doing so may render invalid any purported acceptance of the Offer.

**All Castle Shareholders (including, without limitation, nominees, trustees or custodians) who intend to forward this document and the accompanying document to any jurisdiction outside the United Kingdom should read paragraph 6 of Section B of Part III of this document and seek appropriate advice before taking any action.**

Accordingly, accepting Castle Shareholders who hold their shares in certificated form (or who the Offeror agrees can use the Form of Acceptance) and are unable to give the representations and warranties set out in **paragraph 3 of Section C of Part III** of this document and who put “No” in **Box 3** of the Form of Acceptance will be deemed not to have validly accepted the Offer and accepting Castle Shareholders who hold their shares in uncertificated form and are unable to give the representations and warranties set out in **paragraph 3 of Section D of Part III** of this document will (subject to **paragraph 6(f) of Section B of Part III of this document**) be deemed not to have validly accepted the Offer.

## 12. United Kingdom Taxation

**The following paragraphs, which are intended as a general guide only, are based on current UK legislation and current HM Revenue & Customs published practice and may not apply to certain classes of people (such as dealers in securities, those who have previously claimed income tax relief pursuant to an Enterprise Investment Scheme in respect of their Castle Shares or individuals who acquired (or are deemed to have acquired) their Castle Shares by reason of an office or employment). They summarise certain limited aspects of the UK taxation consequences of acceptance of the Offer, and relate only to the position of Castle Shareholders who hold their Castle Shares beneficially as an investment and who are resident and, in the case of individuals, ordinarily resident and domiciled in the UK for taxation purposes at all relevant times.**

**If you are in any doubt as to your taxation position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriate professional adviser without delay.**

### *(a) Taxation of chargeable gains*

Liability to United Kingdom taxation of chargeable gains will depend on the individual circumstances of Castle Shareholders.

Receipt of cash by a Castle Shareholder under the Offer in exchange for the transfer of his Castle Shares will constitute a disposal or part disposal of his Castle Shares for the purposes of United Kingdom taxation of chargeable gains. Such a disposal or part disposal may, depending on his personal circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains.

For individual shareholders resident or ordinarily resident in the United Kingdom, the capital gains annual exemption (which is £10,100 for 2010/2011) will be available to offset any chargeable gain (to the extent it has not already been utilised). Individuals who are temporarily non-UK resident may, in certain circumstances, be subject to tax in respect of gains realised whilst they are not resident in the UK. The current rate of tax on chargeable gains for individuals is 18%, but this may be subject to change following the Emergency Budget scheduled for 22 June 2010.

For Castle Shareholders within the charge to UK corporation tax but which do not qualify for the substantial shareholdings exemption in respect of their Castle Shares, indexation allowance will be available in respect of the full period of ownership of the Castle Shares to reduce any chargeable gain arising. Any resulting chargeable gain will be subject to UK corporation tax (main rate of 28 per cent).

**(b) UK Stamp duty and Stamp duty reserve tax (“SDRT”)**

No UK stamp duty or SDRT will generally be payable by a Castle Shareholder as a result of accepting the Offer.

**13. Procedures for acceptance of the Offer**

Holders of Castle Shares in **certificated form** (that is, not in CREST) may only accept the Offer in respect of such shares by completing, signing and returning a Form of Acceptance in accordance with the procedure set out in **sub-paragraph (a)** below.

If you hold Castle Shares in certificated form but under different designations, you should complete a separate Form of Acceptance in respect of each designation.

Additional Forms of Acceptance can be obtained from Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA telephone number 0871 384 2809 or, if telephoning from outside the UK, + 44 121 415 0089. Calls to 0871 384 2809 are charged at 8p per minute from a BT landline. Other service providers’ costs may vary. Calls to + 44 121 415 0089 from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes.

Holders of Castle Shares in **uncertificated form** (that is, in CREST) may only (unless the Offeror otherwise agrees) accept the Offer in respect of such shares by TTE instruction in accordance with the procedure set out in **sub-paragraph (b)** below.

If you hold Castle Shares in uncertificated form under different member account IDs, you should send, or procure to be sent, a separate TTE instruction for each member account ID.

You should note that, if you hold Castle Shares in both certificated and uncertificated form, you should (unless the Offeror otherwise agrees) complete a Form of Acceptance for the Castle Shares held in certificated form in accordance with **sub-paragraph (a)** below and the Castle Shares held in uncertificated form should be dealt with in accordance with **sub-paragraph (b)** below.

If your Castle Shares are in the course of being converted from uncertificated to certificated form, or from certificated to uncertificated form, please refer to **sub-paragraph (d)** below.

**(a) Castle Shares in certificated form (that is, not in CREST)**

**If all your Castle Shares are in uncertificated form (that is, in CREST), you need not read this sub-paragraph (a).**

**To accept the Offer you must complete, sign and return the Form of Acceptance in accordance with these instructions and the instructions printed on the Form of Acceptance which form part of the terms of the Offer. Your attention is also drawn to Section C of Part III of this document.**

**(i) To accept the Offer**

Holders of Castle Shares in certificated form (that is, not in CREST) may only accept the Offer in respect of such Castle Shares by completing and returning the enclosed Form of Acceptance. Holders of Castle Shares held in certificated form but under different designations, should complete a separate Form of Acceptance for each designation.

To accept the Offer in respect of all of your Castle Shares, you must mark an “X” in **Box 1A** of the Form of Acceptance. To accept the Offer in respect of less than all your Castle Shares, you must insert in **Box 1B** of the Form of Acceptance such lesser number of Castle Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. If no “X” is marked in **Box 1A** and you do not insert a number in **Box 1B** of the Form of Acceptance, or if you insert in **Box 1B** a number which is greater than the number of Castle Shares that you hold, or if you mark an “X” in **Box 1A** and enter a number in **Box 1B**, and you have signed **Box 2**, your acceptance will be deemed to be in respect of all the Castle Shares held by you.

In all cases, you must sign **Box 2** of the Form of Acceptance in accordance with the instructions printed on the Form of Acceptance. In the case of Castle Shareholders who are individuals, you must sign **Box 2** of the Form of Acceptance in the presence of a witness, who should also sign in accordance with the instructions printed on it. Castle Shareholders that are corporations should sign **Box 2** in accordance with the instructions printed on the Form of Acceptance.

*(ii) Return of Form of Acceptance*

To accept the Offer, the Form of Acceptance must be completed, signed and returned together with the relevant share certificate(s) or other documents of title.

**The completed and signed Form of Acceptance, together with your share certificate(s) for your Castle Shares and/or other document(s) of title, should be sent by post or delivered by hand (during normal business hours only) to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible but, in any event, so as to be received by no later than 1.00 p.m. on 23 June 2010.**

A first class reply-paid envelope is enclosed for your convenience for documents lodged by post from within the United Kingdom. No acknowledgement of receipt of documents will be given. The instructions printed on the Form of Acceptance shall be deemed to form part of the terms of the Offer.

A Form of Acceptance contained in an envelope postmarked in, or otherwise appearing to Sulzer UK or its agents to have been sent from, the United States, Canada, Australia, Japan or any other jurisdiction whose laws may be violated or affected by such acceptance will not constitute a valid acceptance of the Offer. For further information see **paragraph 11** of this letter, **paragraph 6 of Section B of Part III** of this document and the relevant provisions of the Form of Acceptance.

*(iii) Share certificates not readily available or lost*

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should nevertheless be completed, signed and returned as stated above so as to arrive no later than 1.00 p.m. on 23 June 2010, together with any share certificate(s) and/or other document(s) of title that you may have available, accompanied by a letter stating that the balance will follow or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible afterwards. No acknowledgement of receipt of documents will be given.

If you have lost your share certificate(s) and/or other document(s) of title, you should write as soon as possible to Castle's Registrars, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA asking for a letter of indemnity in respect of lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Equiniti Limited in the manner referred to in **sub-paragraph (a)(ii)** above.

*(b) Castle Shares in uncertificated form (that is, in CREST)*

**If all your Castle Shares are in certificated form (that is, not in CREST), you need not read this sub-paragraph (b).**

**To accept the Offer you should (unless the Offeror otherwise agrees) take (or procure the taking of) the actions set out below to transfer the Castle Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying Equiniti Limited as the Escrow Agent, as soon as possible and in any event so that the TTE instruction settles no later than 1.00 p.m. on 23 June 2010.**

Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational), you should therefore ensure you time the input of any TTE instructions accordingly.

The input and settlement of a TTE instruction in accordance with this **sub-paragraph (b)** will (subject to satisfying the requirements set out in **Sections B and D of Part III** of this document) constitute an acceptance of the Offer in respect of the number of Castle Shares so transferred to escrow.

**If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.** Only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Castle Shares.

You are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above.

**You 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. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Castle Shares to settle prior to 1.00 p.m. on 23 June 2010. In this connection you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.**

**To accept the Offer**

To accept the Offer in respect of Castle Shares you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE instruction to Euroclear which must be properly authenticated in

accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- the number of Castle Shares in respect of which you wish to accept the Offer and which are to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent, namely Equiniti Limited in its capacity as a CREST receiving agent. This is 6RA48;
- the member account ID of the Escrow Agent for the Offer. This is RA021201;
- the intended settlement date. This should be as soon as possible and in any event no later than 1.00p.m. on 23 June 2010;
- the corporate action number for the Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the ISIN number for the Castle Shares. This is GB00B1XLC667;
- input with standard delivery instruction priority of 80; and
- your contact name and telephone number inserted in the shared note field.

This should have a priority sufficiently high to ensure timely settlement of message (80 or more is recommended).

After settlement of the TTE instruction, you will not be able to access the Castle Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared wholly unconditional, Equiniti Limited will transfer the Castle Shares concerned to itself in accordance with **paragraph 8(a) of Section D of Part III** of this document.

**(c) General**

Sulzer will make an appropriate announcement if any of the details contained in **sub-paragraph (b)** alter for any reason.

**(d) Deposits of Castle Shares into, and withdrawals of Castle Shares from, CREST**

Normal CREST procedures (including timings) apply in relation to any Castle Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Castle Shares or otherwise). Castle Shareholders who are proposing to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Castle Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) as soon as possible and in any event prior to 1.00 p.m. on 23 June 2010.

**(e) Validity of acceptances**

Subject to the provisions of the Code and without prejudice to **Sections B and C of Part III** of this document, Sulzer UK reserves the right to treat as valid any acceptance of the Offer in respect of Castle Shares held in certificated form which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no consideration due under the Offer to any Castle Shareholder who delivers such an acceptance will be distributed until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Sulzer UK or its agents have been received.

A Form of Acceptance which is received in respect of Castle Shares held in uncertificated form will not constitute a valid acceptance (unless Sulzer UK otherwise agrees) and will be disregarded. Holders of Castle Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before that date.

**If you are in any doubt as to the procedure for acceptance, please contact Equiniti Limited by telephone on 0871 384 2809 or, if calling from outside the UK, on +44 121 415 0089 between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday. Please note that, for legal reasons, the helpline cannot provide advice on the merits of the proposals or give any financial advice.**

**You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.**

## 14. Settlement

Subject to the Offer becoming or being declared wholly unconditional (except as provided in **paragraph 6 of Section B of Part III** of this document in the case of Castle Shareholders who are not resident in the UK), settlement of the consideration to which any Castle Shareholder is entitled under the Offer will be despatched to validly accepting Castle Shareholders (i) in the case of acceptances received, valid and complete in all respects, by the date on which the Offer becomes or is declared wholly unconditional, within 14 days of such date (or on such other date as the Code or the Panel may require); or (ii) in the case of acceptances received, valid and complete in all respects, after such date but while the Offer remains open for acceptance, within 14 days of such receipt, in the following manner:

### *(i) Castle Shares in certificated form (that is, not in CREST)*

Where an acceptance relates to Castle Shares in certificated form, settlement of any cash consideration to which the accepting Castle Shareholder is entitled will be despatched by first class post (or by such other method as the Panel may approve) but not in, into or from the United States, Canada, Australia, Japan or any other jurisdiction where to do so would or may, in the belief of Sulzer UK or its agents, violate the rules of that jurisdiction. All such cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

### *(ii) Castle Shares in uncertificated form (that is, in CREST)*

Where an acceptance relates to Castle Shares in uncertificated form, settlement of any cash consideration to which the accepting Castle Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting Castle Shareholder's payment bank in respect of the cash consideration due, in accordance with the CREST payment arrangements. Sulzer UK reserves the right to settle all or any part of the consideration referred to in this **sub-paragraph (ii)**, for all or any accepting Castle Shareholder(s), in the manner referred to in **sub-paragraph (i)** above, if for any reason it wishes to do so.

### *Lapsing of the Offer*

If the Offer does not become or is not declared wholly unconditional and lapses (i) completed Forms of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other methods as the Panel may approve) as soon as practicable (and, in any event, within 14 days of the Offer lapsing), at the risk of the Castle Shareholder concerned, to the person or agent whose name and address is set out in **Box 4** of the Form of Acceptance, or, if none is set out, to the first named holder at his or her registered address (in all cases outside the United States, Canada, Australia, Japan, or any other jurisdiction whose rules would or may, in the belief of Sulzer UK or its agents, be violated by such posting) and (ii) Equiniti Limited will, immediately after the lapsing of the Offer (or within such longer period, not exceeding 14 days of the Offer lapsing, as the Panel may approve), give TFE instructions to Euroclear to transfer all Castle Shares held in escrow balances, and in relation to which it is the Escrow Agent for the purposes of the Offer, to the original available balances of the Castle Shareholders concerned.

All documents and remittances sent by, to or from Castle Shareholders or their appointed agents will be sent at their own risk.

## 15. Compulsory Acquisition, Cancellation of AIM Admission and Re-registration

If the Offer becomes, or is declared, wholly unconditional and sufficient acceptances are received and/or sufficient Castle Shares are otherwise acquired, Sulzer UK intends to apply the provisions of sections 974 to 991 (inclusive) Companies Act 2006 to acquire compulsorily on the same terms as the Offer any outstanding Castle Shares to which the Offer relates not acquired or agreed to be acquired pursuant to the Offer or otherwise.

Following the Offer becoming, or being declared, wholly unconditional and Sulzer UK having, by virtue of its shareholdings and acceptances of the Offer, acquired or agreed to acquire at least 75 per cent. of Castle Shares, Sulzer UK intends to procure that Castle applies to the London Stock Exchange for the admission of Castle Shares to trading on AIM to be cancelled. Not less than 20 business days notice of cancellation will be given, commencing either on the date Sulzer UK acquires or agrees to acquire 75 per cent. of Castle Shares or on the first date of the issue of compulsory acquisition notices under section 979 Companies Act 2006.

**Cancellation of the admission of Castle Shares to trading on AIM would significantly reduce the liquidity and marketability of any Castle Shares in respect of which acceptances of the Offer are not submitted.**

Following such cancellation and delisting, Sulzer UK intends to procure that Castle will be re-registered as a private company under the relevant provisions of the Companies Act 2006.

**16. Further information**

**The Offer will remain open for acceptance until 1.00 p.m. on 23 June 2010** or such later time(s) and/or date(s) as Sulzer UK may decide in accordance with the provisions contained in **paragraph 1 of Section B of Part III** of this document.

