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If you have sold or otherwise transferred all of your Pan Shares, please send this document together with any accompanying reply-paid envelope (for use within the United Kingdom only), but NOT any accompanying personalised Form of Acceptance, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. **However, such documents should not be forwarded or transmitted in or into or from any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction, including, but not limited to, any Restricted Jurisdiction.** If you have sold or otherwise transferred only part of your holding of Pan Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired Pan Shares, notwithstanding receipt of this document and any accompanying documents from the transferor, you should immediately contact the Receiving Agent to obtain personalised documents.

The release, publication or distribution of this document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.

Recommended Cash Offer

by

Belphar Limited

to acquire the entire issued and to be issued ordinary share capital of

Pan European Terminals plc

other than those Shares already owned by Belphar Limited

Your attention is drawn to the letter from the Chief Executive Officer and Interim Executive Chairman of Pan set out in Part I of this document, which contains the unanimous recommendation of the Pan Directors that you accept the Offer. You should read the whole of this document carefully in conjunction (if you hold Pan Shares in certificated form) with the accompanying Form of Acceptance the terms of which are deemed to form part of the Offer.

The procedure for acceptance of the Offer is set out on pages 19 to 23 of this document and, in respect of Pan Shares held in certificated form, in the Form of Acceptance. To accept the Offer in respect of certificated Pan Shares (that is, not in CREST), the Form of Acceptance must be completed, signed and returned (along with your valid share certificate(s) and/or other document(s) of title) to the Receiving Agent, by post, or by hand (during normal business hours only) at 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. (London time) on 17 June 2014.

Acceptances in respect of uncertificated Pan Shares (that is, in CREST) should be made electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. (London time) on 17 June 2014 by following the procedure set out on pages 21 to 23 of this document. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

A copy of this document will be made available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Belphar's website at www.belphar.com while the Offer remains open for acceptance. For the avoidance of doubt, save as expressly referred to herein, the contents of the website referred to in this paragraph are not incorporated into and do not form part of this document or the Form of Acceptance.

Capitalised words and phrases used in this document shall have the meanings given to them in Appendix V to this document.

Strand Hanson, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Belphar and no-one else in connection with the Offer and other matters described in this document, and will not be responsible to anyone other than Belphar for providing the protections afforded to clients of Strand Hanson or for providing advice in relation to the Offer, the contents of this document or any other matter referred to in this document.

finnCap, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as joint financial adviser to Pan and no-one else in connection with the Offer and other matters described in this document, and will not be responsible to anyone other than Pan for providing the protections afforded to clients of finnCap or for providing advice in relation to the Offer, the contents of this document or any other matter referred to in this document.

Westhouse Securities, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as joint financial adviser, Nominated Adviser and Broker to Pan and no-one else in connection with the Offer and other matters described in this document, and will not be responsible to anyone other than Pan for providing the protections afforded to clients of Westhouse Securities or for providing advice in relation to the Offer, the contents of this document or any other matter referred to in this document.

IMPORTANT INFORMATION

This document does not constitute a prospectus or prospectus equivalent document.

Overseas Pan Shareholders

Unless otherwise determined by Belphar or required by the Code and permitted by applicable law and regulation, subject to certain exemptions, the Offer is not being, and will not be, made, directly or indirectly, in or into, and will not be capable of acceptance from or within, a Restricted Jurisdiction. Accordingly, unless otherwise determined by Belphar, or required by the Code and permitted by applicable law and regulation, copies of this document, the Form of Acceptance and any other accompanying documents related to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction and all persons receiving this document, the Form of Acceptance and any other accompanying document (including, without limitation, custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions, as doing so may be a breach of applicable law and regulation in that jurisdiction and may invalidate any purported acceptance of the Offer. The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction and should carefully read paragraph 6 of Part B and paragraph 3 of Part C or paragraph 3 of Part D (as appropriate) of Appendix I to this document.

Any person (including nominees, trustees and custodians) who would, or otherwise intend to, or may have a legal or contractual obligation to, forward this document and/or the Form of Acceptance and/or any related document to any jurisdiction outside the United Kingdom, should inform themselves of, and observe, any applicable legal or regulatory requirements of any relevant jurisdiction, seek appropriate advice and carefully read paragraph 6 of Part B and paragraph 3 of Part C or paragraph 3 of Part D (as appropriate) of Appendix I to this document and the relevant provisions of the Form of Acceptance, before taking any action.

Note to US Pan Shareholders

The Offer is being made for the securities of an English company which is not subject to US disclosure requirements. The financial information included in this document has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The Offer is being made in the United States in accordance with the requirements of the Code. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable to tender offers made in accordance with US procedures and law.

It may be difficult for Pan Shareholders in the US to enforce their rights and any claim arising out of the US federal securities laws, since Belphar and Pan are located in non-US jurisdictions, and some or all of their officers and directors may be residents of non-US jurisdictions. US Pan Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to the judgment of a US court.

In accordance with the Code and normal UK market practice and pursuant to Rule 14e-5(b)(10) under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), Belphar or its nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Pan Shares outside the United States, otherwise than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance, such as in open market purchases at prevailing prices or privately negotiated purchases at negotiated prices. In the event that Belphar or its nominees or brokers (acting as agents) purchase or make arrangements to purchase Pan Shares for a higher price than the Offer Price, the Offer Price will be increased to match the higher price paid outside the Offer. Such purchases, or arrangements to purchase, will comply with all applicable United Kingdom rules, including the Code and

the AIM Rules. These purchases may occur in the open market or as privately negotiated transactions. Any information about such purchases which is required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Neither the US Securities and Exchange Commission nor any securities commission of any state or other jurisdiction of the United States has approved or disapproved of this document or determined whether this document is accurate or complete. Any representation to the contrary is a criminal offence.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

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 each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code 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 and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror 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 one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. 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 each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code 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 an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

Details of the offeree and offeror 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, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

You should note that, for the purposes of the above summary of Rule 8 of the Code, Belphar is not treated as a securities exchange offeror and therefore there is no requirement to disclose interests or dealings in shares of Belphar under Rule 8 of the Code.

Cautionary note regarding forward-looking statements

This document, including information included or incorporated by reference in this document, may contain certain “forward-looking statements” concerning the Offer, Belphar and Pan and the Pan Group that are subject to risks and uncertainties. Generally, the words “will”, “may”, “should”, “could”, “would”, “can”, “continue”, “opportunity”, “believes”, “expects”, “intends”, “anticipates”, “estimates”, or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies’ abilities to control or estimate precisely, such as future market conditions, changes in the regulatory environment and the behaviour of other market participants. Neither Belphar nor Pan can give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Neither Belphar nor Pan undertakes any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Belphar or the Pan Group following completion of the Offer unless otherwise stated.

General

The receipt of cash pursuant to the Offer by Pan Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other tax laws. For summary information on certain limited aspects of the taxation of certain UK Pan Shareholders, please refer to section 11 of Part II of this document. Each Pan Shareholder is urged to consult his/her own independent professional adviser regarding the tax consequences of acceptance of the Offer.

This document has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if the document had been prepared in accordance with the laws and/or regulations of jurisdictions outside of the UK.

This document is dated 27 May 2014.

HOW TO ACCEPT THE OFFER

If you hold your Pan Shares in certificated form (that is, not in CREST), to accept the Offer you must complete the enclosed Form of Acceptance in accordance with section 13.1 of Part II of this document. You should return the completed Form of Acceptance (along with your share certificate(s) and/or other documents of title) by post to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, as soon as possible and, in any event, **so as to be received by the Receiving Agent, by post or by hand (during normal business hours only), by no later than 1.00 p.m. (London time) on 17 June 2014.** If you are posting in the UK, the enclosed first class reply-paid envelope has been provided for your convenience.

If you hold your Pan Shares in uncertificated form (that is, in CREST), to accept the Offer you must follow the procedure set out in section 13.2 of Part II of this document **so that the TTE Instruction settles no later than 1.00 p.m. (London time) on 17 June 2014.** If you hold your Pan Shares as a CREST sponsored member, you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary instruction to Euroclear.

THE FIRST CLOSING DATE OF THE OFFER IS 1.00 P.M. (LONDON TIME) ON 17 JUNE 2014.

If you require assistance in completing your Form of Acceptance (or wish to obtain an additional Form of Acceptance) or have questions in relation to making an Electronic Acceptance, please contact the Receiving Agent between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday, on 0871 384 2809 from within the UK or +44 121 415 0089 if calling from outside the UK. Calls to the 0871 384 2809 number cost 8 pence per minute (excluding VAT) plus network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

All references to time in this document and in the Form of Acceptance are to London time (unless otherwise stated).

This page should be read in conjunction with the rest of the document. Your attention is drawn, in particular, to section 13 of Part II of this document, which sets out the procedure for acceptance of the Offer, and to the Conditions and further terms of the Offer set out in Appendix I to this document and (in respect of Pan Shares held in certificated form) in the Form of Acceptance. Pan Shareholders in any doubt about the Offer or the action they should take are recommended to seek financial advice from their independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

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PART I

LETTER OF RECOMMENDATION FROM THE CHIEF EXECUTIVE OFFICER AND INTERIM EXECUTIVE CHAIRMAN OF PAN

PAN EUROPEAN TERMINALS PLC

(Incorporated and registered in England and Wales with registered number 5752493)

Directors:

Simon Escott (*Chief Executive Officer and Interim Executive Chairman*)
Reginald Eccles (*Senior Independent Non-Executive Director*)
Professor Francesco Gardin (*Non-Executive Director*)

Registered Office:

1-6 Yarmouth Place
London W1J 7BU

27 May 2014

To Pan Shareholders and, for information only, to persons with information rights

Dear Pan Shareholder,

Recommended Cash Offer for Pan by Belphar

1. Introduction

On 21 May 2014, Pan and Belphar announced that they had reached agreement on the terms of a recommended cash offer to be made by Belphar for the entire issued and to be issued ordinary share capital of Pan not already owned by Belphar.

This letter explains the background to the Offer and the reasons why the Pan Directors, who have been so advised by finnCap and Westhouse Securities, consider the terms of the Offer to be fair and reasonable and, accordingly, are unanimously recommending that Pan Shareholders accept the Offer, as I, the only Pan Director who holds shares, have irrevocably undertaken to do (or procure to be done) in respect of 4,926,500 Pan Shares representing all of the Pan Shares I hold and approximately 4.63 per cent of the issued ordinary share capital of Pan. In providing their advice to the Pan Directors, finnCap and Westhouse Securities have taken into account the commercial assessments of the Pan Board.

Full details of the Offer and the action you should take in order to accept it are set out in the letter from Belphar to Pan Shareholders set out in Part II of this document.

2. The Offer

The Offer, which is subject to the terms and Conditions referred to in this document and, in the case of Pan Shares held in certificated form, in the Form of Acceptance, is being made on the following basis:

for each Pan Share 22 pence in cash

The Offer values Pan's existing issued ordinary share capital at approximately £23.4 million and the Offer Price represents a premium of approximately:

- (i) 37.33 per cent. over the VWAP per Pan Share of 16.02 pence over the three month period ended on 20 May 2014, being the last Business Day prior to the date of the announcement of the Offer; and
- (ii) 46.67 per cent. over the closing middle market price of 15.00 pence per Pan Share on 20 May 2014, being the last Business Day prior to the date of the announcement of the Offer.

The Pan Shares will be acquired by Belphar pursuant to the Offer fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, options, pre-emption rights and other third party interests and rights of any nature whatsoever and together with all rights now or hereafter attaching thereto,

including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made after the Announcement Date.

3. Background to and reasons for recommending the Offer

The Company was admitted to trading on AIM in April 2006, and raised funds at that time principally for the development of oil export transshipment terminals in the Baltic port of Kaliningrad, Russia. As part of this strategy, the Company acquired, in aggregate, in July 2007 and December 2007, a 50 per cent. indirect equity interest in the holding company for the Rosbunker oil transshipment terminal, situated in the port of Baltysk in the Kaliningrad Oblast.

The Rosbunker acquisition was initially successful, but, in early 2011, a dispute arose between the Company and its local joint venture partner relating to the ownership and operation of the terminal. This dispute has been the subject of numerous legal proceedings in Russia over the last three years that have resulted in the Company incurring substantial legal and other costs of approximately £400,000, in addition to occupying a significant amount of executive management's time.

As stated in the Company's announcement of 25 February 2014, the Company's joint venture partner has offered the Company the opportunity to purchase its 50 per cent. stake in Rosbunker, and the Pan Directors have been carefully considering this opportunity. Whilst discussions have continued, the Company has not been able to agree final terms with its joint venture partner and until such time as a satisfactory resolution is determined and successfully implemented the asset remains frozen under a legal order.

However, since the Company's announcement of 25 February 2014, the Pan Directors have continued to review the political and geographical risks associated with Rosbunker and have been seeking to mitigate such risks to the fullest extent possible. Cognisant of recent events in Ukraine and heightened tensions in Kaliningrad and the FSU as a whole, in the opinion of the Pan Directors, the balance of these risks has shifted to such an extent that the Pan Directors now believe that they may no longer be capable of adequate mitigation in a timescale compatible with the long-term interests of Pan Shareholders. Therefore, the Pan Directors expect to consider a write-down to the value of this investment in the Company's final results for the year ended 31 December 2013 to be announced by 30 June 2014.

The Company's other Kaliningrad asset is the Baltic Top Terminal ("**Baltic Top**"), the holding company of which was acquired in August 2006, which has continued to operate well, but, being based in Russia, is also exposed to significant country risk.

In recent years, the Company has expanded its operations outside Russia. It acquired Petroval Bunker International B.V. ("**PBI**"), a fuel oil storage business based in Rotterdam, the Netherlands, for US\$10.8 million, in December 2010. It subsequently acquired Haahr Tank-Lager A/S ("**Haahr Tank-Lager**"), operator of a 160,000 cubic metres refined oils terminal (the "**Dan-Balt Terminal**") located at Aabenraa, Denmark, for US\$9.9 million, in November 2011.

These acquisitions diversified the Company's risk profile and, due to the profits and cash flows from Rosbunker being inaccessible, have provided the majority of the group's revenue and free cash flow since completion of the respective acquisitions.

As set out in the Company's announcement of 25 February 2014, these assets continue to trade satisfactorily. The Dan-Balt Terminal has received significant investment over the last two years, including the utilisation of the proceeds from a £0.95 million (gross) placing of shares at a price of 13 pence per share in May 2012 for a fuel oil optimisation project, and is poised for further growth. However, as previously announced, the Company needs to actively manage the facility's product offering to enable the terminal to service a variety of clients.

The original acquisition of Haahr Tank-Lager was funded via the issuance of a US\$11.0m secured fixed rate loan note by the Company's wholly owned subsidiary, Dan-Balt Terminals Limited ("**Dan-Balt**"). This note was redeemed in its entirety, in November 2012, through a refinancing involving the issue of a secured convertible fixed rate loan note of £8.5 million principal amount, convertible at a price of 22 pence per share and repayable in November 2015 (the "**2015 Convertible Loan Note**").

On 15 October 2013, the Company convened a general meeting to seek the necessary authorities for the issue of 38,636,363 new Pan Shares which would arise upon conversion in full of the outstanding 2015 Convertible Loan Note. On 21 October 2013, Belphar announced that it was considering a possible all cash offer for the Company, at 22 pence per Pan Share and on 22 October 2013 announced that it had purchased 16,870,505 Pan Shares from Hurley Investment Holdings Limited (“**Hurley**”) to take its ownership position up to approximately 29.9 per cent. of Pan’s issued share capital.

The Pan Directors, at that stage, believed that an offer at 22 pence undervalued the Company and could not be recommended to Pan’s Shareholders. Following a period of negotiation, Belphar announced on 15 November 2013 that it had decided not to proceed with its Possible Offer, as no recommendation had been forthcoming. At the adjourned general meeting held on 18 November 2013, the proposed resolutions to grant the requisite share capital authorities to enable the 2015 Convertible Loan Note to be converted were not approved by Pan Shareholders, resulting in a premium payment of £550,000 being made to Belphar, as holder of the 2015 Convertible Loan Note, in accordance with the terms of the 2015 Convertible Loan Note instrument. Belphar currently has the right to appoint a director to the Pan Board under the terms of this instrument.

Since November 2013, the Pan Directors have been considering various routes to maximise shareholder value. These strategic options have focused on:

- (i) driving organic growth in the Company’s existing terminals;
- (ii) resolution of the Rosbunker dispute; and
- (iii) further acquisitions in order to diversify both geographic and terminal specific risk.

The Company has invested heavily in both the Dan-Balt Terminal and Baltic Top in order to increase their respective operational capacities, and the Pan Directors believe that this will drive organic growth, albeit that such future growth will take time to be fully realised and will require the careful management of customer relationships. With respect to PBI, whilst the terminals are currently at full capacity and profitable, the Pan Directors are mindful of the need to consistently renew leases and customer contracts and therefore the risks and uncertainty associated with the terminals’ future financial performance. Accordingly, the Pan Directors believe that all appropriate steps have been, and are being, taken to seek to maximise the returns from the group’s existing asset base.

Please refer to “Current trading and prospects” in paragraph 7 of this letter for further information.