**Your attention is drawn to Parts III to VI which form part of this document and (if you hold your Castle Shares in certificated form or Sulzer UK agrees that such form may be used) to the accompanying Form of Acceptance.**

**17. Action to be taken**

**If you hold your Castle Shares in certificated form (that is, not in CREST), you are urged to complete, sign and return the Form of Acceptance by post or (during normal business hours only) by hand to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible but, in any event, so as to be received by no later than 1.00 p.m. on 23 June 2010. Your share certificate(s) should be enclosed with your completed Form of Acceptance. A first class reply-paid envelope is enclosed for your convenience if you are posting your documents in the UK.**

**If you hold your Castle Shares in uncertificated form (that is, in CREST), you should follow the procedure set out in paragraph 13(b) of this letter and ensure that an Electronic Acceptance is made by you or on your behalf and has settled no later than 1.00 p.m. on 23 June 2010.**

Yours faithfully

Paul Pfammatter  
*Director*

Sulzer (UK) Holdings Limited

## PART III

### CONDITIONS AND FURTHER TERMS OF THE OFFER

#### Section A: Conditions of the Offer

1. Valid acceptances being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on 23 June 2010 (or, subject to the Code, such later time(s) and/or date(s) as the Offeror may decide) in respect of not less than 90 per cent. of Castle Shares to which the Offer relates and not less than 90 per cent. of the voting rights carried by those shares (or, in either case, such lower percentage as the Offeror may decide). However, this Condition will not be satisfied unless the Offeror and/or its wholly owned subsidiaries have acquired or agreed to acquire Castle Shares carrying, in aggregate, over 50 per cent. of the voting rights then normally exercisable at general meetings of Castle including, for this purpose, to the extent (if any) required by the Code, the voting rights attaching to any Castle Shares which may be unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances. In this Condition:
  - 1.1. the expression “Castle Shares to which the Offer relates” shall be construed in accordance with sections 974 to 991 (inclusive) Companies Act 2006;
  - 1.2. Castle Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry when they are issued; and
  - 1.3. valid acceptances shall be treated as having been received in respect of any Castle Shares that the Offeror shall, pursuant to section 979(8) and, if applicable, section 979(9) Companies Act 2006, be treated as having acquired or unconditionally contracted to acquire by virtue of acceptances of the Offer.
2. In addition, the Offeror and Castle have agreed that, subject as stated in **paragraphs 3 to 6 of this Section A** below, the Offer is also conditional upon Condition 1 above having been fulfilled and provided that the following Conditions (as amended if appropriate) are satisfied or waived as referred to below:
  - 2.1. no Relevant Authority having taken, instituted, implemented or threatened any action, proceeding, suit, investigation or enquiry, or enacted, made or proposed any statute, regulation or order, or taken any other step that, in each case, would or is likely to:
    - 2.1.1. require, prevent or materially delay the divestiture by any member of the Wider Sulzer Group or any member of the Wider Castle Group of all or any portion of their respective businesses, assets or properties or limit the ability of any member of the Sulzer Group or the Castle Group to conduct its business (or any part of it) or to own or control any of its assets or property or any part of them which, in any such case, is material in the context of the Sulzer Group or the Castle Group;
    - 2.1.2. other than pursuant to the implementation of the Offer, require any member of either the Sulzer Group or the Castle Group to acquire or offer to acquire any shares or other securities (or the equivalent) in any member of the Castle Group or any asset owned by any third party;
    - 2.1.3. limit or materially delay (i) the ability of the Sulzer Group, directly or indirectly, to acquire, hold, or exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Castle Group or (ii) the ability of any member of the Castle Group, directly or indirectly, to hold or to exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in, loans or other securities in, or to exercise management control over, any other member of the Castle Group which, in either case, is material in the context of the Castle Group;
    - 2.1.4. limit the ability of the Sulzer Group or the Castle Group to conduct its business to an extent which, in any such case, is material in the context of the Sulzer Group or the Castle Group in either case taken as a whole;
    - 2.1.5. make the Offer or its implementation or the acquisition of any shares in, or control of, Castle by any member of the Sulzer Group void, unenforceable, illegal and/or prohibited in or under the laws of any relevant jurisdiction or otherwise, directly or indirectly, materially restrict, restrain, prohibit, delay or otherwise interfere with the same, or impose additional material conditions or obligations with respect to the Offer, or require material amendment of, or otherwise challenge or materially interfere with, the Offer; or

- 2.1.6. otherwise materially and adversely affect the business, assets, liabilities, financial or trading position, profits or prospects of any member of the Castle Group or the Sulzer Group in either case taken as a whole, and all applicable waiting and other time periods during which any such Relevant Authority could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer having expired, lapsed or been terminated;
- 2.2. all necessary statutory or regulatory obligations in any relevant jurisdiction having been complied with in all material respects, all necessary filings, applications and/or notifications having been made and all applicable waiting periods (including any extensions thereof) under any applicable legislation or regulation of any such jurisdiction having expired, lapsed or been terminated, in each case in respect of the Offer, its implementation, or the acquisition of any shares or other securities in, or control of, Castle by any member of the Sulzer Group;
- 2.3. all Authorisations which are necessary in any jurisdiction for or in respect of the Offer, its implementation, or control of, Castle by any member of the Sulzer Group, being obtained in terms and in a form satisfactory to Sulzer UK (acting reasonably) from appropriate Relevant Authorities or from any persons or bodies with whom any member of the Sulzer Group or the Castle Group has entered into contractual arrangements and such Authorisations, together with all Authorisations necessary for any member of the Castle Group to carry on its business (where the absence of such Authorisation would have a material and adverse effect on the Castle Group taken as a whole), remaining in full force and effect and there being no notice or other intimation of any intention to revoke, suspend, restrict or modify or not to renew any of the same;
- 2.4. save as Disclosed, there being no provision of any arrangement, agreement, lease, licence, permit or other instrument to which any member of the Castle Group is a party, or by or to which any such member or any of its assets is or may be bound, entitled or subject or any other circumstance, which, in each case, as a consequence of the making or implementation of the Offer or because of a change in the control or management of, any member of the Castle Group or otherwise, would or might reasonably be expected to result in, in any case to an extent which is material in the context of the Offer or, in the context of the Castle Group taken as a whole:
- 2.4.1. any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant paid to, any member of the Wider Castle Group being or becoming repayable, or capable of being declared repayable immediately or prior to their or its stated repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
- 2.4.2. the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Castle Group or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable;
- 2.4.3. any such arrangement, agreement, lease, licence, permit or other instrument being, or becoming capable of being, terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
- 2.4.4. any material asset or interest owned or used by any member of the Castle Group, being or falling to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Castle Group;
- 2.4.5. the rights, liabilities, obligations or interests of any member of the Castle Group in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or adversely affected;
- 2.4.6. any such member of the Castle Group ceasing to be able to carry on business under any name under which it presently does so;
- 2.4.7. the value, financial or trading position, profits or prospects of any member of the Castle Group being prejudiced or adversely affected;
- 2.4.8. the creation of any liability of any member of the Castle Group to make severance, termination, bonus or other payment to any of its directors or officers;
- 2.4.9. the creation of any liability (actual or contingent) of any member of the Castle Group other than in the ordinary course of business, or

2.4.10. the ability of any member of the Castle Group to carry on any business or activity being adversely affected in any material respect;

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Castle Group is a party or by or to which any such member or any of its assets may be bound or subject, could reasonably be expected to result in any of the events or circumstances which are referred to in Conditions 2.4.1 to 2.4.10;

2.5. save as Disclosed, no member of the Castle Group having:

2.5.1. issued or agreed to issue, or authorised or proposed or announced its intention to authorise or propose the issue of, additional shares of any class, or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save as between Castle and wholly-owned subsidiaries of Castle);

2.5.2. recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made to Castle or to a wholly-owned subsidiary of Castle;

2.5.3. other than pursuant to the implementation of the Offer (and save for transactions between Castle and its wholly-owned subsidiaries) implemented, effected, authorised, proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation or scheme;

2.5.4. sold or agreed to sell or transfer any Castle Shares held by Castle in treasury pursuant to Chapter 6 of Part 18 of the Companies Act 2006;

2.5.5. (save for transactions between Castle and its wholly-owned subsidiaries and save for transactions in the ordinary and usual course of business) acquired or disposed of, or transferred, mortgaged or charged, or created any other security interest over, any asset or any right, title or interest in any asset that is material in the context of the Castle Group taken as a whole or authorised, proposed or announced any intention to do so;

2.5.6. issued, authorised or proposed or announced an intention to authorise or propose, the issue of any debentures or (save for transactions between Castle and its wholly-owned subsidiaries or transactions under existing credit arrangements or in the ordinary and usual course of business) made or authorised any material change in its loan capital or incurred or increased any material indebtedness or material contingent liability;

2.5.7. entered into, varied or terminated, or authorised, proposed or announced its intention to enter into, terminate or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, unusual or onerous nature or magnitude or which involves or could involve an obligation of such a nature or magnitude, which is, in any such case, material in the context of the Castle Group or is other than in the ordinary course of business or which is or is likely to be restrictive on the business of any member of the Castle Group;

2.5.8. entered into or varied to a material extent or authorised, proposed or announced its intention to enter into or vary to a material extent the terms of, or make any offer (which remains open for acceptance), to enter into or vary to a material extent the terms of, any service agreement with any director or senior executive of any member of the Castle Group;

2.5.9. proposed, agreed to provide or modified to a material extent the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Castle Group save as agreed by Sulzer UK in writing;

2.5.10. purchased, redeemed or repaid or announced a proposal to purchase, redeem or repay any of its own shares or other securities (or the equivalent) or reduced or made any other change to or proposed the reduction or other change to any part of its share capital;

2.5.11. waived, compromised or settled any claim which is material in the context of the Castle Group as a whole;

2.5.12. terminated or varied the terms of any agreement or arrangement between any member of the Castle Group and any other person in a manner which would or might reasonably be expected

- to have a material adverse effect on the financial position of the Castle Group taken as a whole;
- 2.5.13. made or agreed or consented to any alteration to its articles of association or other incorporation documents;
  - 2.5.14. save to the extent agreed by Sulzer UK in writing, made or agreed or consented to any material favourable change to the benefits which accrue to, or to the pension contributions which are payable for the benefit of, its directors and/or employees and/or their dependants, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined;
  - 2.5.15. save for the pension contributions referred to in condition 2.5.14, incurred any material liability (funding or otherwise) under any pension scheme;
  - 2.5.16. been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of any business;
  - 2.5.17. (other than in respect of a company which is dormant and was solvent at the relevant time) taken or proposed any corporate action or had any action or proceedings or other steps instituted against it for its winding-up (voluntary or otherwise), dissolution or reorganisation (or any analogous proceedings in any jurisdiction) or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer (or for the appointment of any analogous person in any jurisdiction) of all or any substantial part of its assets or revenues; or
  - 2.5.18. entered into any contract, agreement, arrangement or commitment or made any offer (which remains open for acceptance) passed any resolution or made any proposal or announcement with respect to, or to effect, any of the transactions, matters or events referred to in this condition 2.5;
- 2.6. since 31 December 2009, save as Disclosed, there having been:
- 2.6.1. no adverse change or deterioration in the business, assets, financial or trading position or profits or prospects of any member of the Castle Group which is material in the context of the Castle Group taken as a whole or in the context of the Offer;
  - 2.6.2. no litigation, arbitration proceedings, prosecution or other legal proceedings threatened, announced or instituted by or against or remaining outstanding against or in respect of any member of the Castle Group or to which any member of the Castle Group is or is reasonably likely to become a party (whether as claimant or defendant or otherwise) and which would or might reasonably be expected to have a material adverse effect on the Castle Group taken as a whole or in the context of the Offer;
  - 2.6.3. no enquiry or investigation by or complaint or reference to any Relevant Authority or other investigative body threatened, announced, implemented or instituted or remaining outstanding by, against or in respect of any member of the Castle Group which would or might reasonably be expected to have a material adverse effect on the Castle Group taken as a whole or in the context of the Offer;
  - 2.6.4. no contingent or other liability having arisen or become apparent or increased which would or might reasonably be expected to adversely affect any member of the Castle Group to an extent which is material in the context of the Castle Group taken as a whole or in the context of the Offer;
  - 2.6.5. no breach by any member of the Castle Group of any laws and regulations applicable to the carrying on of its business in any material respect which in any case is material in the context of the Castle Group taken as a whole;
  - 2.6.6. no steps taken which are likely to result in the withdrawal (without replacement), cancellation or termination of any licence, permit, authorisation or consent held by any member of the Castle Group which is material in the context of the Castle Group taken as a whole; and
- 2.7. save as Disclosed, Sulzer UK not having discovered:
- 2.7.1. that the financial, business or other information concerning the Castle Group publicly announced or publicly disclosed at any time by or on behalf of any member of the Castle

Group, contains a misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading and which was not subsequently corrected by 1 June 2010 by disclosure either publicly or otherwise to Sulzer UK, which is, in any case, material and adverse in the context of the Castle Group or in the context of the Offer;

- 2.7.2. any information which affects the import of any information disclosed publicly or to Sulzer UK in writing at any time by or on behalf of any member of the Castle Group to an extent which is material in the context of the Castle Group taken as a whole or in the context of the Offer;
- 2.7.3. that any member of the Castle Group is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise, which is material in the context of the Castle Group taken as a whole;
- 2.7.4. that any past or present member of the Castle Group has failed to comply in any material respect with any and/or all applicable legislation or regulations of any jurisdiction with regard to the use, handling, storage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous or harmful substance or any substance likely to impair the environment or harm human or animal health or otherwise relating to environmental matters or that there has been any such use, handling, storage, presence, disposal, discharge, spillage, release, leak or emission (whether or not the same constituted non-compliance by any person with any such legislation or regulation, and whenever the same may have taken place), any of which non-compliance would be likely to give rise to any material liability (whether actual or contingent) or material cost on the part of any member of the Castle Group;
- 2.7.5. there is, or is reasonably likely to be, any material obligation or liability (whether actual or contingent) of any member of the Castle Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any member of the Castle Group under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction;
- 2.7.6. that any member of the Castle Group has been or is party to any kind of arrangement, agreement, concerted practice or course of conduct which in whole or part and in any material respect infringes any competition law or anti-trust law of any country in which it has assets or carries on business;
- 2.7.7. that circumstances exist whereby any member of the Castle Group will be liable for a claim in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Castle Group which liability is in any case material in the context of the Castle Group taken as a whole; or
- 2.7.8. that an asset of any member of the Castle Group constitutes criminal property as defined by section 340(3) Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

#### ***Waiver of Conditions and further terms of the Offer***

3. The Conditions are inserted for the benefit of the Offeror and no Castle Shareholder shall be entitled to waive any of the Conditions without the prior consent of the Offeror.
4. Save as provided in **paragraph 7** below, the Offeror reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions except Condition 1. Save as provided in **paragraph 7** below, the Offeror shall be under no obligation to waive (if capable of waiver), or to treat as fulfilled any of Conditions 2.1 to 2.7 by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
5. The Offer will lapse unless all of the Conditions relating to the Offer have been fulfilled or (if capable of waiver) waived by, or, where appropriate, have been determined by the Offeror to be and remain satisfied by, midnight on the twenty first day after the later of:
  - 5.1. the first closing date; or
  - 5.2. the date on which the Offer becomes unconditional as to acceptances,

or such later date as the Offeror may, with the consent of the Panel, decide. The Offeror shall be under no obligation to waive or treat as satisfied any Condition by a date earlier than the latest date specified above for its satisfaction even though the other Conditions of the Offer may, at such earlier date, have been waived or fulfilled and there are, at such earlier date, no circumstances indicating that any such Conditions may not be capable of fulfilment.

6. Save with the consent of the Panel or as provided in **paragraph 7 below**, the Offer will lapse and will not proceed if, before 1.00 p.m. (London time) on 23 June 2010 or the time and date on which the Offer becomes or is declared unconditional as to acceptances (whichever is the later) (i) the Offer, or any matter arising from it, is referred to the Competition Commission; or (ii) following a request to the European Commission under Article 22(3) of Council Regulation 139/2004/EC (the “Regulation”) in relation to the Offer or any part of it, which request is accepted by the European Commission, the European Commission initiates proceedings under Article 6(1)(c) of the Regulation. The Offer will also lapse and will not proceed if any such referral to the Competition Commission is made or the European Commission initiates any such proceedings before the Offer is declared unconditional in all respects as required under **paragraph 7 below**. If the Offer so lapses, the Offer will cease to be capable of further acceptance and the Offeror and Castle Shareholders who have accepted the Offer will cease to be bound by any prior acceptance.
7. Upon the Offeror receiving valid acceptances of the Offer in respect of 90 per cent. or more of the Castle Shares to which the Offer relates, the Offeror will waive all other Conditions to the Offer and will waive the term of the Offer set out in **paragraph 6** above and will declare the Offer unconditional in all respects (and not only unconditional as to acceptances).
8. Insofar as a dividend and/or a distribution and/or a return of capital is proposed, declared, made, paid or becomes payable by Castle in respect of a Castle Share on or after the date of this document and prior to the Offer becoming or being declared unconditional in all respects or lapsing or being withdrawn, the Offeror reserves the right to reduce the price payable under the Offer in respect of any Castle Share by the amount of the dividend and/or distribution and/or return of capital except insofar as the Castle Share is or will be transferred pursuant to the Offer on a basis which entitles the Offeror alone to receive the dividend and/or distribution and/or return of capital and to retain it. To the extent that a reduction in the price payable pursuant to the Offer in respect of any Castle Share is to apply in respect of a dividend and/or distribution and/or return of capital but that reduction in price has not been effected, the person to whom the Offer Price is paid in respect of that Castle Share will be obliged to account to the Offeror for the amount of such dividend or distribution or return of capital.
9. If the Panel requires Sulzer or the Offeror to make an offer or offers for any Castle Shares under the provisions of Rule 9 of the City Code, Sulzer or the Offeror may make such alterations to the Conditions of the Offer, including to Condition 1, as are necessary to comply with the provisions of that Rule.
10. The Offer will be on the terms and will be subject to, *inter alia*, the Conditions which are set out in the **Part III** of this document and those terms which will be set out in the related Forms of Acceptance and such further terms as may be required to comply with the provisions of the City Code.
11. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
12. The Offer will be governed by English law and will be subject to the jurisdiction of the English courts and the Conditions set out above.
13. Each of the Conditions in **Part A** of this **Part III** shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

#### **Section B: Further terms of the Offer**

The following further terms apply to the Offer unless the contrary is expressed or the context otherwise requires.

Except where the context otherwise requires, references in **Sections B, C and D of this Part III** and in the Form of Acceptance to:

- (a) “acceptances of the Offer” includes deemed acceptances of the Offer;
- (b) the Offer being, becoming or being declared “unconditional” means unconditional as to acceptances whether or not any other condition of the Offer remains to be fulfilled and the Offer “becoming unconditional” includes the Offer being declared unconditional;
- (c) the “acceptance condition” means the condition as to acceptances set out in **paragraph 1 of Section A of this Part III**;

- (d) any statute or any statutory provision includes a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date of this document);
- (e) “Acceptance Shares” means Castle Shares in respect of which the Offer has been accepted or is deemed to have been accepted in accordance with **paragraph 1 of Sections C and D of this Part III**, and in respect of which such acceptance has not been validly withdrawn;
- (f) any person “acting in concert with Sulzer UK” means any such person acting or deemed to be acting in concert with Sulzer UK for the purposes of the Offer; and
- (g) the “Offer Document” means this document and any other document containing, or containing details of, the Offer.

The Offer extends to any Castle Shares which are unconditionally allotted or issued fully paid (or credited as fully paid) before the date on which the Offer ceases to be open for acceptance (or such earlier date as Sulzer UK may, subject to the Code, decide, not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances or, if earlier, the First Closing Date).

## 1. Acceptance Period

- (a) The Offer is initially open for acceptance until 1.00 p.m. on 23 June 2010. Sulzer UK reserves the right (but will not be obliged, other than as required by the Panel) at any time and from time to time to extend the Offer after such time.
- (b) Although no revision is envisaged, if the Offer (in its original or previously revised form) is revised, it will remain open for acceptance for a period of at least 14 days (or such lesser period as may be permitted by the Panel) from the date of posting the revised offer document to Castle Shareholders. Except with the consent of the Panel, no revision of the Offer may be posted to Castle Shareholders on or after 18 July 2010 or, if later, the date 14 days before the last day on which the Offer is capable of becoming unconditional.
- (c) The Offer, whether revised or not, shall not (except with the consent of the Panel), be capable of becoming unconditional after midnight on 1 August 2010 (or on any earlier time and/or date beyond which Sulzer UK has stated that the Offer will not be extended unless it has, where permitted, withdrawn that statement), nor of being kept open for acceptance after that time and/or date unless it has previously become unconditional. However, Sulzer UK reserves the right, with the permission of the Panel, to extend the time for the Offer to become unconditional to any later time(s) and/or date(s).

Except with the consent of the Panel, Sulzer UK may not, for the purpose of determining whether the acceptance condition has been satisfied, take into account acceptances received or purchases of Castle Shares made after 1.00 p.m. on 1 August 2010 (or any earlier time(s) and/or date(s) beyond which Sulzer UK has stated the Offer will not be extended unless it has, where permitted, withdrawn that statement) or any such later time(s) and/or date(s) as Sulzer UK, with the permission of the Panel, may determine.

If the latest time at which the Offer may become unconditional is extended beyond midnight on 1 August 2010, acceptances received and purchases of Castle Shares made in respect of which relevant documents are received by Equiniti Limited after 1.00 p.m. on the relevant date may (except where the Code otherwise permits) only be taken into account with the Panel’s consent.

- (d) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer has become unconditional and it is stated by or on behalf of Sulzer UK that the Offer will remain open until further notice, then not less than 14 days’ notice will be given prior to the closing of the Offer to Castle Shareholders who have not accepted the Offer.
- (e) If a competitive situation arises after Sulzer UK has given a “no increase” statement and/or a “no extension” statement in relation to the Offer (as determined by the Panel), Sulzer UK may, if it specifically reserves the right to do so at the time such statement is made or otherwise with the consent of the Panel, withdraw such statement and be free to extend or revise the Offer provided that it complies with the Code and in particular that:
  - (i) it announces such withdrawal as soon as possible and in any event within four business days after the date of the firm announcement of the competing offer or other circumstance in respect of which a reservation has been made and informs Castle Shareholders to that effect in writing (or, in the case of Castle Shareholders with registered addresses outside the UK or whom Sulzer UK knows to be a nominee, trustee or custodian holding Castle Shares for such persons, by an announcement in the UK) at the earliest opportunity thereafter; and
  - (ii) any Castle Shareholder who accepted the Offer after the date of the “no increase” and/or “no extension” statement is given a right of withdrawal in accordance with **paragraph 3(c)** below.

- (f) Sulzer UK may choose not to be bound by the terms of a “no increase” or “no extension” statement:
  - (i) if it would otherwise prevent the posting of an increased or improved Offer either as to the value or nature of the consideration offered or otherwise provided that Sulzer UK has specifically reserved the right to do so and the increased or improved Offer is recommended for acceptance by the Castle Board; or
  - (ii) with the consent of the Panel.
- (g) Except as provided in **paragraphs 1(e) and 1(f)** above, Sulzer UK will be bound by the terms of any “no increase” or “no extension” statement.
- (h) Unless otherwise required by the Panel, Sulzer UK shall be entitled at any particular time to decide that the acceptance condition is then satisfied taking into account only those Castle Shares which have been unconditionally allotted or issued before that time and written notice of the allotment or issue of which, containing all relevant details, has been received before that time by Equiniti Limited, at the address and in the manner referred to in **paragraph 3(a)** below, from Castle or its agents. E-mail, facsimile, telex or other electronic transmission or copies will not be sufficient for this purpose and shall not constitute written notice.
- (i) If a competitive situation arises and is continuing on 1 August 2010, Sulzer UK will enable holders of Castle Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by special form of acceptance to take effect on 1 August 2010. It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that (i) it is received by Equiniti Limited on or before 1 August 2010; (ii) the relevant Castle Shareholder shall have applied to withdraw his acceptance of the competing offer but that the Castle Shares to which such withdrawal relates shall not have been released from escrow before 1 August 2010 by the escrow agent to the competing offer; and (iii) the Castle Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in the letter from Sulzer UK contained in **Part II** of this document on or before 1 August 2010, but an undertaking is given that they will be so transferred as soon as possible thereafter. Castle Shareholders wishing to use such forms of acceptance should apply to Equiniti Limited on 0871 384 2809 (or, if telephoning from outside the UK, on telephone number +44 121 415 0089) between 8.30 a.m. and 5.30 p.m. on the business day preceding 1 August 2010 in order that such forms can be despatched. Notwithstanding the right to use such special form of acceptance, holders of Castle Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

## 2. Announcements

- (a) By 8.00 a.m. on the business day (“the relevant day”) next following the day on which the Offer is due to expire or becomes unconditional or is revised or extended as the case may be (or such later time(s) and/or date(s) as the Panel may agree), Sulzer UK will make an appropriate announcement through a Regulatory Information Service. Such announcement will state prominently the total numbers of Castle Shares which Sulzer UK may count towards the satisfaction of the acceptance condition and will specify the percentages of each class of securities represented by these figures. The announcement will also state:
  - (i) the numbers of Castle Shares for which acceptances of the Offer have been received;
  - (ii) the numbers of Castle Shares for which acceptances of the Offer have been received from any person acting in concert with Sulzer UK or in respect of shares which were the subject of an Irrevocable Undertaking, or letter of intent, to accept the Offer procured by Sulzer UK or any of its associates;
  - (iii) details of any Castle securities in which Sulzer UK or any person acting in concert with it has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned;
  - (iv) details of any short positions (whether conditional or absolute and whether in the money or otherwise) in Castle securities in which Sulzer UK or any person acting in concert with it has an interest, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
  - (v) details of any Castle securities in respect of which Sulzer UK or any of its associates has an outstanding irrevocable commitment or letter of intent; and
  - (vi) details of any Castle securities which Sulzer UK or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold

and will specify the percentages of each class of securities represented by each of these figures ignoring shares held in treasury.

- (b) In calculating the number of Castle Shares or rights over Castle Shares represented by acceptances and/or purchases, Sulzer UK may only include acceptances and purchases if they could be counted towards fulfilling the acceptance condition in accordance with **paragraphs 6(I)(i)** and **(ii)** below, unless the Panel agrees otherwise. Subject to this, Sulzer UK may include or exclude, for announcement purposes, acceptances and purchases which are not complete in all respects or which are subject to verification.
- (c) Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made by Sulzer UK at any time up to, and will be announced not later than, 8.00 a.m. on the relevant day (or such later date and/or time as the Panel may agree) and the announcement will state the next expiry date (unless the Offer is unconditional in which case the announcement may state the Offer will remain open until further notice).
- (d) In this **Section B**, references to the making of an announcement or the giving of notice by or on behalf of Sulzer UK include the release of an announcement by public relations consultants of Sulzer UK, or by Rothschild, to the press and the delivery by hand or telephone, email, facsimile or telex or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service (unless the Panel otherwise permits).
- (e) Without limiting the manner in which Sulzer UK may choose to make any public announcement and subject to Sulzer UK's obligations under applicable law, Sulzer UK will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

### 3. Rights of withdrawal

- (a) If, having announced the Offer to be unconditional, Sulzer UK fails to comply by 3.30 p.m. on the relevant day (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in **paragraph 2(a)** above, an accepting Castle Shareholder may immediately afterwards withdraw his acceptance of the Offer by written notice received by Equiniti Limited by post or by hand (during normal business hours only) at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Alternatively, in the case of Castle Shares in uncertificated form, withdrawals can also be effected in the manner set out in **sub-paragraph (h)** below. Subject to **paragraph 1(c)** above, this right of withdrawal may be terminated not less than eight days after the relevant day by Sulzer UK confirming, if such is the case, that the Offer is still unconditional, and complying with the other requirements specified in **paragraph 2(a)** above. If any such confirmation is given, the first period of 14 days referred to in **paragraph 1(d)** above will run from the date of such confirmation and compliance.
- (b) If by 1.00 p.m. on 7 July 2010 (or such later time(s) and/or date(s) as the Panel may agree) the Offer has not become unconditional, an accepting Castle Shareholder may withdraw his acceptance in the manner referred to in **sub-paragraph (a)** above (or, in the case of Castle Shares held in uncertificated form, in the manner referred to in **sub-paragraph (h)** below) at any time before the earlier of:
  - (i) the time that the Offer becomes unconditional; and
  - (ii) the final time for the lodging of acceptances of the Offer which can be taken into account in accordance with **paragraph 1(c)** above.
- (c) If a "no increase" or "no extension" statement has been withdrawn in accordance with **paragraph 1(e)** above, any Castle Shareholder who accepts the Offer after the date of such statement may withdraw his acceptance in the manner referred to in **sub-paragraph (a)** above (or, in the case of Castle Shares held in uncertificated form, in the manner referred to in **sub-paragraph (h)** below) within a period of eight days following the date on which written notice withdrawing such statement is posted to Castle Shareholders.
- (d) Except as provided by this **paragraph 3** and **paragraph 5** below or as otherwise permitted by Sulzer UK, all acceptances and elections are irrevocable.
- (e) To be effective, a written notice of withdrawal must be received on a timely basis by Equiniti Limited and must specify the name of the person who has made the relevant acceptance, the number of Castle Shares in respect of which acceptance is withdrawn and (if share certificates have been delivered) the name of the registered holder of the relevant Castle Shares, if different from the name of the person who made the relevant acceptance. Castle Shares in respect of which acceptance has been withdrawn may subsequently be assented to the Offer in accordance with the acceptance procedures contained in this document while the Offer remains open for acceptance.

- (f) In this **paragraph 3**, “written notice” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Castle Shareholder(s) or his/their agent(s) duly appointed in writing. E-mail, facsimile, telex or other electronic transmission or copies will not be sufficient for this purpose and shall not constitute written notice. Any such written notice signed by any person other than the relevant Castle Shareholder(s) must be accompanied by the relevant letter of appointment, direction or authority in a form reasonably satisfactory to Sulzer UK. Notice which is postmarked in, or otherwise appears to Sulzer UK or its agents to have been sent from, the United States, Canada, Australia, Japan or any other jurisdiction whose rules would or may be violated by such notice may be treated as invalid.
- (g) All questions of validity (including time of receipt) of any notice of withdrawal will be determined by Sulzer UK whose determination (except as the Panel otherwise decides) will be final and binding. Neither Sulzer UK nor Rothschild nor Equiniti Limited will be under any duty to give notification of any defects in any notice of withdrawal or will incur any liability for failure to do so.
- (h) In the case of Castle Shares held in uncertificated form, if withdrawals are permitted pursuant to **sub-paragraph (a)** above, an accepting Castle Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:-
- the number of Castle Shares to be withdrawn, together with their ISIN number; This is GB00B1XLC667.
  - the member account ID of the accepting shareholder, together with his participant ID;
  - the member account ID of the Escrow Agent included in the relevant Electronic Acceptance, together with the Escrow Agent’s participant ID; This is 6RA48 with a member account RA012101
  - the transaction reference number of the Electronic Acceptance to be withdrawn;
  - the intended settlement date for withdrawal;
  - the corporate action number for the Offer;
  - input with standard delivery instruction priority of 80; and
  - your contact name and telephone number inserted in the shared note field.

Any such withdrawal will be conditional upon Equiniti Limited verifying that the withdrawal request is validly made. Accordingly, Equiniti Limited will on behalf of Sulzer UK reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (i) Immediately (or within such longer period, not exceeding 14 days, as the Panel may permit) upon a Castle Shareholder validly withdrawing his acceptance in respect of Castle Shares held in uncertificated form, Equiniti Limited will give TFE instructions to Euroclear to transfer all Castle Shares held in escrow balances, and in relation to which it is the Escrow Agent for the purposes of the Offer, to the original available balances of the Castle Shareholder concerned and, in respect of Castle Shares held in certificated form, Equiniti Limited will return all share certificates and/or other documents of title to the Castle Shareholder concerned as soon as practicable following the receipt of the withdrawal (and, in any event, within 14 days).