With respect to further potential acquisitions, the Pan Directors have considered the effect of the outstanding Convertible Loan Notes and their terms on the group’s financial position, as well as its ability to raise further financing via either debt or from the UK stock market. The Pan Directors believe that the quantum of funds required to finance and implement a meaningful acquisition could not be secured on terms that would be suitably attractive and beneficial to Pan’s Shareholders as a whole when set against the potential of a certain cash exit from their investment at a level of 22 pence for each Pan Share under the Offer.

Furthermore, the Pan Directors have taken into consideration that Pan Shareholders (excluding my shareholding and that of Pan’s Company Secretary) representing, in aggregate, approximately 32.36 per cent. of Pan’s current issued share capital have indicated their support for the Offer.

Accordingly, in light of the above, the Pan Directors, who have been so advised by finnCap and Westhouse Securities (together, the “Joint Financial Advisers”), consider the terms of the Offer to be fair and reasonable. In providing their advice, the Joint Financial Advisers have taken into account the commercial assessments of the Pan Directors.

4. Irrevocable undertakings

Belphar has received an irrevocable undertaking to accept (or procure acceptance of) the Offer from myself, the only Pan Director who holds Pan Shares. Belphar has also received irrevocable undertakings from certain institutional Pan Shareholders, as well as Mark Gilchrist, Pan’s Company Secretary. Together, these irrevocable undertakings, including my own, relate to, in aggregate, 42,105,540 Pan Shares, representing

approximately 39.60 per cent. of the issued ordinary share capital of Pan as at the date of this document. The undertaking from myself will remain binding even in the event that a third party makes a competing offer for Pan and will cease to be binding only if the Offer lapses or is otherwise withdrawn. The irrevocable undertakings received from certain institutional shareholders and Mark Gilchrist will remain binding unless a third party announces a firm intention to make an offer in accordance with Rule 2.7 of the Code at a value of not less than 25 pence per Pan Share or the Offer lapses or is otherwise withdrawn.

Accordingly, when taken together with Pan Shares already owned by Belphar, Belphar either owns or controls or has received irrevocable undertakings over, in aggregate, 73,896,747 Pan Shares, representing approximately 69.50 per cent. of the existing issued ordinary share capital of Pan.

Further details of these irrevocable undertakings (including the circumstances in which they will cease to remain binding) are set out in paragraph 5 of Appendix IV to this document.

5. Pan's Director's, management, employees and locations

The Pan Board is pleased to note the statements made by Belphar in its letter set out in Part II of this document namely that, the Offer, if successfully completed, will provide a stable and well capitalised future for Pan and that it intends to support Pan's management in continuing to develop and execute management's existing medium term strategy for the Pan Group.

Save for simplifying the UK corporate structure, Belphar has also stated that it currently has no intention to change Pan's principal business locations or to redeploy Pan's fixed asset base. Belphar has given assurances to the Pan Board that, on the Offer becoming or being declared wholly unconditional, the existing rights and terms and conditions of employment, including pension obligations, of the management and employees of Pan and its subsidiaries will be fully safeguarded.

There are no agreements or arrangements between Belphar and management or employees of Pan in relation to their on-going involvement in the business and the Offer is not conditional on reaching agreement with such persons. It has been agreed that the appointments of the two non-executive directors of Pan, Reginald Eccles and Francesco Gardin, will terminate with effect from the date the Offer becomes or is declared wholly unconditional or, if later, on the date when admission of the Pan Shares to trading on AIM is cancelled. They will each receive remuneration in line with the termination provisions of their respective letters of appointment by way of compensation. In addition, it has been agreed that the Gee Consultancy Agreement pursuant to which the services of Peter Gee, a member of Pan's senior management team, are provided to the Pan Group will terminate with effect from the date the Offer becomes or is declared wholly unconditional. Trans Atlantic Energy Limited ("**Trans Atlantic**"), the company through which Mr Gee provides his consultancy services, will receive a termination payment under the terms of the Gee Settlement Agreement, further details of which are set out in section 7.2(c) of Appendix IV to this document. Belphar has also stated that, save as referred to above, it does not currently have any plans to make any other material change either to the continued employment or the terms and conditions of employment of the management and employees of the Pan Group. Belphar has not entered into, and is not in discussions on proposals to enter into, any form of incentivisation arrangements with members of Pan's management who are interested in Pan's Shares and has no current plans to do so.

The Pan Board has given due consideration to Belphar's stated intentions and assurances noted above in deciding to recommend the Offer.

6. Pan Share Option Schemes

There are currently no options outstanding under any incentivisation scheme run by the Pan Group, or, save for the Warrants and the CLNs, any other outstanding rights to acquire Pan Shares and therefore no proposals regarding the effect of the Offer need to be made to participants in any such scheme or otherwise. The Gee Settlement Agreement will, upon the Offer becoming or being declared wholly unconditional, terminate Trans Atlantic's right to receive Pan Shares.

7. Current trading and prospects

The Company continues to trade in-line with the Pan Director's expectations.

At Baltic Top, trading continues in-line with expectations and the recently announced increase in capacity is already being utilised. However, further to the trading update of 25 February 2014, the Company reports that the proposed installation of the 350 metre, 8 inch pipeline which will allow access to the waterside jetties has been delayed due to the present political situation in Kaliningrad. Due to this, the Company is cautious about when the project will be allowed to proceed.

The Company is currently re-negotiating its leases at PBI in the Netherlands, which it expects to conclude satisfactorily. It should be noted that, as previously advised, the cost of the new leases is likely negatively to impact margins from this facility.

Dan-Balt remains an ongoing long-term development project for the Company which will have an impact on cash generation for a number of years ahead. The Company continues actively to nurture its client base so as to allow the terminal to service a variety of clients and products.

Progress with Rosbunker and the ongoing legal situation with the Company's joint venture partner is as stated above.

Further financial and other information is available at Appendix III of this document.

8. Cancellation of admission to trading on AIM, compulsory acquisition and re-registration

Your attention is drawn to section 10, headed "Cancellation of admission to trading on AIM, compulsory acquisition and re-registration", of the letter from Belphar to Pan Shareholders set out in Part II of this document in relation to Belphar's intentions regarding the cancellation of admission of Pan Shares to trading on AIM, compulsory acquisition and re-registration of Pan as a private company following the Offer becoming or being declared wholly unconditional.

The cancellation of the admission to trading of Pan Shares on AIM would significantly reduce the liquidity and marketability of any Pan Shares in respect of which the Offer has not been accepted at that time.

9. United Kingdom taxation

Your attention is drawn to section 11 of the letter from Belphar to Pan Shareholders set out in Part II of this document headed "United Kingdom taxation". **If you are in any doubt as to your tax position or are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.**

10. Overseas Pan Shareholders

Overseas Pan Shareholders should refer to section 12 of the letter from Belphar to Pan Shareholders set out in Part II and paragraph 6 of Part B of Appendix I to this document which contain important information for such shareholders.

11. Timing

The Offer is initially open for acceptance until 1.00 p.m. (London time) on 17 June 2014, which is the earliest date on which the Offer may close for acceptance. Accordingly, you should return your Form of Acceptance (along with your share certificate(s) or other documents of title) or make an Electronic Acceptance, as appropriate, by such time.

12. Action to be taken

The procedure for acceptance of the Offer is set out in section 13 of the letter from Belphar to Pan Shareholders set out in Part II of this document and, if you hold your Pan Shares in certificated form, in the accompanying Form of Acceptance.

If you have any questions relating to the procedure for acceptance of the Offer, please telephone Equiniti Limited between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday on 0871 384 2809 from within the UK or on +44 121 415 0089 if calling from outside the UK. Calls to the 0871 384 2809 number cost 8 pence per minute (excluding VAT) plus network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

If you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

13. Further information

The terms and Conditions of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the letter from Belphar to Pan Shareholders set out in Part II of this document, the Conditions and further terms of the Offer set out in Appendix I to this document, and the further information on Pan and Belphar contained in Appendices II, III and IV to this document.

14. Recommendation

In light of the above, the Pan Directors, who have been so advised by the Joint Financial Advisers, consider the terms of the Offer to be fair and reasonable. In providing their advice, the Joint Financial Advisers have taken into account the commercial assessments of the Pan Directors.

Accordingly, the Pan Directors unanimously recommend Pan Shareholders to accept the Offer as I, the only Pan Director who holds Pan Shares, have irrevocably undertaken to do in respect of my own beneficial holding of 4,926,500 Pan Shares (representing approximately 4.63 per cent. of the issued ordinary share capital of Pan as at the date of this document).

Yours faithfully,

Simon Escott

Chief Executive Officer and Interim Executive Chairman

for and on behalf of

Pan European Terminals plc

PART II

LETTER FROM BELPHAR TO PAN SHAREHOLDERS

BELPHAR LIMITED

(Incorporated in the British Virgin Islands under company number 1793423)

Director:
Khofiz Shakhidi

Registered Office:
333 Waterfront Drive
P.O. Box 3175
Road Town
Tortola
British Virgin Islands

27 May 2014

To Pan Shareholders and, for information only, to persons with information rights

Dear Pan Shareholder,

Recommended Cash Offer for Pan by Belphar

1. Introduction

On 21 May 2014, Belphar and Pan announced that they had reached agreement on the terms of a recommended cash offer to be made by Belphar for the entire issued and to be issued ordinary share capital of Pan not already owned by Belphar.

This letter, Appendix I to this document and the Form of Acceptance (in relation to certificated Pan Shares (that is, those not held in CREST)) together contain the formal terms and conditions of the Offer.

Your attention is drawn to the letter from the Chief Executive Officer and Interim Executive Chairman of Pan set out in Part I of this document, which sets out the background to the Offer and the reasons why the Pan Directors, who have been so advised by finnCap and Westhouse Securities, consider the terms of the Offer to be fair and reasonable and are unanimously recommending all Pan Shareholders to accept the Offer. In providing their advice to the Pan Directors, finnCap and Westhouse Securities have taken into account the commercial assessments of the Pan Board.

2. The Offer

Under the Offer, which is made on and subject to the terms and Conditions referred to in Appendix I to this document (and, in the case of Pan Shares held in certificated form, the Form of Acceptance), Pan Shareholders are entitled to receive:

for each Pan Share 22 pence in cash

The Offer values Pan's existing issued ordinary share capital at approximately £23.4 million and the Offer Price represents a premium of approximately:

- (i) 37.33 per cent. over the VWAP per Pan Share of 16.02 pence over the three month period ended on 20 May 2014, being the last Business Day prior to the date of the announcement of the Offer; and
- (ii) 46.67 per cent. over the closing middle market price of 15.00 pence per Pan Share on 20 May 2014, being the last Business Day prior to the date of the announcement of the Offer.

The Offer extends to all Pan Shares unconditionally allotted or issued and fully paid on the date of the Offer, not currently held by Belphar, and any Pan Shares which are unconditionally allotted or issued and fully paid before the date on which the Offer ceases to be open for acceptance or such earlier date as Belphar may,

subject to the Code and in accordance with the Conditions and further terms of the Offer or with the consent of the Panel, decide, not being earlier than the date on which the Offer becomes unconditional.

The Pan Shares will be acquired by Belphar pursuant to the Offer fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, options, pre-emption rights and other third party interests and rights of any nature whatsoever and together with all rights now or hereafter attaching thereto, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made after the Announcement Date.

The Offer is subject to the Conditions and further terms set out or referred to in Appendix I to this document and, in the case of Pan Shares held in certificated form, in the accompanying Form of Acceptance.

The procedure for acceptance of the Offer is set out in section 13 of this letter.

For summary information on certain limited aspects of the UK taxation consequences of accepting the Offer for certain Pan Shareholders resident in the UK for tax purposes, please refer to section 11 of this letter.

3. Background to and reasons for the Offer and future plans for Pan

Belphar is a British Virgin Islands incorporated private limited liability company wholly owned by Mr Khofiz Shakhidi, and was established specifically for the purposes of making the Offer. Belphar currently holds 31,791,207 Pan Shares, representing approximately 29.90 per cent. of Pan's issued ordinary share capital. In addition, Belphar owns £8.85 million principal amount of Convertible Loan Notes, which, subject to Pan obtaining all necessary Pan Shareholders' approvals, could potentially be converted into 40,227,272 Pan Shares, representing approximately 27.45 per cent. of Pan's share capital, as enlarged by full conversion of the CLNs. Assuming full conversion of the CLNs, but disregarding shares to be acquired pursuant to the Offer, Belphar would therefore be interested in 72,018,479 Pan Shares, representing approximately 49.1 per cent. of Pan's diluted share capital following such conversion. In addition, Belphar owns 408,163 Warrants which, if fully exercised at their exercise price of 24.5 pence per share, would convert into a further 408,163 Pan Shares.

Mr Khofiz Shakhidi, the 100 per cent. owner and sole director and controller of Belphar, built these positions as he recognised the potential of Pan's business. His initial Pan Shares were purchased from Alpcot Capital Management Limited together with a series of small market purchases of Pan Shares on 1 October 2013 and 2 October 2013. After conducting further research and on the basis of public information, Mr Shakhidi decided to announce a possible all cash offer for Pan, via Belphar, on 21 October 2013 (the "**Possible Offer**").

On 22 October 2013, Belphar acquired a further 16,870,505 Pan Shares, the Warrants and the CLNs from Hepworth Technologies S.A. and Hurley and sought to enter into talks with the Pan Board to secure a recommendation for its Possible Offer. Despite holding a number of discussions with the Pan Board, as no recommendation was forthcoming at that time Belphar decided not to proceed with its Possible Offer and announced its withdrawal on 15 November 2013.

At the invitation of the Pan Board, the Belphar Director and Pan subsequently recommenced their dialogue in February 2014 and have now reached agreement on the terms of the Offer. Belphar has a high regard for Pan and its management team and is confident of the overall prospects for Pan's operating businesses, but believes that in order to maximise its future potential the Company will be better suited to a private company environment, where, with Belphar's full support and assistance and the Belphar Director's experience of, and contacts in, the FSU, Pan's management team will be better placed to concentrate on the more efficient delivery of its medium term business plan free from the requirement to meet the public equity market's typically shorter term expectations and the regulatory burdens, constraints and numerous expenses associated with maintaining a UK public listing. In addition, Belphar believes that, as a relatively small UK quoted company with principally overseas operations and trading activities, Pan will find it difficult to attract and retain sufficient research coverage, stock liquidity and market rating that would make retaining its existing AIM quotation worthwhile.

Belphar intends to seek to continue to grow the capacity and functionality of Pan's existing transshipment and storage facilities and to pursue the identification and evaluation of potential new opportunities and projects in Europe and elsewhere, whilst maintaining a tight control of costs within a simplified corporate structure.

4. Irrevocable undertakings

Belphar has received an irrevocable undertaking to accept (or procure acceptance of) the Offer from Pan's Chief Executive Officer and Interim Executive Chairman, Simon Escott, the only Pan Director who holds Pan Shares, in respect of all the Pan Shares he holds, being, 4,926,500 Pan Shares representing approximately 4.63 per cent. of the issued ordinary share capital of Pan as at the date of this document. This undertaking will remain binding even in the event that a third party makes a competing offer for Pan and will cease to be binding only if the Offer lapses or is otherwise withdrawn.

Belphar has also received irrevocable undertakings to accept (or procure acceptance of) the Offer from certain institutional Pan Shareholders (who are listed in section 5 of Appendix IV to this document), in respect of, in aggregate, 34,404,040 Pan Shares, representing approximately 32.36 per cent. of the issued ordinary share capital of Pan as at the date of this document. These undertakings will cease to be binding if the value of any competing offer is 25 pence or more (where such competing offer has been announced as a firm intention to make an offer in accordance with Rule 2.7 of the Code) or the Offer lapses or is otherwise withdrawn.

In addition, Pan's Company Secretary, Mark Gilchrist, has provided an irrevocable undertaking to Belphar to accept (or procure acceptance of) the Offer in respect of his entire holding of Pan Shares, being 2,775,000 Pan Shares representing approximately 2.61 per cent. of the issued ordinary share capital of Pan as at the date of this document. Such undertaking will cease to be binding in the same circumstances as the irrevocable undertakings received from certain institutional Pan Shareholders as outlined above.

Belphar has therefore received irrevocable undertakings over, in aggregate, 42,105,540 Pan Shares, representing approximately 39.60 per cent. of the issued ordinary share capital of Pan as at the date of this document.

Accordingly, when taken together with Pan Shares already owned by Belphar, Belphar either owns or controls or has received irrevocable undertakings over, in aggregate, 73,896,747 Pan Shares, representing approximately 69.50 per cent. of the issued ordinary share capital of Pan as at the date of this document.

No shareholder who has entered into an irrevocable undertaking with Belphar is acting in concert with Belphar.

Further details of these irrevocable undertakings received by Belphar to accept the Offer (including the circumstances in which the irrevocable undertakings will cease to remain binding) are set out in section 5 of Appendix IV to this document.

5. Information relating to Belphar and Mr Khofiz Shakhidi

Belphar

Belphar is a private limited liability company which was incorporated in the British Virgin Islands on 4 October 2013, under company number 1793423. It was established specifically for the purposes of making the Offer.

Belphar is wholly owned and controlled by Mr Shakhidi. Belphar is being funded for the purposes of the Offer under a loan agreement between Belphar and Mr Shakhidi.

Belphar has no operations and has not traded since its date of incorporation. It has paid no dividends and has not entered into any obligations other than in connection with the Offer and the financing of the Offer. The sole director of Belphar is Mr Shakhidi. Belphar does not currently have any subsidiaries or subsidiary undertakings.