#### 4. Revisions of the Offer

- (a) Although no revision of the Offer is envisaged, if the Offer (in its original or any previously revised form(s)) is revised either in its terms or conditions or in the value or form of the consideration offered or otherwise (which Sulzer UK reserves the right to do), and any such revision represents, on the date on which such revision is announced (on such basis as Rothschild may consider appropriate), an improvement (or no diminution) in the value of the consideration previously offered or in the overall value received and/or retained by a Castle Shareholder (under the Offer or otherwise), the benefit of the revised Offer will (subject to the provisions of this **paragraph 4** and **paragraph 6** below) be made available to Castle Shareholders who have accepted the Offer in its original or any previously revised form(s) and not validly withdrawn such acceptances (“previous acceptors”). The acceptance by or on behalf of a previous acceptor of the Offer in its original or any previously revised form(s) shall (subject to the provisions of this **paragraph 4** and **paragraph 6** below) be treated as an acceptance of the Offer as so revised and shall also constitute the separate appointment of each of Sulzer UK, any director of Sulzer UK, Rothschild, or any director of Rothschild and their respective agents as his/her attorney and/or agent (the “Attorney”) with authority to accept any such revised Offer on behalf of such previous acceptor and, if such revised Offer includes alternative forms of consideration, to make an election for and/or accept such alternative forms of

consideration on his behalf or any combination of them as the Attorney in his absolute discretion thinks fit and to execute on behalf of and in the name of such previous acceptor all such further documents (if any) and do such further things (if any) as may be required to give effect to such acceptance and/or election(s). In making any such acceptance and/or election(s), the Attorney shall take into account the nature of any previous acceptance and/or election made by the previous acceptor and such other fact or matters as he may reasonably consider relevant.

- (b) For the avoidance of doubt, for the purposes of **sub-paragraph (a)** above, “revision” includes, without limitation, any revision of the Offer (i) in their original or revised form, (ii) in relation to their respective terms and conditions and (iii) in relation to the value or nature of the respective considerations offered.
- (c) Subject to **sub-paragraphs (d) and (e)** below, the authorities and powers of attorney conferred in this **paragraph 5** and any acceptance of a revised Offer and/or any alternative forms of consideration and/or any related elections shall be irrevocable until the previous acceptor becomes entitled to withdraw his acceptance under **paragraph 3** above and duly does so.
- (d) The deemed acceptances and elections referred to in **sub-paragraph (a)** above shall not apply and the power of attorney and authorities conferred by that paragraph shall not be exercised if as a result the previous acceptor would (on such basis as Rothschild may consider appropriate) receive less in aggregate in consideration than he would have received in aggregate in consideration as a result of his acceptance of the Offer in the form in which it was originally accepted and/or elected by him or on his behalf having regard to any election or previous acceptance(s) originally made by him. The authorities conferred by **sub-paragraph (a)** above shall not be exercised in respect of any election available under the revised Offer save in accordance with this **paragraph 4**.
- (e) The deemed acceptances and elections referred to in **sub-paragraph (a)** above shall not apply and the exercise of the powers of attorney and authorities so conferred by such paragraph shall be ineffective to the extent that any previous acceptor (i) in respect of Castle Shares held in certificated form, shall lodge with Equiniti Limited, at one of the addresses and in the manner referred to in **paragraph 3(a)** above, within 14 days of the posting of the document containing the revised Offer, a Form of Acceptance validly accepting the Offer in which he validly elects to receive the consideration receivable by him in some other manner or (ii) in respect of Castle Shares in uncertificated form, shall send (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA instruction must, in order for it to be valid and settle, include the following details:-
- the number of Castle Shares in respect of which the changed election is made, together with their ISIN number; This is GB00B1XLC667.
  - the member account ID of the previous acceptor, together with his participant ID;
  - the member account ID of the Escrow Agent, RA012101 included in the relevant Electronic Acceptance, together with the Escrow Agent’s participant ID, 6RA48;
  - the transaction reference number of the Electronic Acceptance in respect of which the election is to be changed to be inserted at the beginning of the shared note field;
  - the intended settlement date for the changed election;
  - the corporate action number for the Offer;
  - input with standard delivery instruction priority of 80;

and, in order that the desired change of election can be effected, must include:

- the member account ID of the Escrow Agent relevant to the new election.

Any such change of election will be conditional upon Equiniti Limited verifying that the request is validly made. Accordingly, Equiniti Limited will on behalf of the Sulzer UK reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or a receiving agent accept (AEAN) message.

- (f) Sulzer UK reserves the right, subject to **sub-paragraphs (d) and (e)** above, to treat an executed Form of Acceptance or TTE instruction (in respect of the Offer in its original or any previously revised form(s)) which is received or dated after the announcement or issue of the Offer in any revised form (including, where applicable, any alternative forms of consideration included in any revised Offer) as a valid acceptance of the revised Offer and/or of any alternative forms of consideration then included in the revised Offer, as the case may be, and such acceptance and/or election shall constitute an authority in the terms of **sub-paragraph (a)** above, with due alteration of details, on behalf of the relevant Castle Shareholder.

## 5. General

- (a) The Offer will lapse unless all of the Conditions relating to the Offer, other than the acceptance condition, have been fulfilled or (if capable of waiver) waived by, or, where appropriate, have been determined by Sulzer UK to be and remain satisfied by, midnight on the twenty first day after the later of:
- (i) the First Closing Date; and
  - (ii) the date on which the Offer becomes unconditional.

or such later date as Sulzer UK may, with the consent of the Panel, decide. Sulzer UK shall be under no obligation to waive or treat as satisfied any Condition by a date earlier than the latest date specified above for its satisfaction even though the other Conditions of the Offer may, at such earlier date, have been waived or fulfilled and there are, at such earlier date, no circumstances indicating that any such Conditions may not be capable of fulfilment.

- (b) Except with the consent of the Panel, settlement of the consideration to which any Castle Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Sulzer UK may otherwise be, or claim to be, entitled as against him and will (subject to **paragraph 6** below) be effected in the manner described in **paragraph 14** of **Part II** of this document within 14 days of the date on which the Offer becomes wholly unconditional or 14 days after receipt of a valid and complete acceptance, whichever is the later.
- (c) The Offer is made on 2 June 2010 to all Castle Shareholders including those to whom this document may not be despatched and is capable of acceptance from and after that time; this document and the Form of Acceptance are available from Equiniti Limited at the addresses referred to in **paragraph 3(a)** above. The Offer is being made by means of this document to all Castle Shareholders and is being advertised in the London Gazette on 3 June 2010. The first closing date of the Offer for the purposes of the Code is 23 June 2010.
- (d) The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Form of Acceptance form part of the terms of the Offer. Words and expressions defined in this document will, unless the context otherwise requires, have the same meanings when used in the Form of Acceptance. The terms and conditions to the Offer in this document will be deemed to be incorporated in, and form part of, the Form of Acceptance.
- (e) If the expiry date of the Offer is extended, all references in this document and in the Form of Acceptance to 23 June 2010 (except in **Section A of this Part III**, in the definition of “First Closing Date”, in **paragraph 1(a)** and **sub-paragraph (c)** above, and where the context otherwise requires) shall be deemed to refer to the expiry date of the Offer as so extended.
- (f) Any omission or failure to (or decision not to) despatch this document or the Form of Acceptance or any document required to be given under the terms of the Offer and/or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to **paragraph 6** below, the Offer will extend to any persons to whom this document, the Form of Acceptance or any related documents may not be despatched, and such persons may collect copies of those documents from Equiniti Limited at the addresses and in the manner referred to in **paragraph 3(a)** above.
- (g) If the Offer does not become or is not declared wholly unconditional and lapses, (i) in respect of Castle Shares held in certificated form, the Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or such other method(s) as the Panel may approve) as soon as practicable (and, in any event, within 14 days of the Offer lapsing), at the risk of the Castle Shareholder concerned, to the person or agent whose name and address is set out in **Box 4** of the Form of Acceptance or, if none is set out, to the first-named holder at his/her registered address (in all cases outside the United States, Canada, Australia, Japan or any other jurisdiction whose rules would or may, in the belief of Sulzer UK or its agents, be violated by such posting) or (ii) in respect of Castle Shares held in uncertificated form, Equiniti Limited will, immediately after the lapsing of the Offer (or within such longer period, not exceeding 14 days of the Offer lapsing, as the Panel may approve), give TFE instructions to Euroclear to transfer all Castle Shares held in escrow balances, and in relation to which it is the Escrow Agent for the purposes of the Offer, to the original available balances of the Castle Shareholders concerned.
- (h) If the Offer lapses, it will cease to be capable of further acceptance and accepting Castle Shareholders and Sulzer UK will cease to be bound by Forms of Acceptance submitted before the time the Offer lapses.

- (i) All powers of attorney, appointments as agents and authorities on the terms conferred by or referred to in this **Section B** or in the Form of Acceptance are given by way of security for the performance of the obligations of the Castle Shareholder concerned and are irrevocable (in respect of powers of attorney, in accordance with section 4 Powers of Attorney Act 1971) except in the circumstances where the acceptance is withdrawn in accordance with **paragraph 3** above.
- (j) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or other document(s) of title, transfer(s) by means of CREST, communication or notice will be given by or on behalf of Sulzer UK.
- (k) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Castle Shareholder (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agent(s)) at their risk.
- (l) Without prejudice to any other provision of this **Part III**, Sulzer UK reserves the right to treat any Form of Acceptance in respect of Castle Shares held in certificated form as valid if not entirely in order and/or if any relevant share certificate(s) and/or other relevant document(s) of title, are received, by or on its behalf, at any place or places or in any manner determined by it otherwise than as specified in this document or in the Form of Acceptance. Notwithstanding the above, unless otherwise agreed with the Panel:
  - (i) an acceptance of the Offer will only be counted towards fulfilling the acceptance condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it;
  - (ii) an acquisition of Castle Shares by Sulzer UK or its nominees (or, if Sulzer UK is required by the Panel to make an offer for Castle Shares under the provisions of Rule 9 of the Code, by a person acting in concert with Sulzer UK or a wholly-owned subsidiary of Sulzer UK (or its nominees)) shall be counted towards fulfilling the acceptance condition only if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it but which do not fall within Note 8 on Rule 10;
  - (iii) the Offer shall not become unconditional unless Equiniti Limited shall have issued a certificate to Sulzer UK (or its agent) which states the number of Castle Shares in respect of which acceptances have been received which comply with **sub-paragraph (I)(i)** above and the number of Castle Shares otherwise acquired, whether before or during the Offer Period, which comply with **sub-paragraph (I)(ii)** above. Copies of such certificate will be sent to the Panel and to the Strand Hanson as soon as possible after it is issued.
- (m) Sulzer UK reserves the right to notify any matter, including the making of the Offer, to all or any Castle Shareholder(s) with (a) registered address(es) outside the United Kingdom or whom Sulzer UK knows to be a nominee, trustee or custodian holding Castle Shares for persons who are citizens, residents or nationals of jurisdictions outside the UK, by announcement in the UK or by paid advertisement in a newspaper published in the UK, in which event such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Castle Shareholder to receive or see such notice. All references in this document to notice or the provision of information in writing by or on behalf of Sulzer UK shall be construed accordingly. No such document will be sent to an address in the United States, Canada, Australia, Japan or any other jurisdiction where such actions may constitute (or result in the Offer constituting) a breach of any legal or regulatory requirements.
- (n) If sufficient acceptances are received and/or purchases made, Sulzer UK intends to apply the provisions of sections 974 to 991 (inclusive) Companies Act 2006 to acquire compulsorily any outstanding Castle Shares to which the Offer relates (as defined in the acceptance condition).
- (o) Sulzer UK intends to procure that Castle applies to the London Stock Exchange for the admission of Castle Shares to trading on AIM to be cancelled. Not less than 20 business days notice of cancellation will be given, commencing either on the date Sulzer UK acquires or agrees to acquire 75 per cent. of Castle Shares or on the first date of the issue of compulsory acquisition notices under section 980 Companies Act 2006.
- (p) In relation to any Castle Shares which are held in uncertificated form, Sulzer UK reserves the right to make such alterations, additions or modifications as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided that such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.
- (q) If Sulzer UK is required by the Panel to make an offer for Castle Shares under Rule 9 of the Code, Sulzer UK may make such alterations to the Conditions of the Offer, including the acceptance condition, as are necessary to comply with that Rule.

- (r) Sulzer UK reserves the right to nominate, as the person entitled to acquire any Castle Shares pursuant to the Offer, such subsidiary of Sulzer UK as Sulzer UK shall in its absolute discretion select for such purpose and following any such nomination references in this document to Sulzer UK shall be construed accordingly.
- (s) The Offer, all acceptances of it and elections under it, this document and the Form of Acceptance and any action taken or made or deemed to be taken or made under any of the foregoing, shall be governed by and construed in accordance with the laws of England.
- (t) Execution by or on behalf of a Castle Shareholder of a Form of Acceptance, or the making by or on behalf of a Castle Shareholder of the Electronic Acceptance constitutes, subject to **sub-paragraph (u)** below, his or her irrevocable submission, in relation to all matters arising out of the Offer and the Form of Acceptance or Electronic Acceptance, to the exclusive jurisdiction of the courts of England.
- (u) Execution by or on behalf of a Castle Shareholder of a Form of Acceptance, or the making by or on behalf of a Castle Shareholder of the Electronic Acceptance constitutes his or her agreement that the provisions of **sub-paragraph (t)** above are included for the benefit of Sulzer UK, Rothschild and Equiniti Limited and his or her agreement that nothing shall limit the right of Sulzer UK, Rothschild or Equiniti Limited to bring any action, suit or proceeding arising out of or in connection with the Offer in any other manner permitted by law or in any court of competent jurisdiction and that he/she irrevocably submits to the jurisdiction of any such court.
- (v) For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.

## 6. Overseas Shareholders

- (a) The making of the Offer to Overseas Shareholders may be prohibited or affected by the laws of the relevant jurisdiction in which they are located. Overseas Shareholders should inform themselves about and observe any and all applicable legal and regulatory requirements. It is the responsibility of any Overseas Shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or duties or payments due in such jurisdiction.
- (b) Any Overseas Shareholder will be responsible for any such issue, transfer or other taxes or duties or payments, by whomever payable, and each of Sulzer UK, Rothschild and any person acting on their behalf shall be fully indemnified and held harmless by such shareholder for such taxes, duties or payments as Sulzer UK or Rothschild may be required to pay in respect of the Offer insofar as it relates to such shareholder.
- (c) In particular, the Offer is not being and will not be made, directly or indirectly, in, into, or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States, Canada, Australia, Japan or any other jurisdiction where to do so would violate the laws of that jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or otherwise from or within the United States, Canada, Australia, Japan or other such jurisdiction.
- (d) Copies of this document and the Form of Acceptance and any related documents are not being, and must not be, mailed, transmitted, or otherwise distributed or sent, in whole or in part, in or into or from the United States, Canada, Australia, Japan or any other jurisdiction where to do so would violate the laws of that jurisdiction including to Castle Shareholders with registered addresses in the United States, Canada, Australia, Japan or other such jurisdiction or to persons whom Sulzer UK knows to be custodians, trustees or nominees holding Castle Shares for such persons. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not mail or otherwise distribute or send them in or into or from the United States, Canada, Australia, Japan or other such jurisdiction or use the mails of the United States, Canada, Australia, Japan or other such jurisdiction or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia, Japan or any other such jurisdiction for any purpose, directly or indirectly, in connection with the Offer, and so doing may invalidate any related purported acceptance of the Offer. Persons wishing to accept the Offer must not use the mails of the United States, Canada, Australia, Japan or other such jurisdiction or any such means, instrumentality or facilities for any purpose, directly or indirectly, relating to acceptance of the Offer. Envelopes containing Forms of Acceptance, evidence of title or other related documents must not be postmarked in, or otherwise despatched from, the United States, Canada, Australia, Japan or other such jurisdiction and all acceptors must provide addresses outside the United States, Canada, Australia, Japan or

other such jurisdiction for the remittance of cash or the return of Forms of Acceptance, share certificate(s) and/or other documents of title.

- (e) Save as provided in the remainder of this **paragraph 6**, a Castle Shareholder may be deemed not to have validly accepted the Offer if:
- (i) he/she does not make the relevant representations and warranties set out in **paragraph 3 of Section C** below;
  - (ii) he/she completes the Form of Acceptance with an address in, or has a registered address in, the United States, Canada, Australia, Japan or any other jurisdiction whose laws may be violated by such acceptance and in either case he/she does not insert in **Box 4** of the Form of Acceptance the name and address of a person or agent outside the United States, Canada, Australia, Japan or other such jurisdiction to whom he/she wishes the consideration to which he/she is entitled under the Offer to be sent, subject to the provisions of this **sub-paragraph (e)** and applicable laws;
  - (iii) he/she inserts in **Box 4** of the Form of Acceptance the name and address and/or telephone number of a person or agent in the United States, Canada, Australia, Japan or other such jurisdiction to whom he/she wishes the consideration to which he/she is entitled under the Offer to be sent;
  - (iv) the Form of Acceptance received from him/her is in an envelope postmarked in, or otherwise appears to Sulzer UK or its agents to have been sent from, the United States, Canada, Australia, Japan or other such jurisdiction; or
  - (v) he/she does not make the representations and warranties set out in **paragraph 3 of section D** below.

Sulzer UK reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the relevant representations and warranties set out in **paragraph 3 of Section C** or (as the case may be) **Section D** below could have been truthfully given by the relevant Castle Shareholder and, if such investigation is made and as a result Sulzer UK determines that such representation and warranty could not have been so given or is not correct, such acceptance shall not, save as provided in the remainder of this **paragraph 6**, be valid.

- (f) If a Castle Shareholder holding Castle Shares in uncertificated form is unable to give the warranties set out in **paragraph 3 of Section D** below, but nevertheless can provide satisfactory evidence to Sulzer UK that he is able to accept the Offer in compliance with all relevant legal and regulatory requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both (i) a TTE instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”) and (ii) one or more valid ESA instructions (a “**Restricted ESA Instruction**”) which specify the form of consideration which he wishes to receive (consistent with the alternatives offered under the Offer). Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction settle in CREST and Sulzer UK decides, in its absolute discretion, to exercise its right described in **sub-paragraph (j)** below to waive, vary or modify the terms of the Offer relating to overseas shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in **paragraph 1** above. If Sulzer UK accordingly decides to permit such acceptance to be made, Equiniti Limited will on behalf of Sulzer UK accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, Equiniti Limited will on behalf of Sulzer UK reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- the ISIN number for the Castle Shares. This is GB00B1XLC667;
- the number of Castle Shares in respect of which the Offer is to be accepted;
- the member account ID and participant ID of the Castle Shareholder;
- the participant ID of the Escrow Agent. This is 6RA48;
- the member account ID of the Escrow Agent specific to a Restricted Escrow Transfer. This is RESTRICT
- the corporate action number for the Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- input with standard delivery instruction priority of 80;
- your contact name and telephone number inserted in the shared note field; and

- the intended settlement date.

Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- the ISIN number for the Castle Shares. This is GB00B1XLC667;
  - the number of Castle Shares relevant to the Restricted ESA instruction;
  - the member account ID and participant ID of the accepting Castle Shareholder;
  - the member account ID and the participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
  - the participant ID and the member account ID of the Escrow Agent (details of which are set out in **paragraph 13(b)** of the letter from Sulzer UK in **Part II** of this document);
  - the transaction reference number of the Restricted Escrow Transfer to which the Restricted ESA instruction relates;
  - the intended settlement date;
  - the corporate action number for the Offer;
  - your contact name and telephone number inserted in the shared note field; and
  - input with standard delivery instruction priority of 80.
- (g) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related document in, into or from the United States, Canada, Australia, Japan or any other jurisdiction where to do so would violate the relevant rules of that jurisdiction or uses the mails of or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States, Canada, Australia, Japan or other such jurisdiction in connection with such forwarding, such person should:
- inform the recipient of such fact;
  - explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - draw the attention of the recipient to this **paragraph 6**.
- (h) The provisions of this **paragraph 6** and any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Castle Shareholders or on a general basis by Sulzer UK in its absolute discretion but only if Sulzer UK is satisfied that such waiver, variance or modification will not constitute a breach of any applicable securities or other law.
- (i) If any written notice purporting to withdraw an acceptance in accordance with **paragraph 3** above is received in an envelope postmarked in, or which otherwise appears to Sulzer UK or its agents to have been sent from, the United States, Canada, Australia, Japan or any other jurisdiction whose laws may have been violated by the acceptance, Sulzer UK reserves the right, in its absolute discretion, to treat that notice as being valid.
- (j) Neither Sulzer UK nor its advisers nor any person acting on behalf of any of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out above or otherwise in connection therewith.
- (k) The provisions of this **paragraph 6** supersede any terms of the Offer inconsistent with them.
- (l) References in this **paragraph 6** to a Castle Shareholder shall include references to the person or persons executing a Form of Acceptance and, in the event of one or more persons executing a Form of Acceptance, the provisions of this **paragraph 6** shall apply to them jointly and to each of them.
- (m) Overseas Shareholders should inform themselves about and observe any and all applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.

### Section C: Form of Acceptance

**This Section C only applies to Castle Shares in certificated form (unless Sulzer UK otherwise agrees). If you hold all your Castle Shares in uncertificated form, you should (unless Sulzer UK has agreed that you can use a Form of Acceptance) ignore this Section C and instead read Section D below.**

For the purposes of this **Section C** and the Form of Acceptance, the phrase “Castle Shares comprised in the acceptance” means the number of Castle Shares inserted in **Box 1B** of the Form of Acceptance or, if no number is inserted or a number greater than such Castle Shareholder’s registered holding is inserted, the greater of:

- (a) the relevant Castle Shareholder’s entire holding of Castle Shares as disclosed by details of the register of members made available to Equiniti Limited prior to the time the relevant Form of Acceptance is processed by them;
- (b) the relevant Castle Shareholder’s entire holding of Castle Shares as disclosed by details of the register of members made available to Equiniti Limited prior to the latest time for receipt of Forms of Acceptance which can be taken into account in determining whether the Offer is unconditional as to acceptances; and
- (c) the number of Castle Shares in respect of which certificate(s), or an indemnity in lieu, is received.

Each Castle Shareholder by whom, or on whose behalf, the Form of Acceptance is executed and received by Equiniti Limited or by or on behalf of Sulzer UK, irrevocably undertakes, represents, warrants and agrees to and with Sulzer UK, Rothschild and Equiniti Limited (so as to bind him, his executors, personal representatives, heirs, successors and assignees) that:

1. the execution of the Form of Acceptance and its delivery to Equiniti Limited shall constitute, subject to the provisions of **paragraph 6 of Section B** above:

- (a) an acceptance or deemed acceptance of the Offer in respect of the number of Castle Shares comprised in the acceptance;
- (b) in each case, on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that, subject only to the rights of withdrawal set out in **paragraph 3 of Section B** above, each such acceptance and election shall be irrevocable. If no “X” is marked in **Box 1A** and no number is entered in **Box 1B**, or if a number greater than such Castle Shareholder’s registered holding appears in **Box 1B**, or an “X” is marked in **Box 1A** and a number is entered in **Box 1B**, it will be deemed to be an acceptance by such Castle Shareholder of the terms of the Offer in respect of the total number of Castle Shares registered in his name
- (c) an authority to Sulzer UK or its agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute all or any further documents and/or give any such further assurances as may be required to enable Sulzer UK to obtain the full benefit of this **Section C** and/or to perfect any of the authorities expressed to be given under this **Section C**,

in each case on and subject to the terms and conditions set out in this document and the Form of Acceptance and that, subject to the rights of withdrawal set out in **paragraph 3 of Section B** above, each such acceptance shall be irrevocable;

2. such Castle Shareholder has the right to dispose of the Castle Shares comprised in the acceptance and that the Castle Shares comprised in the acceptance are sold fully paid and with full title guarantee free from all liens, charges, encumbrances and other third party rights and other interests and together with all rights now and in the future attaching to them including the right to receive and retain all dividends, interest and other distributions declared, made or paid in the future;

3. unless “No” is put in **Box 3** of the Form of Acceptance, such Castle Shareholder:

- (a) has not received or sent, in whole or in part, copies or originals of this document, the Form of Acceptance or any related offer documents in, into or from the United States, Canada, Australia, Japan or any other jurisdiction where such actions may constitute (or result in the Offer constituting) a breach of any legal or regulatory requirements, has not otherwise utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile, telex, telephone or email) of interstate or foreign commerce of, or any facilities of a national securities exchange, of the United States, Canada, Australia, Japan or any other such jurisdiction;
- (b) was outside the United States, Canada, Australia, Japan and any other such jurisdiction as is referred to in **sub-paragraph (a)** above when the Form of Acceptance was sent and at the time of accepting the Offer, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such principal has given all instructions with respect to the Offer from outside the United States, Canada, Australia, Japan or any other such jurisdiction, is accepting the Offer from outside the United States, Canada, Australia, Japan or any other such jurisdiction and is not accepting the Offer for a US person, or a resident of Canada, Australia, Japan or any other such jurisdiction, for whom such shareholder is acting on a non-discretionary basis; and
- (c) if a citizen, resident or national of a jurisdiction outside the United Kingdom, has observed the laws of all relevant jurisdictions, obtained any requisite governmental or other consents, complied with all requisite

- formalities, paid any issue, transfer or other taxes or duties due from him/her in each case in connection with such acceptance in any such jurisdiction and has not taken or omitted to take any action which will or may result in Sulzer UK, Rothschild or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offer or his/her acceptance of the Offer;
4. the execution of the Form of Acceptance and its receipt by Equiniti Limited constitutes, subject to the Offer becoming or being declared wholly unconditional and to an accepting Castle Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of the Attorney (as defined in **paragraph 5(a) of Section B** above) as such Castle Shareholder's attorney and/or agent, and an irrevocable instruction to the Attorney:
    - (a) to complete and execute all or any form(s) of transfer and/or other document(s) whatever at the Attorney's discretion in relation to the Acceptance Shares in favour of Sulzer UK or such other person or persons as Sulzer UK or its agents may direct and to deliver such form(s) of transfer and/or other document(s) at the Attorney's discretion together with the certificate(s) and or other document(s) relating to the Acceptance Shares for registration within four months of the Offer becoming unconditional in all respects; and
    - (b) to execute all such other documents and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and, if applicable, any election under it and in order to vest in Sulzer UK or its nominee(s) the Acceptance Shares;
  5. the execution of the Form of Acceptance and its receipt by Equiniti Limited constitutes, subject to the Offer becoming or being declared wholly unconditional, a separate irrevocable authority and request (subject to **paragraph 6 of Section B** above):
    - (a) to Castle or its agents, to procure the registration of the transfer of the Castle Shares pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to Sulzer UK or as it may direct;
    - (b) to the Attorney (as defined in **paragraph 5(a) of Section B** above) to procure the despatch by post of a cheque for any cash to which an accepting shareholder may become entitled pursuant to his acceptance of the Offer, at the risk of such Castle Shareholder, to the first-named holder set out in **Box 2** at his registered address outside the United States, Canada, Australia, Japan and any other jurisdiction where such action may constitute (or result in the Offer constituting) a breach of any legal or regulatory requirements or, if appropriate, to the person or agent whose name and address outside the United States, Canada, Australia, Japan and any other such jurisdiction is set out in **Box 4**;
    - (c) to Sulzer UK or its agents, to record and act upon any instructions with regard to payments or notices or dividend mandates which have been entered in the records of Castle in respect of such Castle Shareholder's holding(s) of Castle Shares except that if a Castle Shareholder has existing Sulzer shares, the mandates, instructions and instruments in force for the existing Sulzer shares will supersede the mandates, instructions and instruments for the Castle Shares.
  6. the execution of the Form of Acceptance and its receipt by Equiniti Limited will constitute, subject to the person accepting the Offer not having validly withdrawn his acceptance, the irrevocable appointment of the Attorney (as defined in **paragraph 5(a) of Section B** above) as such Castle Shareholder's attorney and/or agent and with the authority to complete and/or execute any further documents and give any further assurances which may be required in connection with any of the foregoing;
  7. after the Offer has become or been declared wholly unconditional (or if the Offer will become or be declared wholly unconditional or lapse immediately upon the outcome of the resolution in question) and in such other circumstances as Sulzer UK may request and the Panel may permit:
    - (a) Sulzer UK or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges attaching to any Acceptance Shares (including the right to requisition the convening of a general meeting of Castle or of any class of its shareholders);
    - (b) the execution of the Form of Acceptance constitutes:
      - (i) an authority to Castle or its agents from the holder of Acceptance Shares to send any notice, warrant, circular, document or other communication which may be required to be sent to him/her as a member of Castle (including any share certificate(s) and/or other document(s) of title issued as a result of conversion of such Castle Shares into certificated form) in respect of the Acceptance Shares to Sulzer UK at its registered office or at the address referred to in **paragraph 3(a) of Section B** above;
      - (ii) an irrevocable authority to Sulzer UK (or its agents) from such holder to sign any consent to short notice of a general meeting or separate class meeting on his/her behalf and/or to execute forms of

proxy in respect of such Acceptance Shares appointing any person or persons nominated by Sulzer UK to attend general meetings and separate class meetings of Castle or its members or any of them (and any adjournment) and to exercise the votes attaching to such Acceptance Shares on his behalf, such votes to be cast, where relevant, so far as possible to satisfy any outstanding condition of the Offer; and

- (iii) the agreement of such Castle Shareholder not to exercise any of such rights without the consent of Sulzer UK and the irrevocable undertaking of such Castle Shareholder not to appoint a proxy or proxies or a corporate representative for or to attend general meetings or separate class meetings of shareholders of Castle (or any adjournment);
8. he/she will deliver or procure delivery to Equiniti Limited at either of the addresses referred to in **paragraph 3(a) of Section B** above, of his/her share certificate(s) and/or other document(s) of title in respect of Acceptance Shares which are in certificated form, or an indemnity acceptable to Sulzer UK in lieu thereof, as soon as possible and in any event within four months of the Offer becoming or being declared wholly unconditional;
  9. the execution of the Form of Acceptance constitutes his or her irrevocable submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the exclusive jurisdiction of the courts of England or of such other court as Sulzer UK, Rothschild or Equiniti Limited may bring proceedings pursuant to **paragraphs 5(t) or (u) of Section B** above;
  10. the terms and conditions to the Offer in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance, which shall be read and construed accordingly;
  11. if he/she accepts the Offer, subject to the Offer becoming wholly unconditional, he/she shall promptly, following request by or on behalf of Sulzer UK, do all such acts and things as shall, in the opinion of Sulzer UK, Rothschild or Equiniti Limited, be necessary or expedient to vest in Sulzer UK, or its nominee(s) or such other person as Sulzer UK may decide, the Acceptance Shares or to enable Equiniti Limited to perform their functions as Escrow Agent for the purposes of the Offer; and accordingly grants power(s) of attorney and authorities on the terms conferred by or referred to in these paragraphs which are given by way of security for the performance of the obligations of such shareholder and which are irrevocable (in respect of powers of attorney, in accordance with section 4 Powers of Attorney Act 1971);
  12. he/she agrees to ratify each and every act or thing which may be done or effected by Sulzer UK, Rothschild or Equiniti Limited or their respective directors or agents, as the case may be, in the exercise of any of his/her or their respective powers and/or authorities hereunder and to indemnify each such person from losses arising therefrom;
  13. if any provisions of **Section B** or this **Section C** shall be unenforceable or invalid or shall not operate to afford Sulzer UK, Castle, Rothschild or Equiniti Limited or their respective directors or agents the benefit of the authority expressed to be given therein, he/she will with all practicable speed do all such acts and things and execute all such documents that may be required by them to enable them or any of them to secure the full benefit of **Section B** and this **Section C**; and
  14. he/she agrees that he/she does not expect Rothschild to have any duties or responsibilities towards him/her comparable or similar to those imposed by The FSA's rules requiring best execution and suitability and that in respect of the Offer he/she is not and will not be a client of Rothschild.

References in this **Section C** to a Castle Shareholder shall include references to the person or persons executing a Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, the provisions of this **Section C** shall apply to them jointly and to each of them. On execution, the Form of Acceptance shall take effect as a deed.