Mr Khofiz Shakhidi

Mr Shakhidi, aged 37, is a private equity investor, entrepreneur and corporate financier. Following his graduation from the University of Essex with a BSc degree in Economics, Mr Shakhidi held increasingly senior positions at a number of leading financial institutions, including Credit Agricole Indosuez, BSI AG and Generali Portfolio Management (UK) Limited and BSI Generali (UK) Limited. During this period he was involved in advising on the successful execution of numerous international corporate transactions across a broad range of industry sectors and was registered as an approved person by the Financial Services Authority, from December 2001 to May 2008, prior to relocating to Monaco.

Since 2008, Mr Shakhidi has focused primarily on principal investment activities, establishing a private investment portfolio encompassing a range of asset classes including, inter alia, private equity projects, OTC options and similar derivative instruments, financial securities and prime real estate principally in London, Moscow and the CIS. His direct investment activity embraces various industries including natural resources, energy, support services, logistics and freight forwarding and real estate. He typically participates in businesses as a strategic majority investor.

In addition to Belphar, Mr Shakhidi is a current and former director of a number of private UK and overseas companies including his current directorships of Progas Holdings (UK) Limited (“**Progas**”) and Central & Eastern Europe Investments Limited (“**Central & Eastern**”) and former directorship of Topsfield Finance Limited (“**Topsfield**”), some details on which are set out below. While Mr Shakhidi has a number of other directorships, these primarily relate to special purpose vehicles formed for the purposes of a specific investment or acquisition of real estate or other assets.

- Progas is a UK holding company for a Mauritian based project development company which has historically promoted projects in the energy and infrastructure sectors in the USA and Middle East. More recently, prior to the project’s disposal in 2011, Progas had principally focused its efforts on a joint venture project involving the development of a fully integrated liquefied petroleum gas (LPG) terminal used for the marketing, distribution and storage of LPG at Port Qasim, Karachi, Pakistan. Mr Shakhidi is a non-executive director of Progas.
- Topsfield, in which Mr Shakhidi is the sole shareholder and a former non-executive director, is a British Virgin Islands incorporated logistics and freight forwarding business focused primarily on facilitating the transportation of commodities in the CIS.
- Central & Eastern is a Hong Kong incorporated investment company focused on the pharmaceuticals sector in Russia and the CIS. Mr Shakhidi is a non-executive director of Central & Eastern.

In addition, a large part of Mr Shakhidi’s day-to-day investment activity is focussed on international stock market trading through OTC and index options and other derivatives trading, with business primarily conducted via certain private, wholly owned, overseas investment vehicles and partnerships. Mr Shakhidi’s vehicles write approximately 700 short term OTC options per annum over a number of commodities, currencies, indices and highly liquid securities listed on major global stock exchanges. Such trading positions usually carry a value of approximately £2 million to £10 million per position.

Mr Shakhidi is also a Senior Partner of BSI & Venture Partners SA, an investment and advisory company which actively develops the companies it invests in, providing them with finance, strategic advice, industrial skills and management expertise.

Further information concerning Belphar and Mr Shakhidi is set out in Appendix II to this document.

6. Information relating to the Pan Group

Pan (formerly known as Baltic Oil Terminals plc) was incorporated on 22 March 2006 and admitted to trading on AIM in April 2006. Pan operates hydrocarbon refined product storage and transshipment terminals (or leases terminals or tank capacity) in Aabenraa (Denmark), Kaliningrad City (Russia) and Baltysk Region (Russia). It also leases and operates tanks in Rotterdam (Holland).

For the financial year ended 31 December 2012, the Pan Group reported total revenue of £20.6 million (2011: £15.6 million) and a profit before taxation of £1.2 million (2011: £5.1 million). As at 31 December 2012, total assets were £47.6 million (2011: £44.0 million) with the Rosbunker asset being included at its estimated fair value of £22.5m, net assets were £35.7 million (2011: £34.3 million) and net debt was £7.4 million (2011: £5.4 million). In the half year ended 30 June 2013 the Pan Group generated total revenue of £7.4 million (2012: £12.1 million) and profit before tax of £0.6 million (2012: £3.1 million). Net debt as at 30 June 2013 was £7.4 million (2012: £5.5 million).

An update on Pan's current trading and prospects is contained in the letter from the Chief Executive Officer and Interim Executive Chairman of Pan set out in Part I of this document and certain financial information on the Pan Group is incorporated by reference into this document, as set out in Appendix III to this document.

7. Pan's Directors, management, employees and locations

The Belphar Director believes that the Offer, if successfully completed, will provide a stable and well capitalised future for Pan. Belphar has not sought to create a new strategic plan for the Pan Group and instead intends to support Pan's management in continuing to develop and execute management's existing medium term strategy for the Pan Group.

Save for simplifying the UK corporate structure, Belphar currently has no intention to change Pan's principal business locations or to redeploy Pan's fixed asset base. Belphar has given assurances to the Pan Board that, on the Offer becoming or being declared wholly unconditional, the existing rights and terms and conditions of employment, including pension obligations, of the management and employees of Pan and its subsidiaries will be fully safeguarded.

There are no agreements or arrangements between Belphar and management or employees of Pan in relation to their on-going involvement in the business and the Offer is not conditional on reaching agreement with such persons. It has been agreed that the appointments of the two non-executive directors of Pan, Reginald Eccles and Francesco Gardin, will terminate with effect from the date the Offer becomes or is declared wholly unconditional, or, if later, on the date when admission of the Pan Shares to trading on AIM is cancelled. They will each receive remuneration in line with the termination provisions of their respective letters of appointment by way of compensation. In addition, it has been agreed that the Gee Consultancy Agreement pursuant to which the services of Peter Gee, a member of Pan's senior management team, are provided to the Pan Group will terminate with effect from the date the Offer becomes or is declared wholly unconditional. Trans Atlantic, the company through which Mr Gee provides his consultancy services, will receive a termination payment under the terms of the Gee Settlement Agreement, further details of which are set out in section 7.2(c) of Appendix IV to this document.

Save as referred to above, Belphar does not currently have any plans to make any other material changes either to the continued employment or the terms and conditions of employment of the management and employees of the Pan Group.

Belphar has not entered into, and is not in discussions on proposals to enter into, any form of incentivisation arrangements with members of Pan's management who are interested in Pan Shares and has no current plans to do so.

8. Financing of the Offer

Belphar is an entity which is beneficially owned by Mr Shakhidi and he has undertaken to support Belphar with regard to the financing of the Offer.

Strand Hanson, financial adviser to Belphar, is satisfied that Belphar has the necessary financial resources available to satisfy full acceptance of the Offer. Full acceptance of the Offer, would require a maximum cash payment of approximately £16.4 million by Belphar which will be funded by way of a loan being made available to it by Mr Shakhidi in respect of the Offer.

9. Pan Share Option Schemes

There are currently no options outstanding under any incentivisation scheme run by the Pan Group, or, save for the Warrants and the CLNs, any other outstanding rights to acquire Pan Shares, and therefore no proposals regarding the effect of the Offer need to be made to participants in any such scheme or otherwise. The Gee Settlement Agreement will, upon the Offer becoming or being declared wholly unconditional, terminate Trans Atlantic's right to receive Pan Shares.

10. Cancellation of admission to trading on AIM, compulsory acquisition and re-registration

If the Offer becomes or is declared unconditional in all respects, and Belphar has, by virtue of its shareholding and/or acceptances of the Offer, acquired or agreed to acquire Pan Shares carrying at least 75 per cent. of the voting rights attaching to the ordinary share capital of Pan, Belphar intends to procure that Pan will make an application for the cancellation of admission of Pan Shares to trading on AIM.

Belphar also confirms that it is its current intention, if the Offer becomes or is declared unconditional with Belphar holding less than 75 per cent. of such voting rights, in the short to medium term, to procure that Pan seeks Pan Shareholders' consent to make an application for the cancellation of admission to trading of Pan Shares on AIM. It is anticipated that the cancellation of admission to trading of Pan Shares on AIM will take effect no earlier than 20 Business Days following the making of such announcement and notifying the London Stock Exchange of such cancellation date.

The cancellation of the admission to trading of Pan Shares on AIM would significantly reduce the liquidity and marketability of any Pan Shares in respect of which the Offer has not been accepted at that time.

If Belphar receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the Pan Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by the Pan Shares to which the Offer relates, Belphar will exercise its rights pursuant to the provisions of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining Pan Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

It is also intended that, following the Offer becoming or being declared unconditional in all respects and admission to trading on AIM of Pan Shares having been cancelled, Pan will be re-registered as a private company under the relevant provisions of the Companies Act 2006.

11. United Kingdom taxation

The following paragraphs, which are intended as a general guide only and are not a substitute for detailed tax advice, are based on current UK legislation and HMRC published practice as at the latest practicable date prior to the issue of this document, which may change. They summarise certain limited aspects of the UK taxation treatment of acceptance of the Offer. They relate only to the position of Pan Shareholders who are resident and, in the case of individuals, ordinarily resident in the UK for taxation purposes at all relevant times and who hold their Pan Shares beneficially as an investment (other than under a personal equity plan or an individual savings account) and who have not (and are not deemed to have) acquired their Pan Shares by reason of an office or employment. The comments below apply only to certain categories of person and, in particular, may not apply to such persons as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules may apply.

If you are in any doubt as to your taxation position or if you may be subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

UK taxation of chargeable gains

A Pan Shareholder's liability to UK taxation of chargeable gains in respect of the disposal of Pan Shares pursuant to the Offer will depend on that shareholder's individual circumstances.

The sale of Pan Shares by a Pan Shareholder pursuant to the Offer will constitute a disposal, or part disposal, of his/her shareholding. Such a disposal or part disposal may give rise to a liability to UK taxation of chargeable gains depending on the Pan Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses) and, in particular, the Pan Shareholder's base cost in his/her holding of Pan Shares.

For Pan Shareholders within the charge to UK corporation tax (but who do not qualify for the substantial shareholdings exemption in respect of their Pan Shares) indexation allowance may be available in respect of the full period of ownership of the Pan Shares to reduce any chargeable gain arising (but not to create or increase an allowable loss) on the disposal of Pan Shares.

Stamp Duty and Stamp Duty Reserve Tax (SDRT)

No UK stamp duty or SDRT should be payable by Pan Shareholders as a result of accepting the Offer.

12. Overseas Pan Shareholders

Overseas Pan Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If they are in any doubt about their position, they should consult their own professional adviser in the relevant territory.

The availability of the Offer to Pan Shareholders who are not resident in, and not citizens of, the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Overseas Pan Shareholders who are not resident in, or not citizens of, the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions and should carefully read paragraph 6 of Part B and paragraph 3 of Part C or paragraph 3 of Part D (as appropriate) of Appendix I to this document. Overseas Pan Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

The attention of Pan Shareholders who are citizens or residents of jurisdictions outside the UK or who are holding Pan Shares for such citizens or residents and any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intend to, or may have an obligation to, forward this document and/or the Form of Acceptance and/or any related document in connection with the Offer outside the UK is drawn to paragraph 6 of Part B and paragraph 3 of Part C or paragraph 3 of Part D (as appropriate) of Appendix I to this document and (in the case of Pan Shares held in certificated form) to the relevant provisions of the Form of Acceptance, which they should carefully read before taking any action.

The Offer is not being made, directly or indirectly, in or into and is not capable of acceptance from or within any Restricted Jurisdiction. Accordingly, Pan Shareholders who are unable to give the warranties set out in paragraph 3 of Part C of Appendix I to this document, or paragraph 3 of Part D of Appendix I to this document in respect of Electronic Acceptances, may be deemed not to have validly accepted the Offer.

13. Procedure for acceptance of the Offer

Pan Shareholders who hold their Pan Shares in certificated form (that is, not in CREST) should carefully read paragraph 13.1 in conjunction with the Form of Acceptance and Parts B and C of Appendix I to this document. In the case of Pan Shareholders who hold their Pan Shares in certificated form, the instructions on the Form of Acceptance are deemed to be incorporated in and form part of the terms of the Offer. Pan Shareholders who hold their shares in uncertificated form (that is, in CREST) should carefully read paragraph 13.2 in conjunction with Parts B and D of Appendix I to this document.

13.1 *To accept the Offer in relation to Pan Shares held in certificated form (that is, not in CREST)*

(a) *Completion of the Form of Acceptance*

To accept the Offer in respect of Pan Shares held in certificated form (that is, not in CREST), you must complete and sign the Form of Acceptance in accordance with the instructions set out

below and on the Form of Acceptance. You should complete separate Forms of Acceptance for Pan Shares held in certificated form but under different designations. **If you require assistance in completing your Form of Acceptance (or wish to obtain an additional Form of Acceptance) or have any queries as to how to complete the Form of Acceptance, please telephone the Receiving Agent during normal business hours on 0871 384 2809 from within the UK or on +44 121 415 0089, if telephoning from outside the UK.** Calls to the 0871 384 2809 number cost 8 pence per minute (excluding VAT) plus network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

(i) *To accept the Offer in respect of all your Pan Shares in certificated form*

To accept the Offer in respect of all your Pan Shares held in certificated form, you must insert an "X" in Box 1A. In all cases, you must sign Box 2A (for individuals) or Box 2B (for companies) of the Form of Acceptance in accordance with the instructions printed on the Form of Acceptance. If no "X" is inserted in Box 1A (or if a number is inserted in Box 1B which is greater than the number of Pan Shares that you hold) and you have signed Box 2A or 2B, your acceptance will be deemed to be in respect of all Pan Shares in certificated form held by you.

(ii) *To accept the Offer in respect of less than all your Pan Shares in certificated form*

To accept the Offer in respect of less than all your Pan Shares held in certificated form, you must insert in Box 1B of the Form of Acceptance such lesser number of Pan Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. You should then follow the procedure set out in paragraph 13.1(a)(i) above. If 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 Pan Shares that you hold and you have signed Box 2A or 2B, your acceptance will be deemed to be in respect of all Pan Shares in certificated form held by you.

In all cases, you must sign Box 2A (for individuals) or Box 2B (for companies) on the Form of Acceptance, including, if you are an individual, in the presence of a witness who should also sign in accordance with the instructions printed on it. Any Pan Shareholder which is a company should execute the Form of Acceptance in accordance with the instructions printed on it. The Form of Acceptance is issued only to the addressee(s) and is specific to the unique designated account printed on it. The Form of Acceptance is a personalised form and is not transferable between accounts or uniquely designated accounts. Belphar and the Receiving Agent accept no liability for any instructions which do not comply with the conditions set out in this document, the Form of Acceptance or accompanying materials.

(b) *Return of the Form of Acceptance*

To accept the Offer in respect of Pan Shares held in certificated form, the duly completed, signed and witnessed Form of Acceptance should be returned by post or (during normal business hours only) by hand to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA together (subject to paragraph 13.1(c) below) with the relevant share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received not later than 1.00 p.m. (London time) on 17 June 2014. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given by or on behalf of Belphar and documents will be sent at your own risk.

Any Form of Acceptance received in an envelope post-marked in a Restricted Jurisdiction or otherwise appearing to Belphar or its agents to have been sent from any Restricted Jurisdiction may be rejected as an invalid acceptance of the Offer. For further information on Overseas Pan

Shareholders, see section 12 of this letter above and paragraph 6 of Part B and paragraph 3 of Part C of Appendix I to this document and the relevant provisions of the Form of Acceptance.

(c) *Document(s) of title*

If your Pan Shares are in certificated form, a completed, signed and (where applicable) witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason the relevant share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and lodge the Form of Acceptance as stated above so as to be received by the Receiving Agent, by post or by hand (during normal business hours only) at the address referred to in paragraph 13.1(b) above **not later than 1.00 p.m. (London time) on 17 June 2014**. You should send with the Form of Acceptance, any valid share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter stating that the remaining documents will follow as soon as possible 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 outstanding share certificate(s) and/or other document(s) of title to be forwarded as soon as possible. If you have lost your share certificate(s) and/or other document(s) of title, you should contact Equiniti Limited (in their capacity as Pan's registrars) as soon as possible, requesting a letter of indemnity for the lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post or (during normal business hours only) by hand to the Receiving Agent at the address given in paragraph 13.1(b) above.

(d) *Validity of acceptances in respect of Pan Shares in certificated form*

Without prejudice to Parts B and C of Appendix I to this document and subject to the provisions of the Code, Belphar reserves the right at its sole discretion to treat as valid, in whole or in part, any acceptance of the Offer in relation to Pan Shares 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 payment of cash under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Belphar have been received by the Receiving Agent at the address given above.

13.2 *Pan Shares held in uncertificated form (that is, in CREST)*

(a) *General*

If your Pan Shares are in uncertificated form (that is, in CREST), to accept the Offer you should take (or procure the taking of) the action set out below to transfer Pan Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s) (that is, send a TTE Instruction), specifying the Receiving Agent (in its capacity as a CREST participant under the Escrow Agent's relevant participant ID referred to below) as the Escrow Agent, **as soon as possible and in any event so that the TTE Instruction settles by not later than 1.00 p.m. (London time) on 17 June 2014. Please 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 that you time the input of any TTE Instructions accordingly.**

The input and settlement of a TTE Instruction in accordance with this paragraph 13.2(a) will (subject to satisfying the requirements set out in Parts B and D of Appendix I to this document) constitute an acceptance of the Offer in respect of the number of Pan Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Pan Shares are held. In addition, only your

CREST sponsor will be able to send the TTE Instruction(s) to Euroclear in relation to your Pan Shares.

After settlement of a TTE Instruction, you will not be able to access the Pan Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes unconditional, the Escrow Agent (Equiniti Limited) will transfer the Pan Shares concerned to itself in accordance with paragraph 5 of Part D of Appendix I to this document.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined below.

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 Pan Shares to settle prior to 1.00 p.m. (London time) on 17 June 2014. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(b) *To accept the Offer in respect of Pan Shares held in uncertificated form*

To accept the Offer in respect of Pan Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE Instruction in relation to such shares. A TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number of the Pan Shares. This is GB00B12V3082;
- the number of Pan Shares in respect of which you wish to accept the Offer (i.e. the number of Pan Shares in uncertificated form to be transferred to escrow);
- your participant ID;
- your member account ID;
- the participant ID of the Escrow Agent. This is 6RA29;
- the member account ID of the Escrow Agent for the Offer. This is BELPAN01;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 17 June 2014;
- the corporate action number of the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input with a standard delivery instruction priority of 80; and
- your name and contact telephone number in the shared note field.

(c) *Validity of acceptances in respect of Pan Shares held in uncertificated form*

Holders of Pan 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 1.00 p.m. (London time) on that date. **A Form of Acceptance which is received in respect of Pan Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded.**

13.3 *General*

Belphar will make an appropriate announcement if any of the details in paragraphs 13.1 and/or 13.2 above alter for any reason.

Normal CREST procedures (including timings) apply in relation to any Pan 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 Pan Shares or otherwise). Pan Shareholders who are proposing to convert any such Pan Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Pan 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) or other document(s) of title or transfers to an escrow balance in the manner described above) prior to 1.00 p.m. (London time) on 17 June 2014.

If you require assistance in completing your Form of Acceptance (or wish to obtain an additional Form of Acceptance) or have questions in relation to making an Electronic Acceptance, please contact the Receiving Agent during normal business hours, 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday, on 0871 384 2809 from within the UK or +44 121 415 0089, if calling from outside the UK. Calls to the 0871 384 2809 number cost 8 pence per minute (excluding VAT) plus network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

14. **Settlement**

Subject to the Offer becoming or being declared wholly unconditional (except as provided in paragraph 6 of Part B of Appendix I to this document in the case of certain Overseas Pan Shareholders) and provided that the TTE Instruction, Forms of Acceptance, share certificate(s) and/or other document(s) of title are in order, settlement of the consideration to which any Pan Shareholder (or the first-named shareholder in the case of joint holders) is entitled under the Offer will be effected by the despatch of cheques or the crediting of CREST accounts: (i) in the case of acceptances received, valid and complete in all respects, by the date on which the Offer becomes unconditional, within 14 days of such date; and (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, and in either case in the manner described in paragraphs 14.1 and 14.2 below.

14.1 *Pan Shares in certificated form (that is, not in CREST)*

Where an acceptance relates to Pan Shares held in certificated form, settlement of the cash consideration to which the accepting Pan Shareholder is entitled will be despatched by first class post (or by such other method as may be approved by the Panel) to the accepting Pan Shareholder or its appointed agents (but not into any Restricted Jurisdiction). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank.

14.2 *Pan Shares in uncertificated form (that is, in CREST)*

Where an acceptance relates to Pan Shares in uncertificated form, settlement of the cash consideration to which the accepting Pan Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting Pan Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. Belphar reserves the right to settle all or any part of the consideration referred to in this paragraph 14.2, for all or any accepting Pan Shareholder(s), in the manner referred to in paragraph 14.1 above, if, for any reason, it wishes to do so.

14.3 *General*

If the Offer does not become or is not declared wholly unconditional:

- (a) in the case of Pan Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address is set out in Box 3 or, if appropriate, Box 4 of the relevant Form of Acceptance or, if none is set out, to the first-named holder at his/her registered address (provided that no such documents will be sent to an address in any Restricted Jurisdiction); and
- (b) in the case of Pan Shares held in uncertificated form, the Escrow Agent, Equiniti Limited will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days from the lapsing of the Offer), give TFE Instructions to Euroclear to transfer all Pan 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 Pan Shareholders concerned.

All remittances, communications, notices, certificates and document(s) of title sent by, to or from Pan Shareholders or their appointed agents will be sent at their own risk.

Except with the consent of the Panel, settlement of the consideration to which any Pan Shareholder is entitled under the Offer will be settled 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 Belphar may otherwise be, or claim to be, entitled as against such Pan Shareholder.

15. **Further information**

Your attention is drawn to the further information contained in the appendices which form part of this document and (if you hold your Pan Shares in certificated form) the accompanying Form of Acceptance.

16. **Action to be taken to accept the Offer**

To accept the Offer in respect of Pan Shares, or any of them, in certificated form (that is, not in CREST), you should complete, sign and return the Form of Acceptance (together with your valid share certificate(s) and any other document(s) of title) **as soon as possible and in any event so as to be received by the Receiving Agent, Equiniti Limited, not later than 1.00 p.m. (London time) on 17 June 2014**. Further details on the procedure for acceptance of the Offer if you hold any of your Pan Shares in certificated form are set out in paragraph 13.1 of this letter, Parts B and C of Appendix I to this document and in the accompanying Form of Acceptance. A reply-paid envelope (for use in the UK only) is enclosed for your convenience; or acceptances in respect of Pan Shares held in uncertificated form (that is, in CREST) should be made electronically so that the TTE Instruction settles **as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 17 June 2014**. Further details on the procedure for electronic acceptance of the Offer if you hold any of your Pan Shares in uncertificated form are set out in paragraph 13.2 of this letter and Parts B and D of Appendix I to this document. If you hold your Pan Shares as a CREST sponsored member, you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary TTE Instruction(s) to CREST.

If you require assistance in completing your Form of Acceptance (or wish to obtain an additional Form of Acceptance) or have questions in relation to making an Electronic Acceptance, please contact the Receiving Agent during normal business hours, 8.30 a.m. to 5.30 p.m. Monday to Friday, on 0871 384 2809 from within the UK or +44 121 415 0089, if calling from outside the UK. Calls to the 0871 384 2809 number cost 8 pence per minute (excluding VAT) plus network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

Your decision as to whether to accept the Offer will depend on your individual circumstances. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the UK or, if you are outside the UK, from an appropriately authorised independent financial adviser, without delay.

Yours faithfully,

Khofiz Shakhidi

Director

for and on behalf of

Belphar Ltd

APPENDIX I

Conditions and Further Terms of the Offer

Part A: Conditions of the Offer

Conditions of the Offer

The Offer is subject to the following Conditions:

- 1.(a) valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. on 17 June 2014 (or such later time(s) and/or date(s) as Belphar may, with the consent of the Panel or in accordance with the Code, decide) in respect of not less than 90 per cent. (or such lower percentage as Belphar may decide) (1) in nominal value of Pan Shares to which the Offer relates, and (2) of the voting rights attached to those shares, provided that this condition shall not be satisfied unless Belphar and/or any of its wholly-owned subsidiaries shall have acquired or agreed to acquire, whether pursuant to the Offer or otherwise, Pan Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at general meetings of Pan. For the purposes of this condition:
 - (i) shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry on being entered into the register of members of Pan; and
 - (ii) the expression “Pan Shares to which the Offer relates” shall be construed in accordance with Part 28 of the Companies Act 2006;
- (b) no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, professional association, institution, employee representative body, or any other body or person whatsoever in any jurisdiction (each a “**Third Party**” and all collectively “**Third Parties**”) having decided or given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
 - (i) make the Offer or its implementation or the acquisition or proposed acquisition of control of Pan, by Belphar, void, illegal and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, challenge, delay, hinder or otherwise interfere with the same in each case to an extent which is material in the context of the Wider Pan Group, or impose material additional conditions or obligations with respect thereto, or otherwise materially challenge or require material amendment to the terms of the Offer;
 - (ii) require, prevent or materially delay the divestiture, or alter the terms envisaged for any proposed divestiture, by Belphar or by any member of the Wider Pan Group of all or any portion of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their respective businesses (or any part of them) or to own or manage their respective assets or properties or any part of them to an extent in any such case which is material in the context of Belphar or the Wider Pan Group, as the case may be, taken as a whole;
 - (iii) impose any material limitation on, or result in a material delay in, the ability of Belphar, directly or indirectly, to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares, loans or other securities (or the equivalent) in any member of the Wider Pan Group or to exercise management control over any such member to an extent which is material in the context of Belphar or the Wider Pan Group, as the case may be, taken as a whole;

- (iv) save as pursuant to Chapter 3 of Part 28 of the Companies Act 2006 and to an extent which is material, require Belphar or any member of the Wider Pan Group to acquire, or offer to acquire, any shares or other securities (or the equivalent) owned by any third party in, or any asset owned by, any member of the Wider Pan Group;
- (v) result in a material delay in the ability of Belphar, or render it unable to a material extent, to acquire some or all of the Pan Shares or require a divestiture by Belphar of any shares or other securities (or the equivalent) in Pan;
- (vi) materially limit the ability of any member of the Wider Pan Group to co-ordinate or integrate its business, or any part of it, with the business or any part of the business of Belphar or any other member of the Wider Pan Group;
- (vii) result in any material member of the Wider Pan Group or Belphar ceasing to be able to carry on business under any name which it presently does so; or
- (viii) otherwise adversely affect the businesses, assets, liabilities, profits or prospects of Belphar or any member of the Wider Pan Group (including any action which would or might adversely affect or prejudice any of the licences, authorisations, exemptions or consents of Belphar or any member of the Wider Pan Group) in a manner which is material in the context of Belphar or the Wider Pan Group taken as a whole,

and all applicable waiting and other time periods during which any such Third Party could decide to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference under the laws of any relevant jurisdiction or enact any such statute, regulation, order or decision or take any steps having expired, lapsed or been terminated;

- (c) all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, certificates, exemptions, permissions and approvals (“**Authorisations**”) in any jurisdiction reasonably deemed necessary or appropriate by Belphar for or in respect of the Offer or the proposed acquisition of all or any Pan Shares or other securities in, or control of, Pan by Belphar having been obtained on terms and in a form reasonably satisfactory to Belphar from all appropriate Third Parties or persons with whom any member of the Wider Pan Group has entered into contractual arrangements where the absence of such Authorisations would have a materially adverse effect on Belphar or the Wider Pan Group taken as a whole, as the case may be, and all such Authorisations, together with all Authorisations necessary or appropriate to carry on the business of any member of the Wider Pan Group where such business is material in the context of the Wider Pan Group taken as a whole remaining in full force and effect at the time at which the Offer has been declared or has become unconditional in all respects and there being no indication of any intention to revoke, withdraw, suspend, restrict, withhold or modify or not to grant or review any of the same where such revocation, withdrawal, suspension, restriction, withholding, modification or failure to grant or review would be material in the context of the Wider Pan Group or Belphar, as the case may be, and all necessary statutory and regulatory obligations in any jurisdiction having been complied with by the Wider Pan Group;
- (d) all necessary or appropriate filings or applications having been made by the Wider Pan Group in connection with the Offer, and all necessary or appropriate waiting periods (including extensions thereof) in respect of the Offer or its implementation under any applicable legislation or regulations in any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the acquisition by Belphar of any shares or other securities in, or control of, Pan;
- (e) except as publicly announced to a Regulatory Information Service by or on behalf of Pan prior to the date of this document there being no provision of any agreement, authorisation, arrangement, lease, licence, permit or other instrument to which any member of the Wider Pan Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed acquisition by Belphar of any shares or other securities (or

the equivalent) in Pan or because of a change in the control or management of Pan or any member of the Wider Pan Group, which would or is reasonably likely to result in, to an extent which would or might reasonably be expected to be material in the context of the Wider Pan Group taken as a whole:

- (i) any monies borrowed by or any other indebtedness (actual or contingent) of, or grant available to, any member of the Wider Pan Group, being or becoming repayable or being capable of being declared repayable immediately or prior to their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn, prohibited or inhibited or becoming capable of being withdrawn, prohibited or inhibited;
- (ii) any such agreement, authorisation, arrangement, licence, permit or other instrument or the rights, liabilities, obligations or interests of any member of the Wider Pan Group thereunder being terminated or adversely modified or affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (iii) any assets or interests of any member of the Wider Pan 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 otherwise than in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Pan Group, or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable or being enforced;
- (v) the rights, liabilities, obligations or interests of any member of the Wider Pan Group in, or the business of any such member with, any person, company, firm or body (or any agreements relating to any such interest or business) being terminated, or adversely modified or affected;
- (vi) the value of any member of the Wider Pan Group or its financial or trading position or profits or prospects being prejudiced or adversely affected;
- (vii) any member of the Wider Pan Group ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or assumption of any liability, actual or contingent, by any member of the Wider Pan Group,

and no event having occurred, under any provision of any agreement, authorisation, arrangement, lease, licence, permit or other instrument to which any member of the Wider Pan Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, which would or would be reasonably likely to result in any of the events referred to in sub-paragraph (i) to (viii) of this condition;

- (f) except as Disclosed, no member of the Wider Pan Group having since 31 December 2012:
 - (i) save as between Pan and wholly-owned subsidiaries of Pan, 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 shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (ii) sold or transferred or agreed to sell or transfer any Pan Shares held in treasury;
 - (iii) 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 by any wholly-owned subsidiary of Pan to Pan or any of its wholly-owned subsidiaries;

- (iv) other than pursuant to the Offer (and save for transactions between Pan and its wholly-owned subsidiaries or other than in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case;
- (v) (save for transactions between Pan and its wholly-owned subsidiaries or other than in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any asset or any right, title or interest in any asset or authorised, proposed or announced any intention to do so;
- (vi) (save as between Pan and its wholly-owned subsidiaries) made or authorised or proposed or announced an intention to propose any change in its loan capital;
- (vii) (save as between transactions between Pan and its wholly-owned subsidiaries) issued, authorised, proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or incurred or increased any indebtedness other than in the ordinary course of business;
- (viii) (save for transactions between members of the Pan Group) purchased, redeemed or repaid, or announced any proposal to purchase, redeem or repay, any of its own shares or other securities or reduced or made any other change to or proposed the reduction or other change to any part of its share capital;
- (ix) entered into, implemented, effected, varied, authorised, proposed or announced its intention to enter into, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
- (x) entered into or varied or terminated or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or is reasonably likely to be restrictive on the business of the Wider Pan Group or which involves or is reasonably likely to involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business, in each case which is, or is reasonably likely to be material in the context of the Wider Pan Group;
- (xi) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, service agreement or arrangement with any director or senior executive of any member of the Wider Pan Group;
- (xii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed in the Wider Pan Group;
- (xiii) save in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to:
 - (A) the terms of the trust deeds and rules constituting the pension scheme(s) established for its directors, employees or their dependants;
 - (B) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable thereunder;
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined;
 - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;

- (xiv) agreed or consented to, any change to the trustees of any pension scheme, including the appointment of a trust corporation, to an extent in any such case which is material in the context of the Wider Pan Group taken as a whole;
 - (xv) been unable, or admitted in writing that it is unable, to pay its debts as they fall due or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease to carry on all or a substantial part of its business which is material in the context of the Wider Pan Group taken as a whole;
 - (xvi) (other than in respect of a member of the Wider Pan Group which is dormant and was solvent at the relevant time) taken or proposed any corporate action, or had any legal proceedings threatened or instituted against it for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any relevant jurisdiction having been taken or had any such person appointed;
 - (xvii) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Pan Group or Belphar and which is material in the context of the Wider Pan Group taken as a whole other than to a nature and extent which is normal in the context of the business concerned;
 - (xviii) waived or compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Pan Group;
 - (xix) made any alteration to its memorandum or articles of association or other constitutional documents which is material in the context of the Offer;
- (g) except as Disclosed, since 31 December 2012:
- (i) no adverse change or deterioration has occurred in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Pan Group which is material in the context of the Offer or the Wider Pan Group taken as a whole;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings or investigations having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any member of the Wider Pan Group or to which any member of the Wider Pan Group is or may become a party (whether as a claimant, defendant or otherwise) and no enquiry or investigation by any Third Party against or in respect of any member of the Wider Pan Group having been commenced, announced or threatened in writing by or against or remaining outstanding in respect of any member of the Wider Pan Group in each case which might reasonably be expected to have a material adverse effect on the Wider Pan Group taken as a whole;
 - (iii) no contingent or other liability having arisen or become apparent to Belphar which would or might reasonably be expected to materially and adversely affect the Wider Pan Group taken as a whole;
 - (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Pan Group, which is necessary for the proper carrying on of its business in the form carried on as at the date of this document and the withdrawal, cancellation, termination or modification of which is reasonably likely to materially and adversely affect the Wider Pan Group taken as a whole;
- (h) except as Disclosed, Belphar not having discovered:
- (i) that any financial, business or other information concerning the Wider Pan Group publicly announced, is misleading, contains a misrepresentation of any fact or omits to state a fact

necessary to make that information not misleading to a material extent in the context of the Wider Pan Group taken as a whole;

- (ii) that any present member of the Wider Pan Group or any partnership, company or other entity in which any member of the Wider Pan Group has a significant economic interest and which is not a subsidiary undertaking of Pan, is subject to any liability, contingent or otherwise, which is not disclosed in the annual report and financial statements for Pan for the year ending 31 December 2012 and which is material in the context of the Wider Pan Group taken as a whole; and
 - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Pan Group and which is material in the context of the Wider Pan Group taken as a whole;
- (i) Belphar not having discovered, except as Disclosed, that
- (i) any past or present member of the Wider Pan Group has not complied with all applicable legislation, regulations or other requirements of any jurisdiction with regard to the use, treatment, storage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or that there has otherwise been a material emission, discharge, disposal, spillage or leak of waste or hazardous substance or any substance likely to impair the environment or harm human health (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) which would, in any case, be reasonably likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Pan Group and which is material in the context of the Wider Pan Group taken as a whole;
 - (ii) there is or is reasonably likely to be any liability (whether actual or contingent) on the part of any past or present member of the Wider Pan Group to make good, repair, reinstate or clean up any property of any description or other asset now or previously owned, occupied or made use of by any past or present member of the Wider Pan Group, under any environmental legislation, regulation, notice, circular or order of any Third Party which is material in the context of the Wider Pan Group taken as a whole; or
 - (iii) circumstances exist (whether as a result of the Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Pan Group would be reasonably likely to be required to institute) an environmental audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability on a member of the Wider Pan Group to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or other asset now or previously owned, occupied or made use of by any member of the Wider Pan Group, which is material in the context of the Wider Pan Group taken as a whole.