#### **Section D: Electronic Acceptance**

**This Section D only applies to Castle Shares held in uncertificated form. If you hold all your Castle Shares in certificated form, you should ignore this Section D and instead read Section C above.**

For the purposes of this **Section D**, the phrase "Castle Shares comprised in the acceptance" means, in respect of any Castle Shares held in uncertificated form, the number of Castle Shares that are transferred by the relevant Castle Shareholder to his/her escrow account by means of a TTE instruction.

Each Castle Shareholder by whom, or on whose behalf, an Electronic Acceptance is made, irrevocably undertakes, represents, warrants and agrees to and with Sulzer UK, Rothschild and Equiniti Limited (so as to bind him, his executors, personal representatives, heirs, successors and assignees) that:

1. the Electronic Acceptance shall constitute, subject to the provisions of **paragraph 6 of Section B** above:
  - (a) an acceptance of the Offer in its basic form in respect of the Castle Shares comprised in the acceptance to which a Basic Offer TTE instruction relates; and
  - (b) an authority to Sulzer UK or its agents to execute any further documents and give any further assurances which may be required in connection with any of the foregoing and an undertaking to execute all or any further documents and/or give any such further assurances as may be required to enable Sulzer UK to obtain the full benefit of this **Section D** and/or to perfect any of the authorities expressed to be given under this **Section D**;

in each case on and subject to the terms and conditions set out in this document and that, subject to the rights of withdrawal set out in **paragraph 3 of Section B** above, each such acceptance shall be irrevocable;

2. such Castle Shareholder has the right to dispose of the Castle Shares comprised in the acceptance and that the Castle Shares comprised in the acceptance are sold fully paid and with full title guarantee free from all liens, charges, encumbrances and other third party rights and other interests and together with all rights now and in the future attaching to them including the right to receive and retain all dividends, interest and other distributions declared, made or paid in the future;
3. unless he/she sends a Restricted Escrow Transfer and a Restricted ESA Instruction (each as defined in **paragraph 6(f) of Section B** above) which is accepted by a receiving agent accept (AEAN) message pursuant to **paragraph 6(f) of Section B** above, such Castle Shareholder:
  - (a) has not received or sent, in whole or in part, copies or originals of this document, the Form of Acceptance or any related offer documents in, into or from the United States, Canada, Australia, and Japan; has not otherwise utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile, telex, telephone or email) of interstate or foreign commerce of, or any facilities of a national securities exchange, of the United States, Canada, Australia, and Japan;
  - (b) was outside the United States, Canada, Australia, and Japan when the relevant TTE instruction(s) was inputted and settled, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such principal has given all instructions with respect to the Offer from outside the United States, Canada, Australia and Japan, no TTE instruction(s) has been sent in, into or from the United States, Canada, Australia, and Japan or signed in the United States, Canada, Australia, and Japan and such shareholder is accepting the Offer from outside the United States, Canada, Australia, and Japan and is not accepting the Offer for a US person, or a resident of Canada, Australia or Japan, for whom such shareholder is acting on a non-discretionary basis; and
  - (c) if a citizen, resident or national of a jurisdiction outside the United Kingdom, he/she has observed the laws of all relevant jurisdictions, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes or duties due from him/her in each case in connection with such acceptance in any such jurisdiction and that he/she has not taken or omitted to take any action which will or may result in Sulzer UK, Rothschild or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offer or his/her acceptance of the Offer;
4. the Electronic Acceptance constitutes, subject to the Offer becoming or being declared wholly unconditional and to an accepting Castle Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of the Attorney (as defined in **paragraph 4(a) of Section B** above) as such Castle Shareholder's attorney and/or agent, and an irrevocable instruction to the Attorney to do all such acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and, if applicable, any election under it and in order to vest in Sulzer UK or its nominee(s) the Acceptance Shares;
5. the Electronic Acceptance constitutes, subject to the Offer becoming or being declared wholly unconditional, a separate irrevocable authority and request (subject to **paragraph 6 of Section B** above) to the Attorney (as defined in **paragraph 4(a) of Section B** above) to procure (in respect of those Castle Shares held in uncertificated form) the satisfaction of any cash entitlement to which an accepting Castle Shareholder may become entitled by means of a CREST payment in favour of the accepting Castle Shareholder's payment bank provided that Sulzer UK may (if for any reason it wishes to do so) settle all or any part of such entitlement for all or any accepting Castle Shareholder by cheque in favour of the first-

- named holder despatched by post to an address outside the United States, Canada, Australia or Japan stipulated by such holder or as otherwise determined by Sulzer UK;
6. the Electronic Acceptance will constitute, subject to the person accepting the Offer not having validly withdrawn his acceptance, the irrevocable appointment of the Attorney (as defined in **paragraph 4(a) of Section B** above) as such Castle Shareholder's attorney and/or agent and with the authority to complete and/or execute any further documents and give any further assurances which may be required in connection with any of the foregoing;
  7. after the Offer has become or been declared wholly unconditional (or if the Offer will become or be declared wholly unconditional or lapse immediately upon the outcome of the resolution in question) and in such other circumstances as Sulzer UK may request and the Panel may permit:
    - (a) Sulzer UK or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges attaching to any Acceptance Shares (including the right to requisition the convening of a general meeting of Castle or of any class of its shareholders);
    - (b) the Electronic Acceptance constitutes:
      - (i) an authority to Castle or its agents from the holder of Acceptance Shares to send any notice, warrant, circular, document or other communication which may be required to be sent to him/her as a member of Castle (including any share certificate(s) and/or other document(s) of title issued as a result of conversion of such Castle Shares into certificated form) in respect of the Acceptance Shares to Sulzer UK at its registered office or at the address referred to in **paragraph 3(a) of Section B** above;
      - (ii) an irrevocable authority to Sulzer UK or its agents from such holder to sign any consent to short notice of a general meeting or separate class meeting on his/her behalf and/or to execute forms of proxy in respect of such Acceptance Shares appointing any person or persons nominated by Sulzer UK to attend general meetings and separate class meetings of Castle or its members or any of them (and any adjournment) and to exercise the votes attaching to such Acceptance Shares on his behalf, such votes to be cast, where relevant, so far as possible to satisfy any outstanding condition of the Offer; and
      - (iii) the agreement of such Castle Shareholder not to exercise any of such rights without the consent of Sulzer UK and the irrevocable undertaking of such Castle Shareholder not to appoint a proxy or proxies or a corporate representative for or to attend general meetings or separate class meetings of shareholders of Castle (or any adjournment);
  8. the Electronic Acceptance constitutes the irrevocable appointment of Equiniti Limited as such Castle Shareholder's attorney and/or agent and an irrevocable instruction and authority to the attorney and/or agent:
    - (a) subject to the Offer becoming or being declared wholly unconditional and to such Castle Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as Sulzer UK or its agents may direct) by means of CREST all or any of the Relevant Castle Shares (as defined below) (but not exceeding the number of Castle Shares comprised in the acceptance); and
    - (b) if the Offer does not become wholly unconditional, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing of the Offer), to transfer all Relevant Castle Shares to the original available balance of the accepting Castle Shareholders. For the purposes of this **paragraph 8** "Relevant Castle Shares" means Castle 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 **paragraph 13 of Part II** of this document and where the transfer(s) to escrow was or were made in respect of Castle Shares held under the same member account ID and participant ID as the member account ID and participant ID relating to the Electronic Acceptance concerned;
  9. if, for any reason, any Castle Shares in respect of which a TTE Instruction has been effected in accordance with **paragraph 13(b) Part II** of this document are converted to certificated form, he/she will (without prejudice to **paragraph 7(b)(i)** above), immediately deliver or procure the immediate delivery of the share certificates or other documents of title in respect of all such Castle Shares as so converted to Equiniti Limited at the address referred to in **paragraph 3(a) of Section B** above or as Sulzer UK or its agents may direct and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in **Section C** above in relation to such Castle Shares without prejudice to the application of this **Section D** so far as Sulzer UK deems appropriate;
  10. the creation of a CREST payment obligation in favour of his or her payment bank in accordance with the CREST payment arrangements referred to in **paragraph 5** above shall, to the extent of the obligation so

created, discharge in full any obligation of Sulzer UK to pay to him/her the cash consideration to which he/she may be entitled pursuant to the Offer;

11. the making of an Electronic Acceptance constitutes his or her irrevocable submission, in relation to all matters arising out of the Offer and the Electronic Acceptance, to the exclusive jurisdiction of the courts of England or of such other court as Sulzer UK, Rothschild or Equiniti Limited may bring proceedings pursuant to **paragraphs 5(t) or (u) of Section B** above;
12. the terms and conditions to the Offer in this document shall be deemed to be incorporated in, and form part of, the Electronic Acceptance, which shall be read and construed accordingly;
13. if he/she accepts the Offer, subject to the Offer becoming wholly unconditional, he/she shall promptly, following request by or on behalf of Sulzer UK, do all such acts and things as shall, in the opinion of Sulzer UK, Rothschild or Equiniti Limited, be necessary or expedient to vest in Sulzer UK, or its nominee(s) or such other person as Sulzer UK may decide, the Acceptance Shares or to enable Equiniti Limited to perform their functions as Escrow Agent for the purposes of the Offer;
14. by virtue of the CREST Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant Castle Shareholder in the terms of all the powers and authorities expressed to be given by **Section B**, this **Section D** and (where applicable by virtue of **paragraph 9** above) **Section C** to Sulzer UK and Equiniti Limited and any of their respective directors or agents;
15. he/she agrees to ratify each and every act or thing which may be done or effected by Sulzer UK, Rothschild or Equiniti Limited or their respective directors or agents, as the case may be, in the exercise of any of his/her or their respective powers and/or authorities hereunder and to indemnify each such person from losses arising therefrom;
16. if any provisions of **Section B** or this **Section D** shall be unenforceable or invalid or shall not operate to afford Sulzer UK, Castle, Rothschild or Equiniti Limited or their respective directors or agents the benefit of the authority expressed to be given therein, he/she will with all practicable speed do all such acts and things and execute all such documents that may be required by them to enable them or any of them to secure the full benefit of **Section B** and this **Section D**; and
17. he/she agrees that he/she does not expect Rothschild to have any duties or responsibilities towards him/her comparable or similar to those imposed by The FSA's rules requiring best execution and suitability and that in respect of the Offer he/she is not and will not be a client of Rothschild.

References in this **Section D** to a Castle Shareholder shall include references to the person or persons making an Electronic Acceptance.

## PART IV

### FINANCIAL INFORMATION ON CASTLE

#### CASTLE'S AUDITED RESULTS

#### FOR THE THREE FINANCIAL PERIODS ENDED 30 JUNE 2007, 2008 AND 2009

##### Incorporation of the relevant information by reference

The information listed below relating to Castle is (to the extent that the same has been published by Castle) hereby incorporated by reference into this document.

<u>No.</u>	<u>Information</u>	<u>Source of Information in Annual Reports</u>
1.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends, and earnings and dividends per share for Castle for the three financial periods ended 30 June 2007, 2008 and 2009.	2009: page 12 2008: page 13 2007: page 13 If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. <i><a href="http://www.castlesupportservices.com/accounts.html">http://www.castlesupportservices.com/accounts.html</a></i>
2.	A statement of the assets and liabilities shown in the audited accounts for Castle for the three financial periods ended 30 June 2007, 2008 and 2009.	2009: page 13 2008: page 14 2007: page 15 If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. <i><a href="http://www.castlesupportservices.com/accounts.html">http://www.castlesupportservices.com/accounts.html</a></i>
3.	A cash flow statement as provided in the audited accounts for Castle for the three financial periods ended 30 June 2007, 2008 and 2009	2009: page 15 2008: page 16 2007: page 17 If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. <i><a href="http://www.castlesupportservices.com/accounts.html">http://www.castlesupportservices.com/accounts.html</a></i>
4.	Significant accounting policies together with any points from the notes to the account which are of major relevance to an appreciation of the figures.	2009: pages 16 to 42 2008: pages 17 to 53 2007: pages 18 to 38 If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. <i><a href="http://www.castlesupportservices.com/accounts.html">http://www.castlesupportservices.com/accounts.html</a></i>

**CASTLE'S UNAUDITED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2009**

**Incorporation of the relevant information by reference**

The information listed below relating to Castle is (to the extent that the same has been published by Castle) hereby incorporated by reference into this document.

<u>No.</u>	<u>Information</u>	<u>Source of Information in Interim Financial Statements</u>
1.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Castle for the six months to 31 December 2009.	Page 5 If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. <a href="http://www.castlesupportservices.com/accounts.html">http://www.castlesupportservices.com/accounts.html</a>

The audited financial results for Castle for the three financial periods ended 30 June 2007, 2008 and 2009 together with the unaudited Interim Financial Statements for Castle for the six months ended 31 December 2009 are available free of charge on the Castle website at <http://www.castlesupportservices.com/accounts/html>.

Information in relation to items 1, 2, 3 and 4 above in relation to the audited financial statements and in relation to item 1 above in relation to the unaudited Interim Financial Statements has not been published in an inflation adjusted form.

The annual reports and Interim Financial Statements are available in "read only" format and can be printed from the Castle website. Hard copies of any information and/or documents incorporated by reference in this document will not be sent to recipients of this document. However, such recipients may request a copy of the information so incorporated in hard copy by contacting Equiniti Registrars by telephone or by post via the contact details set out on page 1 of this document.

## PART V

### ADDITIONAL INFORMATION

#### 1. Responsibility

- (a) The officers of Sulzer named in **sub-paragraph (c)** below and the Sulzer UK Directors, whose names appear in **sub-paragraph (d)** below, accept responsibility for the information contained in this document other than the information relating to the Castle Group, the Castle Directors, their immediate families, related trusts and any other persons whose interests in securities the Castle Directors are taken to be interested in pursuant to Part 22 of the Companies Act 2006 and for the views and opinions as set out in the letter from the chairman of Castle in **Part I** above. To the best of the knowledge and belief of the persons named in **sub-paragraphs (c)** and **(d)** below (who have taken all reasonable care to ensure such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Castle Directors, whose names are set out in **sub-paragraph (e)** below, accept responsibility for the information contained in this document relating to the Castle Group, the Castle Directors, their immediate families, related trusts and any other persons whose interests in securities the Castle Directors are taken to be interested in pursuant to Part 22 of the Companies Act 2006 and for the views and opinions set out in the letter from the chairman of Castle in Part I above. To the best of the knowledge and belief of the Castle Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (c) The officers of Sulzer, a company incorporated in Switzerland, whose registered office is at Zürcherstrasse 14, 8401 Winterthur, Switzerland and who are referred to in paragraph 1(a) are:

Jürgen Dormann	Chairman
Ton Büchner	Chief Executive Officer
Peter Meier	Chief Financial Officer
Alfred Gerber	General Counsel
Peter Alexander	Division Head, Turbo Services

- (d) The directors of Sulzer UK, a company incorporated in England and Wales and whose registered office is at Manor Mill Lane, Leeds, West Yorkshire, LS11 8BR, are:

Garth Jeffrey Bradwell	Director
Paul Pfammatter	Director

- (e) The directors of Castle, a company incorporated in England and Wales and whose registered office is at c/o Dowding Mills, Camp Hill, Birmingham, B12 0JJ, are:

Christopher Mills	Non-executive Chairman
Tudor Davies	Executive Director
Timothy Barrett	Finance Director
Colin Keith	Non-executive Director
David Banks	Non-executive Director

#### 2. Disclosure of interests, short positions and dealings in relevant securities

##### (a) *Interests in Sulzer securities*

As at the last day of the disclosure period, Castle, the Castle Directors, their immediate families, related trusts and (so far as Castle Directors are aware having made due and careful enquiry) any other person whose interests in Sulzer securities a director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 (all such interests being beneficial unless otherwise stated) had no interests and/or short positions in Sulzer securities.

**(b) Dealings in Sulzer securities**

There were no dealings in Sulzer securities between the start of the Offer Period and the Printing Date by Castle, Castle Directors, their immediate families, related trusts and (so far as Castle Directors are aware having made due and careful enquiry) any other person whose interests in Sulzer securities a director is taken to be interested in pursuant to Part 22 of the Companies Act 2006.