For the purposes of these Conditions, “**Disclosed**” means information disclosed (i) in the annual report and financial statements of Pan for the year ended 31 December 2012, (ii) the interim results of Pan for the six month period ending 30 June 2013, (iii) as publicly announced by Pan to a Regulatory Information Service prior to the date of this document since 31 December 2012, or (iv) as otherwise fairly disclosed by or on behalf of Pan to Belphar (or its advisers) prior to the date of this document.

Certain further terms of the Offer

The Offer is subject to the following further terms:

- 2.(a) Pan Shares which will be acquired under the Offer will be acquired by Belphar fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and other third party interests and rights of any nature whatsoever and together with all rights now or

hereafter attaching to them, including, without limitation, the right to receive and retain all dividends and other distributions (if any) declared, paid or made after the Announcement Date;

- (b) if the Offer lapses it will cease to be capable of further acceptance. Pan Shareholders who have accepted the Offer and Belphar shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses;
- (c) the Offer will lapse if there is a Phase 2 CMA reference, or the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority of the United Kingdom under Article 9(1) of the Regulation and there is then a Phase 2 CMA reference before 1.00 p.m. on the first closing date or the date on which the Offer becomes unconditional as to acceptances, whichever is later;
- (d) 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;
- (e) this Offer is being governed by English law and is made on the terms set out or referred to in this Part A, and is subject to the Conditions, these further terms and is also subject to the further terms of the Offer set out in Parts B, C and D of this Appendix I and, in the case of Pan Shares held in certificated form (that is, not in CREST), in the Form of Acceptance and such further terms as may be required to comply with the Code and other applicable law. The Offer will comply with the applicable rules and regulations of the Financial Conduct Authority, the London Stock Exchange and the Code; and
- (f) unless otherwise determined by Belphar and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into a Restricted Jurisdiction, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, any Restricted Jurisdiction and the Offer is not capable of acceptance by any such use, means, instrumentality or facility or from within, any Restricted Jurisdiction.

Part B: Further Terms of the Offer

Except where the context requires otherwise, any reference in Parts B, C or D of this Appendix I, Appendix IV and in the Form of Acceptance to:

- (a) the **Offer** means the Offer and any revision, variation, renewal or extension of the Offer;
- (b) the **Offer becoming unconditional** means the acceptance condition becoming or being declared satisfied, and references to the Offer having become or not become unconditional shall be construed accordingly;
- (c) the **acceptance condition** means the condition set out in paragraph 1 of Part A of Appendix I to this document;
- (d) **acceptances** of the Offer includes deemed acceptances of the Offer;
- (e) **acting in concert** with Belphar is a reference to a person acting or deemed to be acting in concert with Belphar for the purposes of the Code and/or the Offer;
- (f) **First Closing Date** means 17 June 2014;
- (g) **Day 39** means 5 July 2014; and
- (h) **Day 60** means 26 July 2014.

The following further terms apply, unless the context requires otherwise, to the Offer.

1. Acceptance Period

- 1.1 The Offer will initially be open for acceptance until 1.00 p.m. (London time) on the First Closing Date.
- 1.2 Although no such revision is contemplated, if the Offer is revised it will remain open for acceptance for a period of at least 14 calendar days (or such other period as the Panel may permit) after the date on which Belphar publishes the revised Offer documentation. All Pan Shareholders who accepted the original offer would be entitled to the revised consideration. Except with the consent of the Panel, no revision of the Offer may be made after 12 July 2014 or, if later, the date falling 14 calendar days before the last date on which the Offer can become unconditional.
- 1.3 The Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming unconditional after midnight on Day 60 (or any other time and/or date beyond which Belphar has stated that the Offer will not be extended and has not, where permitted, withdrawn that statement or extended the Offer beyond the stated earlier date), nor of being kept open for acceptances after that time and/or date unless the Offer has previously become unconditional, provided that Belphar reserves the right, with the permission of the Panel, to extend the Offer to a later time and/or date. Except with the consent of the Panel, Belphar may not, for the purpose of determining whether the acceptance condition has been satisfied, take into account acceptances received or purchases of Pan Shares made after 1.00 p.m. (London time) on Day 60 (or any other time and/or date beyond which Belphar has stated that the Offer will not be extended (and has not, where permitted, withdrawn that statement or extended the Offer beyond the stated earlier date)) or, if the Offer is so extended, such later time and/or date as Belphar, with the permission of the Panel, may determine. If the latest time at which the Offer may become unconditional is extended beyond midnight on Day 60, acceptances received and purchases of Pan Shares made in respect of which the relevant documents are received by the Receiving Agent after 1.00 p.m. (London time) on Day 60 may (except where the Code otherwise permits) only be taken into account with the agreement of the Panel.
- 1.4 If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 calendar days from the date on which it would otherwise have expired (the "**Subsequent Offer Period**"). If the Offer has become unconditional and it is stated by or on behalf of Belphar that the Offer will remain open until further notice, then not less than 14 calendar days' notice in writing will be given

to those holders of Pan Shares who have not accepted the Offer prior to the closing of the Subsequent Offer Period.

- 1.5 If a competitive situation arises after a “no extension” statement and/or a “no increase” statement (as referred to in the Code) has been made by or on behalf of Belphar in relation to the Offer, Belphar 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), choose not to be bound by or withdraw such statement and be free to extend the Offer provided it complies with the requirements of the Code and, in particular, that:
- (a) it announces the withdrawal and that it is free to extend the Offer (as appropriate) as soon as possible and in any event within four Business Days after the day of the firm announcement of the competing offer or other competitive situation;
 - (b) it notifies Pan Shareholders to that effect in writing at the earliest opportunity or, in the case of Pan Shareholders with registered addresses outside the UK or whom Belphar knows to be a nominee, custodian or trustee holding Pan Shares for such persons, by announcement in the UK; and
 - (c) any Pan Shareholders who accepted the Offer after the date of the “no extension” statement are given a right of withdrawal in accordance with paragraph 3.4 of this Part B.
- 1.6 Belphar may, if it specifically reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of a “no extension” or “no increase” statement and may publish an increased or improved Offer (either as to the value or form of the consideration or otherwise) if it is recommended for acceptance by the Pan Board, or in any circumstance permitted by the Panel.
- 1.7 If a competitive situation arises (as determined by the Panel) and is continuing on Day 60, Belphar will enable Pan Shareholders holding Pan Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted any competing offer to accept the Offer by special form of acceptance to take effect on Day 60 (or such later day to which the Offer may be extended with the consent of the Panel). It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that: (i) it is received by the Receiving Agent on or before Day 60 (or such later day); (ii) the relevant Pan Shareholder shall have applied to withdraw his/her acceptance of the competing offer but the Pan Shares to which such withdrawal relates shall not have been released from escrow before Day 60 (or such later day) by the escrow agent to the competing offer; and (iii) the Pan 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 Belphar to Pan Shareholders set out in Part II of this document on or before Day 60 (or such later day), but an undertaking is given that they will be so transferred as soon as possible thereafter.
- 1.8 Pan Shareholders wishing to use such special forms of acceptance should apply to the Receiving Agent, Equiniti Limited, by telephone on 0871 384 2809 from within the UK or on +44 121 415 0089, if calling from outside the UK, between 8.30 a.m. and 5.30 p.m. (London time) no later than the Business Day preceding Day 60 (or such later day) in order that such forms can be despatched. Notwithstanding the right to use such special form of acceptance, holders of Pan Shares in uncertificated form may not use a Form of Acceptance (for use when accepting the Offer in respect of certificated shares) (or any other purported form of acceptance) for the purpose of accepting the Offer in respect of such uncertificated shares.
- 1.9 If Pan makes an announcement of the kind referred to in Rule 31.9 of the Code after Day 39 (or such other date as the Panel may determine shall be relevant for the purpose of Rule 31.9) after a “no extension” statement has been made by or on behalf of Belphar in respect of the Offer, Belphar may, with the consent of the Panel and if it reserved the right to do so in such circumstances at the time such statement was made, choose not to be bound by that statement and so be free to extend the Offer, provided that an announcement of that fact is made as soon as possible and in any event within four Business Days after such announcement by Pan and, at the earliest opportunity thereafter, Pan

Shareholders are informed of that fact in writing or, in the case of Pan Shareholders with registered addresses outside the UK, or whom Pan knows to be a nominee, custodian or trustee holding Pan Shares for such persons, by announcement in the UK.

- 1.10 For the purpose of determining whether the acceptance condition has been satisfied, Belphar will not be bound (unless otherwise required by the Panel) to take into account any Pan Shares which have been issued or unconditionally allotted or which arise as the result of the exercise of subscription or conversion rights or which have ceased to be Treasury Shares before that determination takes place, unless written notice given by Pan or its agent containing relevant details of the allotment, issue, subscription or conversion or sale or transfer of Treasury Shares has been received before that time by the Receiving Agent on behalf of Belphar at the address specified in paragraph 3.1 below. Notification by telex or facsimile or other electronic transmission or copies will not be sufficient to constitute written notice for this purpose.
- 1.11 Belphar reserves the right to reduce the percentage of Pan Shares required to satisfy the acceptance condition at any time prior to all the Conditions being satisfied, fulfilled or, where permitted, waived, provided that such percentage shall not be reduced to below 50 per cent. of the voting rights then normally exercisable at general meetings of Pan.

2. Announcements

- 2.1 Without prejudice to paragraph 3 below, by 8.00 a.m. (London time) on the Business Day following the day on which the Offer is due to expire, or becomes unconditional, is revised or is extended, as the case may be (or such later time or date as the Panel may agree) (the “**relevant day**”), Belphar will make an appropriate announcement and simultaneously inform a Regulatory Information Service of the position. Such announcement will also state (unless otherwise permitted by the Panel):
- (a) the number of Pan Shares for which acceptances of the Offer have been received (specifying the extent, if any, to which such acceptances have been received from persons acting in concert with Belphar or in respect of Pan Shares (if any) which were subject to an irrevocable commitment or a letter of intent procured by Belphar or any person acting in concert with Belphar);
 - (b) details of any relevant securities of Pan in which Belphar or any person acting in concert with Belphar has an interest or in respect of which any of them has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), 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, will also be stated;
 - (c) details of any relevant securities of Pan in respect of which Belphar or any person acting in concert with Belphar has an outstanding irrevocable commitment or letter of intent; and
 - (d) details of any relevant securities of Pan which Belphar or any person acting in concert with Belphar has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,
 - (e) and will in each case specify the percentages of each class of relevant securities represented by these figures. Any such announcement shall include a prominent statement of the total number of Pan Shares which Belphar may count towards the satisfaction of the acceptance condition and the percentage of Pan’s issued share capital represented by this figure.
- 2.2 Any decision to extend the time and/or date by which the acceptance condition has to be satisfied may be made at any time up to, and will be announced not later than, 8.00 a.m. on the relevant day (or such later time and/or date as the Panel may agree). The announcement will also state the next expiry time and date (unless the Offer is unconditional, in which case it may instead state that the Offer will remain open until further notice).

- 2.3 In calculating the number of Pan Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes, subject to paragraph 6.7 below, acceptances and purchases not in all respects in order or subject to verification, provided that such acceptances or purchases shall not be included unless they could be counted towards fulfilling the acceptance condition in accordance with paragraph 6.7 below and the provisions of the Code.
- 2.4 In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of Belphar include the release of an announcement by public relations consultants or by Strand Hanson on behalf of Belphar and the delivery by hand, telephone, telex or facsimile transmission or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service will be notified simultaneously to a Regulatory Information Service (unless the Panel otherwise agrees).
- 2.5 A copy of any announcement made by Belphar in accordance with this paragraph 2 will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Belphar's website at www.belphar.com as soon as possible after the making of such announcement and in any event by no later than 12 noon on the following Business Day, and will remain on such website while the Offer remains open for acceptances.
- 2.6 Without limiting the manner in which Belphar may choose to make any public statement and subject to Belphar's obligations under applicable law, including the Code, Belphar 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

- 3.1 If Belphar, having announced the Offer to be unconditional, fails by 3.30 p.m. on the relevant day (as defined in paragraph 2.1 of this Part B) (or such later time(s) and/or date(s) as the Panel may agree) to comply with any of the relevant requirements specified in paragraph 2 of this Part B, an accepting Pan Shareholder may (unless the Panel otherwise agrees) immediately after that time withdraw his/her acceptance of the Offer by written notice signed by the accepting Pan Shareholder (or his/her agent duly appointed in writing and evidence of whose appointment, in a form reasonably satisfactory to Belphar, is produced with the notice) given by post or (during normal business hours only) by hand to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Alternatively, in the case of Pan Shares held in uncertificated form, withdrawals can also be effected in the manner set out in paragraph 3.8 of this Part B. Subject to paragraph 1.5 of this Part B, this right of withdrawal may be terminated not less than eight calendar days after the relevant day by Belphar confirming, if that is the case, that the Offer is still unconditional and complying with the other relevant requirements specified in paragraph 1.5 of this Part B. If any such confirmation is given, the first period of 14 calendar days referred to in paragraph 1.4 of this Part B will run from the date of that confirmation and compliance.
- 3.2 If by 1.00 p.m. on Day 60 (or such later time and/or date as the Panel may agree) the Offer has not become unconditional, an accepting Pan Shareholder may withdraw his/her acceptance at any time thereafter in the manner referred to in paragraph 3.1 above (or, in the case of Pan Shares held in uncertificated form, in the manner set out in paragraph 3.8 of this Part B), before the earlier of:
- (a) the time that the Offer becomes unconditional; and
 - (b) the final time for lodgement of acceptances of the Offer which can be taken into account in accordance with paragraph 1.2 of this Part B.
- 3.3 If an accepting Pan Shareholder withdraws his/her acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the withdrawal (and in any event within 14 calendar days) and the Receiving Agent will immediately give instructions for the release of securities held in escrow.

- 3.4 If the Panel determines that Pan is not permitted to invoke, or cause or permit Belphar to invoke, a Condition, it may instead determine that accepting Pan Shareholders shall be entitled to withdraw their acceptances on such terms and by such time as the Panel considers appropriate notwithstanding that the Offer has become unconditional as to acceptances. The Panel may also determine that the timetable applicable to the Offer shall be varied in such manner as it may determine. Exercise of such withdrawal rights by accepting Pan Shareholders could result in the Offer, if it has become unconditional as to acceptances, ceasing to be unconditional as to acceptances.
- 3.5 If a “no increase” and/or a “no extension” statement is withdrawn in accordance with paragraph 1.5 of this Part B, any acceptance made by a Pan Shareholder after the date of that statement may be withdrawn thereafter in the manner referred to in paragraph 3.1 above (or, in the case of Pan Shares held in uncertificated form, in the manner set out in paragraph 3.8 of this Part B) for a period of eight calendar days following the date on which the notice of the withdrawal of such statement is posted to Pan Shareholders.
- 3.6 Except as provided by this paragraph 3, acceptances shall be irrevocable.
- 3.7 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 Pan Shareholder(s) or his/their agent(s) duly appointed in writing (evidence of whose appointment is produced with the notice in a form reasonably satisfactory to Belphar). Notification by telex, email, facsimile or other electronic transmissions or copies will not be sufficient to constitute written notice. No notice which is post-marked in, or otherwise appears to Belphar or its agents to have been sent from, a Restricted Jurisdiction, will be treated as valid.
- 3.8 In the case of Pan Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraphs 3.1 to 3.4 above, an accepting Pan Shareholder may withdraw his/her acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his/her 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 corporate action ISIN number of Pan Shares. This is GB00B12V3082;
 - the number of Pan Shares in uncertificated form to be withdrawn;
 - the member account ID of the accepting holder of Pan Shares;
 - the participant ID of the accepting holder of Pan Shares;
 - the member account ID of the Escrow Agent. This is BELPAN01;
 - the participant ID of the Escrow Agent. This is 6RA29;
 - the CREST transaction ID of the Electronic Acceptance to be withdrawn, to be inserted at the beginning of the shared note field;
 - input with a standard delivery instruction priority of 80;
 - the intended settlement date for the withdrawal;
 - the corporate action number for the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
 - the name and contact telephone number of the accepting Pan Shareholder inserted into the shared note field.

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

- 3.9 Immediately (or within such longer period, not exceeding 14 calendar days, as the Panel may permit) upon a Pan Shareholder validly withdrawing his/her acceptance in respect of Pan Shares held in uncertificated form, the Receiving Agent will give TFE Instructions to Euroclear to transfer all relevant Pan 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 Pan Shareholder concerned and, in respect of Pan Shares held in certificated form, the Receiving Agent will return by post (or by such other method as may be approved by the Panel) all share certificates and/or other document(s) of title to the holder of Pan Shares concerned.
- 3.10 Pan Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 3 may subsequently be re-assented to the Offer by following one of the procedures described in section 13 of the letter from Belphar to Pan Shareholders set out in Part II of this document, at any time while the Offer remains open for acceptance.
- 3.11 All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by Belphar, acting in good faith, whose determination (except as required by the Panel) will be final and binding. None of Belphar, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification or for any determination under this paragraph.

4. Revised offer

- 4.1 No revision of the Offer is envisaged. However, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise) and such revision represents, on the date on which it is announced (on such basis as Belphar and/or Strand Hanson may consider appropriate), an improvement (or no diminution) in the value of the Offer as so revised compared with the consideration or terms previously offered or in the overall value received and/or retained by a Pan Shareholder (under the Offer or otherwise), the benefit of the revised Offer will, subject as provided in paragraphs 4.3, 4.4 and 5 of this Part B of Appendix I, be made available to any Pan Shareholder who has accepted the Offer in its original or previously revised form(s) and not validly withdrawn such acceptance in accordance with paragraph 3 above (hereinafter called a “**Previous Acceptor**”). The acceptance of the Offer by or on behalf of a Previous Acceptor in its original or any previously revised form(s) shall, subject as provided in paragraphs 4.3, 4.4 and 5 of this Part B of Appendix I, be treated as an acceptance of the Offer as so revised and shall also constitute the separate and irrevocable appointment of Belphar and each of its directors as his/her attorney and/or agent with authority:
- (a) to accept any such revised Offer on behalf of such Previous Acceptor;
 - (b) if such revised Offer includes alternative forms of consideration, to make on his/her behalf elections for and/or accept such alternative forms of consideration in such proportions as such attorney and/or agent in his/her absolute discretion thinks fit; and
 - (c) to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) and to do all such further things (if any) as may be required to give effect to such acceptances and/or elections.

In making any such election and/or acceptance, such attorney and/or agent shall take into account the nature of any previous acceptances and/or elections made by or on behalf of the Previous Acceptor and such other facts or matters as he/she may reasonably consider relevant.

- 4.2 Subject to paragraphs 4.3 and 4.4 of this Part B of Appendix I, the powers of attorney and authorities conferred by this paragraph 4 and any acceptance of a revised Offer pursuant thereto shall be irrevocable unless and until the Previous Acceptor becomes entitled to withdraw his/her acceptance under paragraph 3 of this Part B of Appendix I and duly and validly does so.

4.3 The deemed acceptance referred to in paragraph 4.1 of this Part B of Appendix I shall not apply and the authorities conferred by that paragraph shall not be exercised, to the extent that a Previous Acceptor:

- (a) in respect of Pan Shares held in certificated form, lodges with the Receiving Agent, within 14 days of the publication of the document containing the revised Offer (or such later date as Belphar may determine), a Form of Acceptance (or other form validly issued by or on behalf of Belphar) in which he validly elects to receive the consideration receivable by him under such revised Offer in some other manner than that set out in his/her original acceptance; or
- (b) in respect of Pan Shares held in uncertificated form, sends (or, if a CREST sponsored member, procures that his/her 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:
 - (i) the number of Pan Shares in respect of which the changed election is made;
 - (ii) the ISIN number for the Pan Shares (this is GB00B12V3082);
 - (iii) the member account ID of the Previous Acceptor;
 - (iv) the participant ID of the Previous Acceptor;
 - (v) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance (this is BELPAN01);
 - (vi) the participant ID of the Escrow Agent (this is 6RA29);
 - (vii) the CREST transaction ID 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;
 - (viii) the intended settlement date for the changed election;
 - (ix) the corporate action number for the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporation action details in CREST; and
 - (x) a contact telephone number in the shared note field;

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

- (xi) the member account ID of the Escrow Agent relevant to the new election; and
- (xii) input with a standard delivery instruction priority of 80.

Any such change of election in respect of Pan Shares held in uncertificated form will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly, the Receiving Agent will on behalf of Belphar reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

4.4 The deemed acceptance referred to in paragraph 4.1 of this Part B of Appendix I shall not apply and the authorities conferred by that paragraph shall not be exercised if, as a result thereof, the Previous Acceptor would (on such basis as Belphar may consider appropriate) thereby receive and/or retain (as appropriate) less in aggregate in consideration under the revised Offer than he would have received and/or retained (as appropriate) in aggregate as a result of acceptance of the Offer in the form in which it was previously accepted by him/her or on his/her behalf (unless such Previous Acceptor has previously agreed in writing to receive and/or retain (as appropriate) less in aggregate consideration). The authorities conferred by paragraph 4.1 of this Part B of Appendix I shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph.

4.5 Belphar and the Receiving Agent reserve the right 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) on or after the announcement or issue of any revised Offer as a valid acceptance of the revised Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration made available pursuant thereto. Such acceptances shall constitute an authority in the terms of paragraph 4.1 of this Part B of Appendix I, *mutatis mutandis*, on behalf of the relevant Pan Shareholder.

5. General

5.1 Except with the consent of the Panel, the Offer will lapse unless all the conditions to the Offer set out in Part A of this Appendix I have been fulfilled or (if capable of waiver) waived by Belphar by midnight on Day 60 or by midnight on the date which is 21 days after the date on which the Offer becomes unconditional, whichever is the later, or in each case such later date as Belphar, with the consent of the Panel, may decide provided that Belphar shall be under no obligation to waive or treat as satisfied any of the conditions set out in Part A of this Appendix I by a date earlier than the latest date specified above for the satisfaction thereof 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 such conditions may not be capable of fulfilment.

5.2 If the Offer lapses for any reason, the Offer will cease to be capable of further acceptance and accepting Pan Shareholders and Belphar will cease to be bound by Forms of Acceptance and Electronic Acceptances submitted before the time the Offer lapses.

5.3 Except with the consent of the Panel, settlement of the consideration to which any Pan 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 Belphar may otherwise be, or claim to be, entitled as against such Pan Shareholder and will be effected:

- (a) in the case of acceptances received, complete in all respects (including the relevant transfer to escrow or (as applicable) receipt of relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Belphar), by the date on which the Offer becomes unconditional, within 14 calendar days of such date; or
- (b) in the case of acceptances of the Offer received, complete in all respects (including the relevant transfer to escrow or (as applicable) receipt of relevant share certificate(s), and/or other document(s) of title or indemnities satisfactory to Belphar), after the date on which the Offer becomes unconditional but while it remains open for acceptance, within 14 calendar days of such receipt.

All cash payments (other than payments made by means of CREST) will be made by cheque drawn on a branch of a UK clearing bank. Unless otherwise determined by Belphar, no consideration will be sent to any address in a Restricted Jurisdiction. Where the Pan Shares concerned are in uncertificated form, cash consideration will be paid by a CREST payment or, at Belphar's discretion, in pounds sterling by cheque drawn as aforesaid.

5.4 Notwithstanding the right reserved by Belphar to treat an acceptance of the Offer as valid (even though in the case of certificated Pan Shares the Form of Acceptance is not entirely in order or not accompanied by the relevant Pan Share certificate(s) and/or other document(s) of title or indemnities reasonably satisfactory to Belphar), except as otherwise agreed with the Panel:

- (a) 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, and Pan Shares falling within Note 8 on Rule 10 of the Code will not be counted towards fulfilling the Conditions;
- (b) a purchase of Pan Shares by Belphar or its nominee(s) (or, in the case of a Rule 9 offer, any person acting in concert with Belphar, or its nominee(s)) will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it; and

- (c) the Offer will not become unconditional unless the Receiving Agent has issued a certificate to Belphar or Strand Hanson stating the number of Pan Shares in respect of which acceptances have been received which comply with sub-paragraph 5.4(a) above and the number of Pan Shares otherwise acquired, whether before or during the Offer Period, which comply with sub-paragraph 5.4(b) above. Copies of such certificate will be sent to the Panel and to the Joint Financial Advisers as soon as possible after it is issued.
- 5.5 The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance will, in respect of certificated Pan Shares, constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires. The provisions of this Appendix I shall be deemed to be incorporated into and form part of the Form of Acceptance.
- 5.6 All references in this document and in the Form of Acceptance to the First Closing Date will (except in the definition of Offer Period and where the context otherwise requires) be deemed, if the expiry date of the Offer is extended, to refer to the expiry date of the Offer as so extended.
- 5.7 References in this Part B and in Part C of this Appendix I to a Pan Shareholder will 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, such paragraphs will apply to them jointly and severally.
- 5.8 Any omission or failure to despatch this document, the Form of Acceptance, any other documents relating to the Offer 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, will not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.
- 5.9 Without prejudice to any other provision of this Part B, Belphar reserves the right (subject to the Code) to treat acceptances of the Offer as valid if not entirely in order or not accompanied by the relevant share certificate(s) and/or other relevant document(s) of title or not accompanied by the relevant TTE Instructions or if received by, or on behalf of it, at any place or places, or in any manner, otherwise than as specified in this document or in the Form of Acceptance. In that event, no payment of cash or settlement of consideration will be made under the Offer until the relevant TTE Instruction has settled or (as applicable) the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Belphar have been received.
- 5.10 No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) or other document(s) of title will be given by, or on behalf of, Belphar. All communications, notices, certificates, document(s) of title and remittances to be delivered by, or sent to or from, holders of Pan Shares (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- 5.11 Subject to paragraph 6 of this Part B, the Offer extends to persons to whom the Offer is made or should be made but to whom this document, the Form of Acceptance or any related documents may not be despatched or who may not receive any such documents and such persons may inspect or collect copies of these documents from the Receiving Agent at the relevant address set out in paragraph 3.1 of this Part B.
- 5.12 Belphar reserves the right to notify any matter (including the making of the Offer) to all or any holder of Pan Shares with a registered address outside the UK or whom Belphar knows to be a custodian, trustee or nominee holding Pan Shares for persons who are citizens, residents or nationals of jurisdictions outside the UK, by announcement in the UK to the London Stock Exchange or in any other appropriate manner, or by paid advertisement in a daily newspaper published and circulated in the UK or any part thereof, or in the London Gazette, in which event such notice will be deemed to have been sufficiently given, notwithstanding any failure by any such Pan Shareholder to receive or see such notice, and all references in this document to notice in writing by or on behalf of Belphar will be construed accordingly.

- 5.13 The Offer is made on 27 May 2014 by means of this document and an advertisement proposed to be published in the London Gazette dated on or around 28 May 2014 and is capable of acceptance from and after 27 May 2014. Copies of this document, the Form of Acceptance and any related documents are available from the Receiving Agent at the address set out in paragraph 3.1 of this Part B from that time.
- 5.14 If the Offer does not become unconditional:
- (a) in the case of Pan Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address is set out in Box 3 or, if appropriate, Box 4 of the relevant Form of Acceptance or, if none is set out, to the first-named holder at his/her registered address (provided that no such documents will be sent to an address in any Restricted Jurisdiction); and
 - (b) in the case of Pan Shares held in uncertificated form, the Escrow Agent, Equiniti Limited, will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days from the lapsing of the Offer), give TFE Instructions to Euroclear to transfer all Pan 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 Pan Shareholders concerned.
- 5.15 All powers of attorney, appointments of agents and authorities conferred by this Appendix I or in the Form of Acceptance are given by way of security for the performance of the obligations of the Pan Shareholder concerned and are irrevocable (in respect of powers of attorney in accordance with section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of such power of attorney or authority or appointment is entitled to withdraw his/her acceptance in accordance with paragraph 3 of this Part B and duly does so.
- 5.16 In relation to any acceptance of the Offer in respect of a holding of Pan Shares which is in uncertificated form, Belphar reserves the right to make such alterations, additions or modifications to the terms of the Offer 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 any such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.
- 5.17 Neither Belphar, nor any agent or director of Belphar, 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.
- 5.18 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 that the relevant instruction settles in CREST.
- 5.19 The Offer, all acceptances made thereof, this document, all Electronic Acceptances, the Form of Acceptance and all contracts made pursuant thereto and actions taken or made or deemed to be taken or made under any of the foregoing (including non-contractual disputes or claims), and the relationship between any Pan Shareholder and Belphar or the Receiving Agent in respect thereof will be governed by and construed in accordance with the laws of England. Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of a Pan Shareholder will constitute his/her irrevocable submission, in relation to all matters arising out of or in connection with the Offer and the Form of Acceptance or the Electronic Acceptance (as appropriate), to the jurisdiction of the courts of England and his/her agreement that nothing shall limit the right of Belphar, the Receiving Agent or their respective agents to bring any action, suit or proceeding arising out of or in connection with the Offer and the Form of Acceptance or the Electronic Acceptance (as appropriate) in any other manner permitted by law or in any court of competent jurisdiction.

- 5.20 The Offer extends to all Pan Shares unconditionally allotted or issued on the date on which the Offer is made and any further Pan Shares unconditionally allotted or issued before the date on which the Offer closes or such earlier date as Belphar may, subject to the Code, decide.
- 5.21 The Pan Shares are to be acquired by Belphar fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and other third party interests and rights of any nature whatsoever and together with all rights now or hereafter attaching thereto, including, without limitation, the right to receive and retain in full all dividends and other distributions, if any, declared, paid or made after the Announcement Date.
- 5.22 The provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to this document, the Form of Acceptance or any contract made pursuant to the Offer.
- 5.23 All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).

6. Overseas Pan Shareholders

- 6.1 The making and availability of the Offer in jurisdictions outside the UK, or to certain persons who are Overseas Pan Shareholders may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Pan Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any such person wishing to accept the Offer to satisfy himself or herself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and compliance with other necessary formalities. Any such Overseas Pan Shareholder will be responsible for the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction by whomsoever payable and Belphar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Pan Shareholder for any such issue, transfer or other taxes or duties or other requisite payments as such person (and any person acting on behalf of them) may be required to pay. **If you are an Overseas Pan Shareholder and you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.**
- 6.2 Unless otherwise determined by Belphar and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in or into a Restricted Jurisdiction, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of interstate or foreign commerce of, or of any facilities of a national securities exchange of any Restricted Jurisdiction and is not capable of acceptance by any such use, means, instrumentality or facility, or from within any Restricted Jurisdiction.
- 6.3 Copies of the Offer Document and/or the Form of Acceptance are not being and must not be, directly or indirectly, mailed or otherwise distributed or sent in or into or from any Restricted Jurisdiction, including to Pan Shareholders with registered addresses in those jurisdictions or to persons whom Belphar knows to be custodians, nominees or trustees holding Pan Shares for such persons. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not distribute, send or mail them in, into or from a Restricted Jurisdiction, or use such mails or any such means or instrumentality for any purpose, directly or indirectly, in connection with the Offer, and doing so may render invalid any related purported acceptance of the Offer. Persons wishing to accept the Offer must not use the mails or any such means, or instrumentality or facility of any Restricted Jurisdiction for any purpose directly or indirectly related to the acceptance of the Offer. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer must not be postmarked in, or otherwise dispatched from, any Restricted Jurisdiction and all acceptors must provide addresses outside a Restricted Jurisdiction for the receipt or the remittance of the consideration to which they are entitled under the Offer, or for the return of the Form of Acceptance and (in relation to Pan Shares in certificated form) any Pan share certificate(s) and/or other document(s) of title.

Note to US Pan Shareholders

- 6.4 The Offer is being made for the securities of an English company which is not subject to US disclosure requirements. The financial information included in this document has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The Offer is being made in the United States in accordance with the requirements of the Code. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable to tender offers made in accordance with US procedures and law.

It may be difficult for Pan Shareholders in the US to enforce their rights and any claim arising out of the US federal securities laws, since Belphar and Pan are located in non-US jurisdictions, and some or all of their officers and directors may be residents of non-US jurisdictions. US Pan Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to the judgment of a US court.

In accordance with the Code and normal UK market practice and pursuant to Rule 14e-5(b)(10) under the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), Belphar or its nominees or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Pan Shares outside the United States, otherwise than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance, such as in open market purchases at prevailing prices or privately negotiated purchases at negotiated prices. In the event that Belphar or its nominees or brokers (acting as agents) purchase or make arrangements to purchase Pan Shares for a higher price than the Offer Price, the Offer Price will be increased to match the higher price paid outside the Offer. Such purchases, or arrangements to purchase, will comply with all applicable United Kingdom rules, including the Code and the AIM Rules. These purchases may occur in the open market or as privately negotiated transactions. Any information about such purchases which is required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Neither the US Securities and Exchange Commission nor any securities commission of any state or other jurisdiction of the United States has approved or disapproved of this document or determined whether this document is accurate or complete. Any representation to the contrary is a criminal offence.