**(c) Interests in Castle securities**

- (i) As at the last day of the disclosure period, the interests and short positions in Castle securities of Castle Directors, their immediate families, related trusts and (so far as Castle Directors are aware having made due and careful enquiry) any other person whose interests in Castle securities a director is taken to be interested in pursuant to Part 22 of the Companies Act 2006, all of which are beneficial unless otherwise stated were as follows (and as set out in sub-paragraph (c)(ii) below):

<u>Name</u>	<u>Details of Castle securities</u>
Christopher Mills*	789,464
Tudor Davies**	11,969,446
Timothy Barrett***	3,579,814
David Banks****	160,633
Colin Keith*****	2,071,435

\* held on behalf of Christopher Mills and his immediate family by North Atlantic Value LLP

\*\* held on his behalf by North Atlantic Value LLP

\*\*\* held as to 3,442,128 shares by Brewin Nominees Limited on behalf of Timothy Barrett and as to 137,686 shares by Clare Barrett

\*\*\*\* held as to 80,317 shares by David Banks and 80,316 shares by Judith Banks

\*\*\*\*\* held as to 1,996,435 shares by Colin Keith and 75,000 by North Atlantic Value LLP on his behalf

- (ii) The Castle Directors, their immediate families, related trusts and (so far as Castle Directors are aware having made due and careful enquiry) any other person whose interests in Castle securities a director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 had no interests in any options in Castle securities.
- (iii) As at the last day of the disclosure period, Sulzer and the persons acting in concert with Sulzer (in addition to those referred to elsewhere in this sub-paragraph (c)) had no interests and short positions in Castle securities.
- (iv) As at the last day of the disclosure period, the Sulzer UK Directors and Relevant Officers, their immediate families, related trusts and (so far as the Sulzer UK Directors and Relevant Officers are aware having made due and careful enquiry) any other person whose interests in Castle securities a Sulzer UK Director or Relevant Officer is taken to be interested in pursuant to Part 22 of the Companies Act 2006 had no interests and short positions in Castle securities.
- (v) As at the last day of the disclosure period, the interests and short positions in Castle securities of an associated company of Castle or by a pension fund of Castle or of any of its associated companies or by an employee benefit trust of Castle or of any of its associated companies, were as follows:

<u>Name</u>	<u>Details of Castle securities</u>
North Atlantic Smaller Companies Investment Trust plc	31,000,000
North Atlantic Value LLP*	30,859,582

\* as investment manager/adviser to other fund management clients.

- (vi) As at the last day of the disclosure period, no connected adviser to Castle or to any of its associated companies or any person acting in concert with Castle, or persons controlling, controlled by or under the same control as any such adviser (except for an exempt principal trader or an exempt fund manager) held any interest and/or short position in Castle securities.

- (vii) As at the last day of the disclosure period, no person who has an arrangement with Castle or with any associate of Castle held any interests and/or short position in Castle securities.
- (viii) As at the last day of the disclosure period, there were no interests or short positions in Castle securities of a person with whom Sulzer UK or any person acting in concert with Sulzer UK, has an arrangement in respect of relevant securities.
- (ix) As at the last day of the disclosure period, neither Sulzer UK (including persons acting in concert with Sulzer UK) nor Castle (including persons acting in concert with Castle) had borrowed or lent Castle securities.

**(d) Dealings in Castle securities**

- (i) There were no dealings in Castle securities between the start of the Offer Period and the Printing Date by Castle Directors, their immediate families, related trusts and (so far as Castle Directors are aware having made due and careful enquiry) any other person whose interests in Castle securities a director is taken to be interested in pursuant to Part 22 of the Companies Act 2006.
- (ii) No options over Castle Shares were exercised between the start of the Offer Period and the Printing Date by the Castle Directors, their immediate families, related trusts and any other person whose interests in Castle Shares a director is taken to be interested in pursuant to Part 22 of the Companies Act 2006.
- (iii) There were no dealings in Castle securities during the disclosure period by Sulzer UK or persons acting in concert with Sulzer UK.
- (iv) There were no dealings in Castle securities during the disclosure period by Sulzer UK Directors, Relevant Officers, their immediate families, related trusts and (so far as Sulzer UK Directors and Relevant Officers are aware having made due and careful enquiry) any other person whose interests in Castle securities a Sulzer UK Director or Relevant Officer is taken to be interested in pursuant to Part 22 of the Companies Act 2006.
- (v) There were no dealings in Castle securities between the start of the Offer Period and the Printing Date by an associated company of Castle or by a pension fund of Castle or of any of its associated companies or by an employee benefit trust of Castle or of any of its associated companies.
- (vi) There were no dealings in Castle securities between the start of the Offer Period and the Printing Date by a connected adviser to Castle or to any of its associated companies or to any person acting in concert with Castle, or by persons controlling, controlled by or under the same control as any such adviser (except for an exempt principal trader or an exempt fund manager).
- (vii) There were no dealings in Castle securities between the start of the Offer Period and the Printing Date by any person who has an arrangement with Castle or with any associate of Castle in respect of relevant securities.
- (viii) There were no dealings in Castle securities of during the disclosure period by persons with whom Sulzer UK, any associate of Sulzer UK or any person acting in concert with Sulzer UK, has an arrangement in respect of relevant securities.
- (ix) Purchases or redemptions of Castle securities during the disclosure period by Castle were as follows:

<u>Transaction Date</u>	<u>Nature of Transaction</u>	<u>Number of Castle Shares</u>	<u>Price (p) per Castle Share</u>
04.06.09	Buy-back	5,524,550	46
10.06.09	Buy-back	2,369,139	48
19.06.09	Buy-back	25,000	51
	<b>Total:</b>	7,918,689*	

\* – these shares are currently all held in treasury.

**(e) General**

- (i) As of the last day of the disclosure period, save as disclosed in this **paragraph 2**, neither Sulzer nor any of its subsidiaries nor any Sulzer UK Directors, Relevant Officers, their immediate families, related trusts or (so far as Sulzer UK Directors or Relevant Officers are aware having made due and careful enquiry) any other person whose interests in relevant securities a director is taken to be interested in pursuant to Part 22 of the Companies Act 2006 nor any persons acting in concert with Sulzer UK, was interested, directly or indirectly, in relevant securities nor had any right to subscribe for, or any short position in relation to, relevant securities, nor has any such person dealt in any relevant securities during the disclosure period.

- (ii) As of the last day of the disclosure period, save as disclosed in this **paragraph 2**, neither Castle, nor any Castle Directors, their immediate families, related trusts or (so far as Castle Directors are aware having made due and careful enquiry) any other person whose interests in relevant securities a director is taken to be interested in pursuant to Part 22 of the Companies Act 2006, was interested, directly or indirectly, in relevant securities nor had any right to subscribe for, or any short position in relation to, relevant securities, nor has any such person dealt in any relevant securities between the start of the Offer Period and the Printing Date.
- (iii) As of the last day of the disclosure period, save as disclosed in this **paragraph 2**, no associated company of Castle, no pension fund of Castle or of any of its associated companies, no employment benefit trust of Castle or of any of its associated companies and no connected adviser to Castle or to any of its associated companies or to a person acting in concert with Castle and no persons controlling, controlled by or under the same control as any such adviser (except for an exempt principal trader or an exempt fund manager) was interested in relevant securities, nor had any right to subscribe for, or had any short position in relation to, relevant securities, nor has any such person dealt in any relevant securities between the start of the Offer Period and the Printing Date.
- (iv) Save for the undertakings referred to in **paragraph 5** below, no arrangement exists between any person and (A) Sulzer UK or any associate of Sulzer UK or any person acting in concert with Sulzer UK, or (B) Castle or any associate of Castle, in relation to relevant securities.

**(f) Definitions**

For the purposes of this paragraph 2:

- (i) “arrangement” includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature which may be an inducement to deal or refrain from dealing.
- (ii) “associate” means:
  - (A) any parent, subsidiary, fellow subsidiary and associated company of Sulzer UK or (as the case may be) Castle and any company of which any such parent, subsidiary, fellow subsidiary or associated company is an associated company (“relevant companies”);
  - (B) connected advisers and persons controlling, controlled by or under the same control as such connected advisers;
  - (C) the Sulzer UK Directors or the Castle Directors or the directors of any relevant company (together in each case with any member of their immediate families or related trusts); and
  - (D) the pension funds of Sulzer UK or Castle or of any relevant company;
  - (E) an investment company, unit trust or other person whose investments an associate manages on a discretionary basis, in respect of the relevant investment accounts;
  - (F) an employee benefit trust of Sulzer UK or Castle or any relevant company;
  - (G) a company having a material trading arrangement with Sulzer UK or Castle as the case may be.
- (iii) “connected adviser” means a corporate broker to Sulzer UK or Castle (unless unable to act in connection with the Offer because of conflict of interest) or to an adviser, in relation to the Offer, to Sulzer UK, Castle or an associated company of Sulzer UK or Castle or, in relation to a person acting in concert with Sulzer UK or with the directors of Castle, an adviser in relation to the Offer or in relation to a matter which is the reason for that person being a member of the relevant concert party;
- (iv) ownership or control of 20 per cent or more of the equity share capital of a company is regarded as the test of associated company status and “control” means an interest or interests in shares carrying 30 per cent or more of the voting rights attributable to the capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings gives de facto control;
- (v) “disclosure period” means the period which began on 14 May 2009 (the date 12 months prior to the commencement of the Offer Period) and ended on the Printing Date; and
- (vi) “securities” means shares and securities convertible into, or rights to subscribe for, shares, options (including traded options) in respect thereof and derivatives referenced thereto and “Castle securities” and “Sulzer securities” shall be construed accordingly.
- (vii) “relevant securities” means Castle securities and/or Sulzer securities except in **sub-paragraph (e)(i) and (iii)** above when it means Castle securities.

- (viii) “dealing” means:
- (a) the acquisition or disposal of securities, or the right (whether conditional or absolute) to exercise or direct the exercise of the voting right rights attaching to securities, or of general control of securities;
  - (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either Sulzer UK or Castle) or variation of an option (including a traded option contract) in respect of any securities;
  - (c) subscribing or agreeing to subscribe for securities;
  - (d) the exercise or conversion, whether in respect of new or existing securities, or any securities carrying conversion or subscription rights;
  - (e) the acquisition of, disposal of, entering into, closing out, exercise (by either Sulzer UK or Castle) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
  - (f) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
  - (g) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position.
- (ix) a person has an “interest” in securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of securities (but not if he only has a short position in such securities) and in particular if:
- (a) he owns them;
  - (b) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
  - (c) by virtue of any agreement to purchase, option or derivative he:
    - (1) has the right or option to acquire them or call for their delivery or
    - (2) is under an obligation to take delivery of them;
 whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise
  - (d) he is party to any derivative:
    - (1) whose value is determined by reference to the price and
    - (2) which results, or may result, in his having a long position in them.

### 3. Market quotations

The following table sets out the Closing Price for Castle Shares (as derived from the Daily Official List), on the first business day in each of the six months prior to the Printing Date, on 13 May 2010 (being the business day prior to the commencement of the Offer Period) and on the Printing Date:

<u>Date</u>	<u>Castle Share price (p)</u>
1 December 2009 . . . . .	64.5
4 January 2010 . . . . .	69.5
1 February 2010 . . . . .	72.5
1 March 2010 . . . . .	66.5
1 April 2010 . . . . .	70.0
4 May 2010 . . . . .	64.0
13 May 2010 . . . . .	63.5
1 June 2010 . . . . .	75.0

### 4. Material contracts

(a) *Castle*

Save as set out below, there are no contracts, other than contracts entered into the ordinary course of business, which have been entered into by Castle or any of its subsidiaries during the period beginning two years before the commencement of the Offer Period which are or may be material.

- (i) Dowding & Mills (Australia) Pty Limited (being a member of the Castle Group incorporated in Australia), has entered into a construction contract with J Hutchinson Pty Ltd in February 2010 for the extension and construction of a replacement workshop at 342 South Pine Road, Brendale, Brisbane.

The practical date for completion of the construction works is stated as being 17 September 2010 and the stated value of the contract is AU\$3.3m plus GST.

The contract is governed by the laws of Queensland.

- (ii) Equipment Maintenance Services Inc. (being a member of the Castle Group incorporated in Delaware USA) has entered into a construction contract and an addendum thereto with S&S Builders LLC, in December 2008, for the construction of a new workshop and cold storage building at 3382 Bird Drive, Gillette, Wyoming. The total price payable under the contract is US\$3,583,000.

The contract is governed by the laws in effect at the location of the project.

- (iii) On 9 April 2010, Dowding & Mills (U.K.) Limited (“D&M(UK)”), (being a member of the Castle Group), sold the business and assets of its general commercial calibration division carried on in the UK to Trescal Limited for £6,500,000.

Under the terms of the sale, Castle guaranteed the obligations of D&M(UK) and Financiere Seringa III SAS guaranteed the obligations of Trescal Limited.

- (iv) Between August and October 2009, certain deferred members of Dowding & Mills plc’s defined benefit pension scheme were offered an opportunity to receive an enhancement to the transfer values on offer in respect of their benefits in the scheme. This resulted in £7.4m of liabilities being transferred out of the scheme on an IAS19 basis, at a cost to the scheme of £5.5m and a cost to Dowding & Mills plc of £1.3m.

- (v) A share buy-back programme was undertaken by Castle in June 2009. Under the terms of the agreements, Castle undertook to buy back shares to a value of up to £5m. 7,918,689 shares were purchased by Castle at a cost of £3,719,453 pursuant to the share buy-back programme.

At the same time, Castle agreed with the trustees of the John Holt Pension Scheme (the “Scheme”) to make an additional contribution to the pension fund of £5m. £1.5m was settled on 1 July 2009 and the remainder was to be paid either in cash or through the contribution of freehold property by 31 March 2010.

The trustees of the Scheme and the scheme employers have agreed to delay the payment of the £3.5m contribution from 31 March 2010 to 2 July 2010.

Pursuant to this agreement, DM Technical Services Limited entered into a guarantee in favour of the Trustees of the DM Section of the John Holt Pension Scheme, under the terms of which DM Technical Services Limited irrevocably and unconditionally guarantees the performance by Dowding & Mills plc and D&M(UK) of each parties present and future obligations and liabilities to make payments to the D&M Section of the John Holt Pension Scheme up to a maximum amount of £5,000,000.

- (vi) Dowding & Mills (Europe) b.v. (being a member of the Castle Group) sold its freehold property at Regenbeemd 6, Breda, Netherlands for €1,050,000 on 30 June 2009 to Baumuller Holding b.v, resulting in a profit on disposal of £233,000.

## 5. Irrevocable commitments

Sulzer UK or Castle or their respective associates have procured the following irrevocable commitments in relation to Castle securities:

<u>Name</u>	<u>Number of Castle securities</u>
Timothy Barrett . . . . .	3,442,128
Colin Keith . . . . .	1,996,435
David Banks . . . . .	80,317
North Atlantic Smaller Companies Investment Trust plc . . . . .	31,000,000
North Atlantic Value LLP* . . . . .	30,859,582
Peter Klimt and family . . . . .	21,745,190
The Naggar family . . . . .	18,302,772
Acacia Pension Scheme . . . . .	1,600,000
Sarah Dearden . . . . .	2,074,752

\* This includes 11,969,446 Castle Shares held on behalf of Tudor Davies, 75,000 Castle Shares held on behalf of Colin Keith, and 789,464 Castle Shares held on behalf of Christopher Mills and his immediate family.

Further information with respect to the terms of the irrevocable commitments are set out in **paragraph 4 of Part II** of this document.

## **6. Castle Directors' employment arrangements**

Save as is set out below, there are no service agreements in force between any Castle Director or any proposed Castle Director and Castle or any of its subsidiaries and no such contracts have been entered into or amended within 6 months of the date of this document.

On 18 June 2007 Christopher Mills entered into a letter of appointment with Castle to serve as Chairman and non-executive director. The current annual fee of £25,000 is in respect of a time commitment of approximately 10 days per annum.

On 18 June 2007 David Banks Associates entered into a contract for services with Castle in connection with the appointment of David Banks as a non executive director of Castle. David Banks Associates is currently paid a fee of £25,000 per annum (plus VAT) for a time commitment of approximately 10 days per annum. The appointment continues until the earlier of the third AGM of Castle after appointment and three years after appointment, subject to satisfactory performance and re-election at Castle AGM's.

On 18 June 2007 Colin Keith entered into a letter of appointment with Castle to serve as a non-executive director. The current fee of £20,000 per annum is in respect of a time commitment of approximately 10 days per annum. The appointment continues until the earlier of the third AGM of Castle after appointment and three years after appointment, subject to satisfactory performance and re-election at Castle AGM's.

On 26 October 2006, Tudor Davies entered into a service agreement with Dowding & Mills plc. The agreement confirms his appointment as Chairman of Dowding & Mills plc for an indefinite period commencing on 1 September 2006 (for statutory purposes his continuous employment commenced on 18 November 2002). The agreement can be terminated upon either party giving 12 months' notice in writing. The service agreement makes no provision for any termination benefits. Tudor Davies is currently entitled to a basic salary of £310,000 per annum (subject to annual review), a car allowance of £17,300 per annum and reimbursement of all reasonable accommodation, telephone and other out-of-pocket expenses properly incurred in the exercise of his duties. He is also entitled to private medical expenses insurance and permanent health insurance. He is required to work a minimum of 25 hours per week. In addition, Dowding & Mills plc may, at its discretion, make a discretionary bonus payment to him; he has no contractual right or entitlement to such payments. Dowding & Mills plc has used such discretion and has put in place a bonus scheme through which Tudor Davies has earned an additional 60 per cent. of his salary upon the achievement of certain specified targets in the current financial year.

On 26 October 2006, Tim Barrett entered into a service agreement with Dowding & Mills plc. The agreement confirms his appointment as Finance Director for an indefinite period commencing on 1 September 2006 (for statutory purposes his continuous employment commenced on 8 December 1997). The agreement can be terminated upon either party giving 12 months' notice in writing. The service agreement makes no provision for any termination benefits. Tim Barrett is currently entitled to a basic salary of £150,000 per annum (subject to annual review), a car allowance of £13,320 per annum and reimbursement of all reasonable accommodation, telephone and other out-of-pocket expenses properly incurred in the exercise of his duties. He is entitled to membership of the Group Stakeholder Pension Scheme to which the company contributes 6.5%. He is also entitled to private medical expenses insurance and permanent health insurance. In addition, Dowding & Mills plc may, at its discretion make a discretionary bonus payment to him; he has no contractual right or entitlement to such payments. Dowding & Mills plc has used such discretion and has put in place a bonus scheme through which Tim Barrett has earned an additional 60 per cent. of his salary upon achievement of certain specified targets in the current financial year.

## **7. Financing arrangements**

Sulzer has made available to the Offeror sufficient funds to enable the Offeror to finance the Offer entirely from the Offeror's existing cash resources.

Rothschild, financial adviser to Sulzer and the Offeror, is satisfied that sufficient resources are available to the Offeror to enable it to satisfy in full the cash consideration payable under the terms of the Offer.

## **8. Persons acting in concert**

There are no persons acting in concert with Sulzer UK in respect of the Offer.

The persons who are or may be acting in concert with Castle in respect of the Offer are as follows:

<u>Name</u>	<u>Type of Company</u>	<u>Registered Office</u>	<u>Relationship with Castle</u>
North Atlantic Value LLP*	Limited Liability Partnership	Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB	Shareholder
North Atlantic Smaller Companies Investment Trust plc*	Public Limited Company	Ground Floor, Ryder Court, 14 Ryder Street, London SW1Y 6QB	Shareholder

\* Christopher Mills is the chief executive and investment manager of North Atlantic Smaller Companies Investment Trust plc (“NASCIT”) and chief investment officer and a member of North Atlantic Value LLP (“NAVLLP”). Accordingly, Christopher Mills is deemed to be acting in concert with NASCIT and NAVLLP.

## 9. Bases and sources of information

Save as otherwise set out in this document, the following constitute the bases and sources of information referred to in this document:

- (a) Unless otherwise stated, financial information relating to Sulzer and the Sulzer Group has been extracted or derived (without material adjustment) from Sulzer’s annual report and accounts for the year ended 31 December 2009.
- (b) Unless otherwise stated, financial information relating to Castle and the Castle Group has been extracted or derived (without material adjustment) from Castle’s Annual Report and accounts for the year ended 30 June 2009 and Castle’s Interim Financial Statements for the six months ended 31 December 2009.
- (c) The value placed by the Offer on the entire existing issued ordinary share capital, and other statements (including the size of shareholdings) made by reference to the existing issued ordinary share capital, of Castle are based on, as applicable, the Offer Price of 108 pence per Castle Share and 118,083,186 Castle Shares being in issue outside of treasury.
- (d) Unless otherwise stated, all prices quoted for Castle Shares have been derived from the Daily Official List of the London Stock Exchange and represent the Closing Price on the relevant date.
- (e) The market capitalisation of Sulzer is based on the closing price of CHF94.50 per Sulzer share on 1 June 2010 (being the last Business Day prior to the date of this document) as taken from the SIX Swiss Exchange and 34,262,370 Sulzer common shares being in issue (as sourced from Sulzer’s annual report for the year ended 31 December 2009).

## 10. General

- (a) Save as disclosed in this document, no proposal exists in connection with the Offer that any payment be made or given by Sulzer UK to any person as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- (b) Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Sulzer UK or any person acting in concert with Sulzer UK and any of the directors, recent directors, shareholders or recent shareholders of Castle or any person interested or recently interested in Castle Shares, having any connection with or dependence on the Offer.
- (c) There is no agreement, arrangement or understanding whereby any Castle Shares to be acquired by Sulzer UK pursuant to the Offer will be transferred to any other persons except that Sulzer UK reserves the right to transfer any Castle Shares acquired to any member of the Sulzer Group or any nominee. Save as disclosed in this document, no such person holds any interests in Castle securities.
- (d) This document is issued by Sulzer UK. Rothschild has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- (e) Strand Hanson has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

- (f) Except as disclosed elsewhere in this document, the Castle Directors are not aware of any material change in the financial or trading position of Castle which has occurred since the Accounting Date except for the disposal of the calibration division of Dowding & Mills (UK) Limited on 9 April 2010, details of which are set out in **paragraph 4(a)(iii)** above.
- (g) Sulzer UK will not invoke any condition so as to cause the Offer not to proceed unless the circumstances giving rise to the right to invoke the condition are of material significance to Sulzer UK in the context of the Offer. This does not apply to the conditions contained in **paragraph 1** of **Section A** of **Part III** of this document.

#### **11. Documents available for inspection**

Copies of the documents referred to below will be available for inspection at the offices of Sulzer's solicitors, Eversheds LLP of One Wood Street, London EC2V 7WS, during normal business hours on any weekdays (Saturdays, Sundays and public holidays excepted) and at Sulzer's website [www.sulzer.com](http://www.sulzer.com) and Castle's website at [www.castlesupportservices.com](http://www.castlesupportservices.com) while the Offer remains open for acceptance:

- (a) the Memorandum and Articles of Association of Castle;
- (b) the Memorandum and Articles of Association of Sulzer UK and the constitutional documents of Sulzer;
- (c) the published audited financial statements of Sulzer UK for the two financial years ended 31 December 2007 and 31 December 2008 and the published audited consolidated financial statements of Sulzer for each of the two financial years ended 31 December 2008 and 31 December 2009;
- (d) the published audited consolidated financial statements of Castle for each of the two financial years ended 30 June 2008 and 30 June 2009 together with the interim accounts to 31 December 2009;
- (e) the letters of consent referred to in paragraphs **10(d)** and **(e)** above;
- (f) the irrevocable undertakings described in **paragraph 5** above; and
- (g) the Announcement, this document and the Form of Acceptance.

## PART VI

### DEFINITIONS

“Acceptance Shares”	has the meaning set out in <b>Section B of Part III</b> of this document
“the Accounting Date”	31 December 2009
“acting in concert with Sulzer”	has the meaning set out in <b>Section B of Part III</b> of this document
“AIM”	AIM, a market operated by the London Stock Exchange
“Announcement”	the announcement dated 2 June 2010 by Sulzer UK of its firm intention to make the Offer
“Annual Report”	the audited consolidated financial statements of Castle for the year ended 30 June 2009
“Australia”	the commonwealth of Australia, its possessions and territories and all areas subject to its jurisdiction or any political subdivision thereof
“Authorisations”	authorisations, orders, directions, rules, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, permissions and approvals
“Board”	board of directors
“business day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in the City of London
“Canada”	Canada, its possessions and territories and all areas subject to its jurisdiction or any political subdivision thereof
“Castle” or “Castle Support Services”	Castle Support Services plc
“Castle Board” or “Castle Directors”	the board of directors of Castle
“Castle Group”	Castle, its subsidiaries and subsidiary undertakings
“Castle Shareholders” or “Ordinary Shareholders”	the holders of Castle Shares
“Castle Shares” or “Ordinary Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 20 pence each of Castle and any further such shares which are unconditionally allotted or issued fully paid, or credited as fully paid, before the date on which the Offer closes (or such earlier date as Sulzer UK may, subject to the Code, decide, not being earlier than (a) the date on which the Offer becomes or is declared unconditional as to acceptances or (b), if later, the First Closing Date)
“certificated” or “in certificated form”	not in uncertificated form
“CHF”	Swiss francs, the lawful currency of Switzerland
“Closing Price”	the closing middle market quotation of a Castle Share as derived from the Daily Official List
“Code” or “City Code”	the City Code on Takeovers and Mergers as from time to time interpreted by the Panel
“Companies Act 2006”	the Companies Act 2006, as amended
“Conditions”	the conditions to the Offer which are set out in <b>Section A of Part III</b> of this document
“CREST”	the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Manual”	the manual published by Euroclear
“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 payment”	has the meaning given in the CREST Manual
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“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
“Daily Official List”	the daily official list of the London Stock Exchange
“Disclosed”	(i) disclosed in the Annual Report; (ii) disclosed in the Interim Financial Statements; (iii) publicly announced by or on behalf of Castle through a Regulatory Information Service prior to the date of this document; or (iv) otherwise fairly disclosed in any documents in any dataroom accessed by Sulzer, Sulzer UK or their advisers or delivered to any Sulzer UK Director, officer or employee of Sulzer, Sulzer UK or any of Sulzer, Sulzer UK’s professional advisers engaged in connection with the Offer prior to the date of this document
“disclosure period”	has the meaning set out in <b>paragraph 2(f)(v) of Part V</b> of this document
“DMTSL”	DM Technical Services Limited
“Dowding & Mills Group”	Dowding and Mills Public Limited Company (a wholly owned operating subsidiary of DMTSL) and any subsidiary of Dowding & Mills plc
“Effective”	the Offer becoming or having been declared unconditional in all respects in accordance with the requirements of the Code
“Electronic Acceptance”	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document
“Escrow Agent”	Equiniti Limited (in its capacity as an escrow agent as described in the CREST Manual)
“ESA Instruction”	an escrow account adjustment input (AESN), transaction type “ESA” (as described in the CREST Manual)
“Equiniti Limited”	Equiniti Limited, a company incorporated under the laws of England and Wales
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
“First Closing Date”	23 June 2010
“Form of Acceptance”	the form of acceptance, election and authority relating to the Offer and (where appropriate) accompanying this document
“FSA”	the Financial Services Authority, in its capacity as the competent authority for the purpose of Part IV of the Financial Services and Markets Act 2000 (as amended)
“interest”	has the meaning set out in <b>paragraph 2(f)(ix) of Part V</b> of this document
“Interim Financial Statements”	the unaudited consolidated financial statements for Castle for the six months ended 31 December 2009
“Irrevocable Undertakings”	the irrevocable undertakings of the Castle Directors who hold Castle Shares and certain significant Castle Shareholders to accept the Offer as set out in <b>paragraph 5 of Part V</b> of this document
“Japan”	Japan, its possessions and territories and all areas subject to its jurisdiction or any political subdivision thereof
“London Stock Exchange”	London Stock Exchange plc
“member account ID”	the identification code or number attached to any member account in CREST

“Offer”	the recommended cash offer made by Sulzer (UK) Holdings Limited to acquire all of the Castle Shares on the terms and subject to the conditions set out in this document and (in respect of Castle Shares held in certificated form) in the Form of Acceptance and, where the context so requires, any subsequent revision, variation, extension or renewal thereof
“Offeror” or “Sulzer UK”	Sulzer (UK) Holdings Limited
“Offer Document”	has the meaning set out in <b>Section B of Part III</b> of this document
“Offer Period”	the period commencing on 14 May 2010 until whichever of the following dates shall be the later (a) the First Closing Date and (b) the date on which the Offer lapses or is withdrawn and (c) the date on which the Offer becomes unconditional as to acceptances
“Offer Price”	108 pence in cash per Castle Share
“Overseas Shareholders”	Castle Shareholders who are citizens, nationals or residents of or otherwise subject to jurisdictions outside the UK or their nominees, custodians or trustees
“Panel”	the Panel on Takeovers and Mergers
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Printing Date”	1 June 2010 the latest practicable date prior to the posting of this document
“Regulatory Information Service”	any information service authorised from time to time by the FSA for the purpose of disseminating regulatory announcements
“Relevant Authority”	any central bank, government or governmental, quasi governmental, state or local governmental, supranational, statutory, environmental, administrative, investigative or regulatory body, agency or court or any other person or body in any jurisdiction
“Relevant Officers”	Ton Büchner, Peter Meier, Alfred Gerber, Peter Alexander and Jürgen Dormann
“Rothschild”	N M Rothschild & Sons Limited
“securities”	has the meaning set out in <b>paragraph 2(f)(vi) of Part V</b> of this document
“SIX Swiss Exchange”	the exchange operated by SIX Group Limited
“Strand Hanson”	Strand Hanson Limited
“Sulzer” or “Sulzer Ltd”	Sulzer AG (also known as Sulzer Ltd)
“Sulzer (UK)” or “Sulzer UK”	Sulzer (UK) Holdings Limited
“Sulzer Turbo Services”	the Sulzer Turbo Services division of the Sulzer Group
“Sulzer UK Board” or “Sulzer UK Directors”	the board of directors of Sulzer (UK) Holdings Limited
“Sulzer Group”	Sulzer Ltd, its subsidiaries and subsidiary undertakings
“TFE instruction”	a transfer from escrow instruction (as defined by the CREST Manual)
“TTE instruction”	a transfer to escrow instruction (as described in the CREST Manual) in relation to Castle Shares in uncertificated form meeting the requirements of <b>paragraph 13(b)(i)</b> of the letter from Sulzer set out in <b>Part II</b> of this document
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned 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

“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“US person”	as defined in Regulation S under the US Securities Act
“US Securities Act”	the US Securities Act 1933, as amended, and the rules and regulations promulgated under such Act
“Wider Castle Group”	the Castle Group, associated undertakings of Castle from time to time and any other body corporate, partnership, joint venture or person in which Castle and such undertakings (aggregating their interests) have a direct or indirect interest in 20 per cent. or more of the voting or equity capital (or the equivalent)
“Wider Sulzer Group”	the Sulzer Group, associated undertakings of Sulzer from time to time and any other body corporate, partnership, joint venture or person in which Sulzer and such undertakings (aggregating their interests) have a direct or indirect interest in 20 per cent. or more of the voting or equity capital (or the equivalent)

In this document:

- 11.1 **the expressions “subsidiary”, “subsidiary undertaking”, “associated undertaking” and “undertaking” have the meanings given by the Companies Act 2006;**
- 11.2 **references to £ or pounds and p or pence are to pounds sterling and pence being the lawful currency of the United Kingdom; and**
- 11.3 **references to time are to London time.**

This document was despatched on 2 June 2010.