- 6.5 Subject as provided below, a Pan Shareholder will be deemed NOT to have accepted the Offer if:
- (a) he puts “NO” in Box 5 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph 3 of Part C of this Appendix I;
 - (b) Box 3 of the Form of Acceptance contains an address in a Restricted Jurisdiction and he does not insert in Box 4 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent, subject to the provisions of this paragraph 6 and applicable laws;
 - (c) he inserts in Box 3 of the Form of Acceptance a telephone number in a Restricted Jurisdiction for use in the event of queries;
 - (d) a Form of Acceptance received from him is received in an envelope postmarked in, or otherwise appears to Belphar or its receiving agents to have been sent from or otherwise evidences use of any means or instrumentality of, a Restricted Jurisdiction; or

- (e) (in respect of uncertificated Pan Shares) he makes a Restricted Escrow Transfer (as defined in paragraph 6.7 below) pursuant to paragraph 6.7 below unless he also makes a related Restricted ESA Instruction (as defined in paragraph 6.7 below) which is accepted by the Receiving Agent.

Belphar reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph 3 of Part C (or as the case may be, Part D) of this Appendix I could have been truthfully given by the relevant Pan Shareholder and, if such investigation is made and as a result Belphar cannot satisfy itself that such representations and warranties are true and correct, such acceptance shall not be valid.

6.6 If, 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 the Offer Document and/or the Form of Acceptance in, into or from a Restricted Jurisdiction or uses the mails or any means or instrumentality (including, without limitation, facsimile transmission, email, telex, telephone and the internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, such jurisdictions in connection with such forwarding, such person should:

- (a) inform the recipient of such fact;
- (b) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
- (c) draw the attention of the recipient to this paragraph 6.

6.7 If a Pan Shareholder holding Pan Shares in uncertificated form is unable to give the representations and warranties set out in paragraph 3 of Part D of this Appendix I, but nevertheless can produce evidence satisfactory to Belphar that he/she is able to accept the Offer in compliance with all legal and regulatory requirements and without Belphar or its agents being in breach of any such requirements, he/she may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that hisher CREST sponsor sends) both:

- (a) a valid TTE Instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”); and
- (b) 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 if any).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and Belphar decides in its absolute discretion to exercise its right to waive, vary or modify the terms of the Offer relating to Overseas Pan Shareholders to the extent required to permit such acceptance to be made in each case during the acceptance period set out in paragraph 1 of this Part B of this Appendix I. If Belphar decides to permit such acceptance to be made, the Receiving Agent will on behalf of Belphar 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, the Receiving Agent will on behalf of Belphar 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 corporate action ISIN number of the Pan Shares. This is GB00B12V3082;
- the number of Pan Shares in uncertificated form in respect of which the accepting holder of Pan Shares wishes to accept the Offer (i.e. the number of Pan Shares in uncertificated form to be transferred to an escrow balance);

- the participant ID of the accepting Pan Shareholder;
- the member account ID of the accepting Pan Shareholder;
- the participant ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is 6RA29;
- the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is RESTRICT;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. on the First Closing Date;
- the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input with standard delivery instruction priority of 80; and
- the contact name and telephone number of the accepting Pan Shareholder inserted in the shared note field.

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

- the corporate action ISIN number of Pan Shares. This is GB00B12V3082;
- the number of Pan Shares in uncertificated form relevant to that Restricted ESA Instruction;
- the participant ID of the accepting Pan Shareholder;
- the member account ID of the accepting Pan Shareholder;
- the participant ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is 6RA29;
- the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is RESTRICT;
- the member account ID of the Escrow Agent relevant to the form of consideration required in respect of the Offer;
- the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates, to be inserted at the beginning of the shared note field;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. on the First Closing Date;
- the corporate action number for the Offer; and
- input with a standard delivery instruction priority of 80.

6.8 Notwithstanding anything to the contrary contained in this document or the Form of Acceptance, Belphar may make the Offer (with or without giving effect to the foregoing paragraphs of this paragraph 6) in a Restricted Jurisdiction or in any other jurisdiction pursuant to an exemption under, or in accordance with, applicable law in such jurisdictions and, in this connection, the provisions of paragraph 3 of Part C and paragraph 3 of Part D of this Appendix I will be varied accordingly.

6.9 The provisions of this paragraph 6 supersede any terms of the Offer inconsistent with them. The provisions of this paragraph 6 and/or any other terms of the Offer relating to Overseas Pan Shareholders may be waived, varied or modified as regards specific holder(s) of Pan Shares.

PART C: FORM OF ACCEPTANCE FOR SHARES HELD IN CERTIFICATED FORM

Without prejudice to the terms of the Form of Acceptance and the provisions of Parts A and B of this Appendix I, each Pan Shareholder holding Shares in certificated form by whom, or on whose behalf, any Form of Acceptance is executed, irrevocably undertakes, represents, warrants and agrees to and with Belphar and the Receiving Agent (so as to bind him/her and his/her personal representatives, heirs, successors and assigns) to the following effect that:

1. the execution of the Form of Acceptance shall constitute:
 - 1.1 an acceptance of the Offer in respect of the number of Pan Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and
 - 1.2 an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable Belphar to obtain the full benefit of this Part C and/or to perfect any authorities expressed to be given hereunder,

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 Part B of this Appendix I, each such acceptance, election and undertaking shall be irrevocable. If Box 1 is left blank or a number greater than such Pan Shareholder's registered holding appears in Box 1B or if the Form of Acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance by such Pan Shareholder of the terms of the Offer in respect of the total number of Pan Shares registered in his/her name;
2. Pan Shares in certificated form in respect of which the Offer is accepted, or deemed to be accepted, are sold fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption and other third party interests and rights of any nature whatsoever and together with all rights now or hereafter attaching thereto, including, without limitation, the right to receive and retain in full all dividends and other distributions, if any, declared, paid or made after the Announcement Date;
3. unless "NO" is inserted in Box 5 of the Form of Acceptance, such Pan Shareholder:
 - 3.1 has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from, a Restricted Jurisdiction;
 - 3.2 has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of, interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted Jurisdiction;
 - 3.3 was outside a Restricted Jurisdiction when the Form of Acceptance was delivered and at the time of accepting the Offer and, in respect of Pan Shares to which the Form of Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within a Restricted Jurisdiction or is a resident of any Restricted Jurisdiction; and
 - 3.4 has not mailed or otherwise sent the Form of Acceptance and the Offer Document in, into or from a Restricted Jurisdiction and such shareholder is accepting the Offer from outside such jurisdictions;
4. the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming unconditional in accordance with its terms and to the accepting Pan Shareholder not having validly withdrawn his/her acceptance, the irrevocable separate appointment of Belphar and/or any director of Belphar, and/or any person authorised by Belphar as such Pan Shareholder's attorney and/or agent ("**attorney**"), with an irrevocable instruction and authorisation to the attorney to:

- 4.1 complete and execute all or any form(s) of transfer and/or renunciation and/or other documents in the attorney's discretion in relation to Pan Shares referred to in paragraph 1.1 of this Part C in favour of Belphar or such other person or persons as Belphar or its agents may direct;
- 4.2 deliver such form(s) of transfer and/or renunciation and/or other documents at the attorney's discretion together with any certificate(s) and/or other document(s) of title relating to such Pan Shares for registration within six months of the Offer becoming unconditional; and
- 4.3 execute all such other documents and 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 or deemed acceptance of the Offer and to vest in Belphar or its nominee(s) the Pan Shares as aforesaid;
5. the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming unconditional in accordance with its terms and to the accepting Pan Shareholder not having validly withdrawn his/her acceptance, a separate and irrevocable authority and request:
 - 5.1 to Pan or its agents to procure the registration of the transfer of those Pan Shares pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to Belphar or as it may direct; and
 - 5.2 to Belphar or its agents to procure the despatch by post (or such other method as may be approved by the Panel) of a cheque in respect of any cash consideration to which an accepting Pan Shareholder is entitled under the Offer, at the risk of such Pan Shareholder, to the person or agent whose name and address (outside any Restricted Jurisdiction unless otherwise permitted by Belphar) is set out in Box 3 or Box 4 of the Form of Acceptance or, if none is set out, to the first-named holder at his/her registered address (outside any Restricted Jurisdiction unless otherwise permitted by Belphar);
6. the execution of the Form of Acceptance and its delivery constitutes a separate authority to Belphar and/or any director of Belphar and/or agent within terms of paragraph 4 of Part B of this Appendix I;
7. subject to the Offer becoming unconditional (or if the Panel otherwise gives its consent), and pending registration, that:
 - 7.1 Belphar or its agents be entitled to direct the exercise of any votes and any and all other rights and privileges (including the right to requisition the convening of a general meeting or separate class meeting of Pan) attaching to any certificated Pan Shares in respect of which the Offer has been accepted, or is deemed to have been accepted, and such acceptance has not been validly withdrawn; and
 - 7.2 the execution of a Form of Acceptance by a Pan Shareholder constitutes, in respect of certificated Pan Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (a) an irrevocable authority to Pan and/or its agents from such Pan Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him/her as a member of Pan (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Pan Shares into certificated form) to Belphar at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or to such address as Belphar or its agents may direct;
 - (b) an irrevocable authority to Belphar and/or any of its directors and/or its agents to sign on such Pan Shareholder's behalf such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Pan Shares (including, without limitation, an authority to sign any consent to short notice on his/her behalf and/or attend and/or execute a form of proxy in respect of such Pan Shares appointing any person nominated by Belphar to attend general meetings and separate class meetings of Pan or its members (or any of them) (and any

adjournments thereof) and to exercise, or refrain from exercising the votes attaching to such shares on such Pan Shareholder's behalf; and

- (c) the agreement of such Pan Shareholder not to exercise any of such rights without the consent of Belphar and the irrevocable undertaking of such Pan Shareholder not to appoint a proxy or representative for or to attend any such general meeting or separate class meeting;
8. he/she shall deliver (or procure the delivery) to the Receiving Agent at the address referred to in paragraph 3.1 of Part B of this Appendix I his/her share certificate(s) or other document(s) of title in respect of all Pan Shares held by him/her in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to Belphar in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional;
9. if, for any reason, any Pan Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 13.2 of the letter from Belphar to Pan Shareholders set out in Part II of this document are converted to certificated form, he will (without prejudice to paragraph 7.2(a) of this Part C) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Pan Shares as so converted to the Receiving Agent at the address referred to in paragraph 3.1 of Part B of this Appendix I or to Belphar at the address specified in paragraph 7.2(a) of this Part C or to such address as Belphar or its agents may direct and he/she shall be deemed on conversion to undertake, represent, warrant and agree in the terms set out in this Part C in relation to such Pan Shares without prejudice to the application of Part D of this Appendix I so far as Belphar deems appropriate;
10. if he/she accepts the Offer and does not validly withdraw such acceptance, he/she shall do all such acts and things (subject to the Code) as shall, in the opinion of Belphar and/or the Receiving Agent, be necessary or expedient to vest in Belphar or its nominee(s) or such other person as Belphar may decide, title to the number of Pan Shares inserted or deemed to be inserted in Box 1 of the Form of Acceptance;
11. the terms and conditions of the Offer contained in this document will be deemed to be incorporated in, and form part of, the Form of Acceptance, which will be construed accordingly;
12. he/she will ratify each and every act or thing which may be lawfully done or effected by Belphar or the Receiving Agent or their respective directors, agents or attorneys or Pan or its agents (as the case may be) in the proper exercise of any of his/her or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom other than losses arising as a result of the negligence or wilful default of such person);
13. if any provision of Part B or this Part C of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Belphar or the Receiving Agent or their respective directors, agents or attorneys (as the case may be) the full benefit of authorities or powers of attorney expressed to be given therein, he/she shall with all practicable speed do all such acts or things and execute all such documents as may be required to enable those persons to secure the full benefits of Part B and this Part C of this Appendix I;
14. the execution of the Form of Acceptance constitutes his/her submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the courts of England and his/her agreement that nothing shall limit the right of Belphar and/or the Receiving Agent and/or any of their respective directors or agents to bring any action, suit or proceeding arising out of or in connection with the Offer and the Form of Acceptance in any other manner permitted by law or in any court of competent jurisdiction; and
15. on execution, the Form of Acceptance will take effect as a deed.

References in this Part C to a Pan Shareholder shall include reference 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 Part C shall apply to them jointly and severally.

PART D: ELECTRONIC ACCEPTANCE

Each Pan Shareholder who holds Pan Shares in uncertificated form by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with Belphar, Strand Hanson and the Receiving Agent (so as to bind him/her and his/her personal representatives, heirs, successors and assigns) to the following effect that:

1. the Electronic Acceptance shall constitute in respect of the number of Pan Shares in uncertificated form to which a TTE Instruction relates:
 - 1.1 an acceptance of the Offer;
 - 1.2 an undertaking to execute any further documents, take any further action and give any further assurances (subject in each case to the Code) which may be required to enable Belphar to obtain the full benefit of this Part D and/or to perfect any authorities expressed to be given hereunder;

in each case on and subject to the terms and Conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out in paragraph 3 of Part B of this Appendix I, such acceptance, election and undertaking shall be irrevocable;
2. Pan Shares in uncertificated form in respect of which the Offer is accepted, or deemed to be accepted, are sold fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption and other third party interests and rights of any nature whatsoever and together with all rights now or hereafter attaching thereto including, without limitation, the right to receive and retain in full all dividends and other distributions, if any, declared, paid or made after the Announcement Date;
3. unless, he/she sends a Restricted Escrow Transfer and a Restricted ESA Instruction (each as defined in paragraph 6.7 of Part B above) which is accepted by a receiving agent accept (AEAN) message pursuant to paragraph 6.7 of Part B above, such Pan Shareholder:
 - 3.1 has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from, a Restricted Jurisdiction and has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of interstate or foreign commerce of, or any facilities of, a national securities exchange, of a Restricted Jurisdiction at the time of the input and settlement of the relevant TTE Instruction(s), and in respect of Pan Shares in uncertificated form to which an Electronic Acceptance relates he/she is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within a Restricted Jurisdiction or is a resident of any Restricted Jurisdiction; and
 - 3.2 is not a citizen, resident or national of the UK, he/she has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from him/her, in connection with such acceptance in any territory, and has not taken or omitted to take any action which will or may result in Belphar or any other person acting in breach of any legal or regulatory requirements of any territory in connection with the Offer or his/her acceptance thereof, provided that the warranties and representations above shall be deemed not to be given if such Pan Shareholder purports to accept the Offer by sending (or, if a CREST sponsored member, procuring that his/her CREST sponsor sends) a Restricted Escrow Transfer and a Restricted ESA Instruction pursuant to paragraph 6.7 of Part B of this Appendix I;
4. the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in accordance with its terms and to the accepting Pan Shareholder not having validly withdrawn his/her acceptance, the irrevocable separate appointment of each of Belphar and/or any director of Belphar, and/or any person authorised by Belphar as such Pan Shareholder's attorney and/or agent ("**attorney**") with an irrevocable instruction and authorisation 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 to vest in Belphar or its nominee(s) the Pan Shares in uncertificated form

referred to in paragraph 1 above in respect of which such accepting Pan Shareholder has not validly withdrawn his/her acceptance (the “**Electronic Acceptance Shares**”);

5. the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as the escrow agent to the Offer with an irrevocable instruction and authority to the escrow agent, subject to the Offer becoming unconditional in accordance with its terms and to such accepting Pan Shareholder not having validly withdrawn his/her acceptance, to transfer to itself (or to such other person or persons as Belphar or its agents may direct) by means of CREST all or any of the Electronic Acceptance Shares and, if the Offer does not become unconditional, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days from the lapsing of the Offer), to transfer all the Electronic Acceptance Shares to the original available balance of the accepting Pan Shareholder;
6. the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in accordance with its terms and to an accepting Pan Shareholder not having validly withdrawn his/ her acceptance, an irrevocable authority and request, subject to the provisions of paragraph 4 of Part B of this Appendix I, to Belphar or its agents to procure the making of a CREST payment obligation in favour of the accepting Pan Shareholder’s payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such accepting Pan Shareholder is entitled under the Offer, provided that:
 - 6.1 Belphar may (if for any reason it wishes to do so) determine that all or any part of such cash consideration shall be paid by cheque, despatched by post; and
 - 6.2 if the accepting Pan Shareholder is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which he is entitled shall in any case be paid by cheque despatched by post,and in either case all such cheques shall be despatched at the risk of such Pan Shareholder to the first-named holder at an address outside a Restricted Jurisdiction stipulated by such holder or as otherwise determined by Belphar;
7. the Electronic Acceptance constitutes a separate authority to Belphar and/or any directors of Belphar and/or agents within the terms of paragraph 4 of Part B of this Appendix I in respect of the Electronic Acceptance Shares;
8. the Electronic Acceptance constitutes the same undertakings, acceptances, acknowledgements and authorities as set out in paragraph 4 of Part C of this Appendix I as if the same had been restated in this Part D *mutatis mutandis*;
9. subject to the Offer becoming unconditional (or if the Panel otherwise gives its consent), and pending registration that:
 - 9.1 Belphar or its agents shall be entitled to direct the exercise of any votes and any and all other rights and privileges (including the right to requisition the convening of a general meeting or separate class meeting of Pan) attaching to any uncertificated Pan Share in respect of which the Offer has been accepted, or is deemed to have been accepted, and such acceptance has not been validly withdrawn; and
 - 9.2 an Electronic Acceptance by a Pan Shareholder constitutes, in respect of uncertificated Pan Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (a) an irrevocable authority to Pan and/or its agents from such Pan Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Pan (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Pan Shares into certificated form) to Belphar c/o Equiniti

Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or to such address as Belphar or its agents may direct;

- (b) an irrevocable authority to Belphar and/or any of its directors and/or its agents to sign on such Pan Shareholder's behalf such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Pan Shares (including, without limitation, an authority to sign any consent to short notice on his/her behalf and/or attend and/or execute a form of proxy in respect of such Pan Shares appointing any person nominated by Belphar to attend general meetings and separate class meetings of Pan or its members (or any of them) (and any adjournments thereof) and to exercise or refrain from exercising the votes attaching to such shares on such Pan Shareholder's behalf; and
 - (c) the agreement of such Pan Shareholder not to exercise any of such rights without the consent of Belphar and the irrevocable undertaking of such Pan Shareholder not to appoint a proxy or representative for or to attend any such general meeting or separate class meeting;
10. if, for any reason, any Pan Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 13.2 of the letter from Belphar to Pan Shareholders set out in of Part II of this document are converted to certificated form, he/she will (without prejudice to paragraph 9.2(a) of this Part D) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Pan Shares as so converted to the Receiving Agent at the address referred to in paragraph 3.1 of Part B of this Appendix I or to Belphar at the address specified in paragraph 9.2(a) of this Part D or to such address as Belphar or its agents may direct and he/she shall be deemed on conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix I in relation to such Pan Shares without prejudice to the application of this Part D so far as Belphar deems appropriate;
 11. the creation of a CREST payment obligation in favour of his/her payment bank in accordance with the CREST payment arrangements referred to in paragraph 6 above shall, to the extent of the obligations so created, discharge in full any obligation of Belphar to pay him/her the cash consideration to which he/she is entitled pursuant to the Offer;
 12. if he/she accepts the Offer and does not validly withdraw such acceptance, he/she shall do all such acts and things as shall, in the opinion of Belphar and/or the Receiving Agent, be necessary or expedient to enable the Receiving Agent to perform its functions as Escrow Agent for the purposes of the Offer;
 13. he/she will ratify each and every act or thing which may be lawfully done or effected by Belphar or the Receiving Agent or their respective directors, agents or attorneys, or Pan or its agents, as the case may be, in the proper exercise of any of his/her or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom other than losses arising as a result of the negligence or wilful default of such person);
 14. if any provision of Part B or this Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Belphar or the Receiving Agent or their respective directors, agents or attorneys, as the case may be, the full benefit of authorities or powers of attorney expressed to be given therein, he/she shall with all practicable speed do all such acts or things and execute all such documents as may be required to enable those persons to secure the full benefits of Part B and this Part D of this Appendix I;
 15. the making of an Electronic Acceptance constitutes his/her submission, in relation to all matters arising out of the Offer and the Electronic Acceptance, to the jurisdiction of the courts of England and his/her agreement that nothing shall limit the right of Belphar and/or the Receiving Agent and/or any of their respective directors or agents to bring any action, suit or proceeding arising out of or in connection with the Offer and the Electronic Acceptance in any other manner permitted by law or in any court of competent jurisdiction; and

16. by virtue of the Regulations the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant holder of Pan Shares in the terms of the powers and authorities expressed to be given by Part B, this Part D and (where applicable by virtue of paragraph 9 above) Part C of this Appendix I to Belphar and the Receiving Agent and their respective directors or agents.

References in this Part D to a Pan Shareholder shall include reference to the person or persons making an Electronic Acceptance and, in the event of more than one person making an Electronic Acceptance, the provisions of this Part D shall apply to them jointly and severally.

APPENDIX II

Further Information relating to Belphar and Mr Khofiz Shakhidi

1. Incorporation

Belphar was incorporated as a limited liability company in the British Virgin Islands under the BVI Business Companies Act 2004 on 4 October 2013 with company number 1793423. The registered office of Belphar is 333 Waterfront Drive, P.O. Box 3175, Road Town, Tortola, British Virgin Islands.

2. Director

The sole director of Belphar is Mr Khofiz Shakhidi.

A brief description of the director of Belphar is set out in section 5 of the letter from Belphar to Pan Shareholders set out in Part II of this document.

In addition to Belphar, save for certain special purpose vehicles formed for the purposes of a specific investment or acquisition of real estate or other assets, Mr Khofiz Shakhidi currently holds or has held the following directorships within the five years prior to the publication of this document and is or has been a partner in the following firms within the five years prior to the publication of this document:

Current directorships/partnerships

Albion Investments Limited
Baltree Investments Limited
BSI & Venture Partners SA
Central & Eastern Europe Investments Limited
Jefferson Resources Fund
KS Holdings Group SARL
Northville Investments Limited
Progas Holdings (UK) Limited
Ringreld Investments Limited
Sogdiana Properties Limited
Southport Properties Limited
Turicum Services AG
Turicum Services (UK) Limited

Past directorships/partnerships

Albion Capital Limited
Albion Finance Limited
Alfa Generation Fund
Alfa Generation Investment Management Limited
Arlington Fund
Arlington Investment Management Limited
BSI Monaco SAM
Nashville Consultants Limited
Nashville Properties Limited
Topsfield Finance Limited

As at the date of this document, Mr Khofiz Shakhidi has:

- (i) no unspent convictions in relation to indictable offences;
- (ii) not had a bankruptcy order made against him or entered into an individual voluntary arrangement;
- (iii) not been a director of any company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or which entered into any composition or arrangement with its creditors generally or any class of its creditors whilst he was acting in that capacity for that company or within the twelve months after he ceased to be so acting;
- (iv) not been a partner in any partnership placed into compulsory liquidation, administration or partnership voluntary arrangement where he was a partner at the time of or within the twelve months preceding such event;
- (v) not been subject to the receivership of any asset of his or of a partnership of which he was a partner at the time of or within twelve months preceding such event; and

- (vi) not been subject to any official public criticisms by any statutory or regulatory authority (including recognised professional bodies) nor has he been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

3. Share capital and shareholder

Belphar has, at the date of this document, an issued share capital comprising 50,000 shares of US\$1 each, all of which are held by Mr Khofiz Shakhidi as the sole shareholder.

4. Financial information and activities

Belphar was incorporated on 4 October 2013 for the purposes of making the Offer and has not traded since its incorporation. Accordingly, no financial information is available or has been published in respect of Belphar. It has paid no dividends and has not entered into any obligations other than in connection with the financing of the Offer summarised in paragraph 6 below. As at the date of this document, Belphar has no assets, earnings or liabilities save for any commitments in respect of the Offer and its existing interests in Pan Shares, the Warrants and the CLNs.

5. Belphar ratings information

As Belphar was incorporated on 4 October 2013 for the purposes of making the Offer, there are no current ratings or outlooks publicly accorded to Belphar by ratings agencies.

6. Summary of the terms of the financing of the Offer

The funding for Belphar to satisfy the cash consideration payable under the Offer is being provided pursuant to the terms of a loan agreement dated 20 May 2014 between Mr Shakhidi and Belphar. Under the loan agreement, Mr Shakhidi has agreed to make available to Belphar a loan of £16.4 million and is obliged to provide the loan, which will be available for drawdown by Belphar once the Offer has been declared or become wholly unconditional. The loan is repayable on demand but shall not be repayable and no demand shall be made until at least 14 days after the Offer has closed and all payments have been made in respect of acceptances or pursuant to Part 28 of the Companies Act.

7. Effect of full acceptance of the Offer on Belphar

Assuming full acceptance of the Offer, the assets and liabilities of a consolidated Belphar and Pan Group would comprise of the loan monies in Belphar (to the extent not utilised to pay the consideration due under the Offer and the transaction fees pursuant to the Offer), the Pan Shares, the Warrants and the CLNs held by Belphar and the assets and liabilities of Pan on the date on which the Offer becomes, or is declared, wholly unconditional, save that the extent and amount of any fair value adjustments required post acquisition is not yet known.

The earnings of the consolidated Belphar and Pan Group, assuming full acceptance of the Offer, would comprise the earnings of the Pan Group.

APPENDIX III

Financial and Other Information relating to Pan

The following table sets out the financial information in respect of Pan as required by Rule 24.3 of the Code.

The documents referred to in the table are incorporated by reference pursuant to Rule 24.15 of the Code and can be downloaded and printed from the website referenced therein.

<i>Information</i>	<i>Source of Information</i>
Interim Results for the six months ended 30 June 2013	http://otp.investis.com/clients/uk/balticpetroleum/rns/regulatory-story.aspx?cid=384&newsid=367627
Annual Report and Financial Statements for the year ended 31 December 2012	http://www.peterminals.com/~media/Files/B/Baltic-Petroleum/financial-information/annual-report-2012.pdf
Annual Report and Financial Statements for the year ended 31 December 2011	http://www.peterminals.com/~media/Files/B/Baltic-Petroleum/financial-information/annual-report-2011.pdf

Directors of Pan

<i>Name</i>	<i>Position</i>
Simon Escott	Chief Executive Officer and Interim Executive Chairman
Reginald Eccles	Senior Independent Non-Executive Director
Professor Francesco Gardin	Non-Executive Director

No incorporation of website information

Save as expressly referred to herein, neither the content of Pan's website, nor the content of any website accessible from hyperlinks on Pan's website, is incorporated by reference into, or forms part of, this document.

Pan ratings information

There are no current ratings and outlooks publicly accorded to Pan by ratings agencies.

APPENDIX IV

Additional Information

1. Responsibility

- (a) The Belphar Director, whose name is set out in paragraph 2(a) below, accepts responsibility for the information contained in this document (other than the information relating to the Pan Group, the Pan Directors and members of the immediate families, related trusts and persons connected with them). To the best of the knowledge and belief of the Belphar Director (who has taken all reasonable care to ensure that such is the case), the information contained in this document for which he accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Pan Directors, whose names are set out in paragraph 2(b) below, accept responsibility for the information contained in this document relating to the Pan Group, the Pan Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the Pan Directors (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.

2. Directors

- (a) Belphar was founded by Mr Khofiz Shakhidi, who is the sole director and owner of the company. The principal place of business of Belphar and the Belphar Director is 333 Waterfront Drive, P.O. Box 3175, Road Town, Tortola, British Virgin Islands.
- (b) The Pan Directors and their respective functions are as follows:

<i>Name</i>	<i>Position</i>
Simon Leigh Escott	Chief Executive Officer and Interim Executive Chairman
Reginald Eccles	Senior Independent Non-Executive Director
Professor Francesco Gardin	Non-Executive Director

The registered office of Pan and the business address of each of the Pan Directors is 1-6 Yarmouth Place, London W1J 7BU.

3. Market quotations

The following table sets out the Closing Price for Pan Shares on:

- (a) the first Business Day of each month for the six months immediately prior to the date of this document;
- (b) 20 May 2014 (being the Business Day prior to the commencement of the Offer Period); and
- (c) 23 May 2014 (the latest practicable date prior to the publication of this document):

<i>Date</i>	<i>Closing Price (p)</i>
2 December 2013	19.25
2 January 2014	20.25
3 February 2014	19.75
3 March 2014	18.25
1 April 2014	16.13
1 May 2014	14.75
20 May 2014	15.00
23 May 2014	21.00

4. Disclosure of interests and dealings

4.1 For the purposes of this Appendix IV:

“**acting in concert**” with a party means any person acting or deemed to be acting in concert with that party for the purposes of the Code in respect of the Offer;

“**arrangement**” includes an indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing but excludes irrevocable commitments and letters of intent;

“**connected persons**” means those persons in whose interests in securities the Belphar Director or the Pan Directors are taken to be interested in pursuant to Part 22 of the Companies Act 2006;

“**dealing**” or “**dealt**” includes:

- (a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of relevant securities;
- (b) the taking, granting, acquisition, disposal of, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
- (c) subscribing or agreeing to subscribe for relevant securities;
- (d) the exercise or conversion, whether in respect of new or existing relevant securities, of any securities carrying conversion or subscription rights;
- (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
- (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

“**derivative**” includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

“**disclosure date**” means 23 May 2014 (the latest practicable date prior to the publication of this document);

“**disclosure period**” means the period commencing on 21 May 2013 (the date 12 months prior to the commencement of the Offer Period) and ending on the disclosure date;

to have an “**interest**” in relevant securities means to have a long economic exposure, whether absolute or conditional, to changes in the price of such securities. A person who only has a short position in relevant securities will not be treated as interested in those securities. In particular, a person will be treated as having an interest in relevant securities if he/she:

- (a) owns relevant securities;
- (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to the relevant securities or has general control of them;
- (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or 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; or

(d) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his/her having a long position in them;

“**Note 11 arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

“**relevant securities**” means (A) Pan Shares or, as the context requires, Belphar shares; (B) equity share capital of Pan or, as the context requires, Belphar; and (C) any securities convertible into or exchangeable for rights to subscribe for Pan Shares or as the context requires, Belphar shares, and securities convertible into, rights to subscribe for, or options (including traded options) in respect of derivatives referenced to any of the foregoing; and

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) 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.

4.2 *Interests and dealings in relevant securities of Pan*

Interests

4.2.1 As at the disclosure date, Belphar, the Belphar Director and his immediate family, related trusts and connected persons had an interest in, a right to subscribe in or a short position in (whether conditional or absolute and whether in the money or otherwise) 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 of Pan relevant securities as follows:

<i>Party</i>	<i>Nature of interest/short position</i>	<i>Number of Pan Shares</i>	<i>Percentage of issued Pan Shares</i>
Belphar	Beneficial	31,791,207	29.9%

Dealings

4.2.2 The following dealings for value in Pan Shares by Belphar and persons acting in concert with Belphar have taken place during the disclosure period:

<i>Party</i>	<i>Transaction</i>	<i>Number of Pan Shares</i>	<i>Date</i>	<i>Price (p)</i>
Topsfield Finance Limited*	Purchase of shares	14,570,702	01/10/2013	21.0
Topsfield Finance Limited	Purchase of shares	100,000	01/10/2013	20.5
Topsfield Finance Limited	Purchase of shares	50,000	01/10/2013	20.5
Topsfield Finance Limited	Purchase of shares	200,000	02/10/2013	20.75
Topsfield Finance Limited	Sale of shares	14,920,702	21/10/2013	21.0
Belphar	Purchase of shares	14,920,702	21/10/2013	21.0
Belphar	Purchase of shares	16,870,505	22/10/2013	22.0

* Note: Topsfield Finance Limited is an entity wholly owned and controlled by the Belphar Director.

4.2.3 As at the disclosure date, Pan, the Pan Directors and their immediate family, related trusts and connected persons had an interest in, a right to subscribe in or a short position in (whether conditional or absolute and whether in the money or otherwise) 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 of Pan relevant securities as follows:

<i>Party</i>	<i>Nature of interest/short position</i>	<i>Number of Pan Shares</i>	<i>Percentage of issued Pan Shares</i>
Simon Escott	Beneficial	4,926,500	4.63%

4.3 Save as disclosed in this section 4, as at the disclosure date:

- (a) None of:
 - (i) Belphar;
 - (ii) the Belphar Director or his immediate family, related trusts or any other connected persons;
 - (iii) any person acting in concert with Belphar; or
 - (iv) any person who is a party to an arrangement with Belphar or any person acting in concert with Belphar,

held any interest in or right to subscribe for or any short position in any relevant securities of Pan, nor had any agreements to sell or any delivery obligations or rights to require another person to purchase or take any delivery of any relevant securities of Pan nor, save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any relevant securities of Pan (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code) nor has any such person dealt in any relevant securities of Pan during the disclosure period;

- (b) Neither Belphar nor any person acting in concert with Belphar has any Note 11 arrangements with any person.

- (c) None of:

- (i) Pan;
- (ii) the Pan Directors or their respective immediate families, related trusts and any other connected persons;
- (iii) any person acting in concert with Pan;
- (iv) any person who is a party to an arrangement with Pan or any person acting in concert with Pan, of the kind referred to in Note 11 on the definition of acting in concert in the Code,

had any interest in or right to subscribe for any relevant securities of Pan (or, in the case of Pan or the Pan Directors and their respective immediate families, related trusts and any other connected parties, relevant securities of Belphar) or any short position in any relevant securities of Pan (or in the case of Pan or the Pan Directors and their respective immediate families, related trusts and any other connected persons, any relevant securities of Belphar) nor has any such person dealt in any relevant securities of Pan (or, in the case of Pan and the Pan Directors and their immediate families, related trusts and any other connected persons, relevant securities of Belphar) during the Offer Period;

- (d) Pan has not redeemed, purchased or exercised any option over any Pan Shares or any securities convertible into rights to subscribe for or options in respect of or derivatives referenced to Pan Shares during the disclosure period.

5. Irrevocable undertakings

The following Pan Shareholders have given irrevocable undertakings to accept or procure acceptance of the Offer in respect of their beneficial holdings of issued Pan Shares:

5.1 *Pan Directors and Company Secretary*

<i>Name</i>	<i>Number of Pan Shares*</i>	<i>Percentage of issued share capital</i>
Simon Leigh Escott	4,926,500	4.63%
James Mark Colin Gilchrist	2,775,000	2.61%

* This number includes the number of Pan Shares (if any) held by family members/trusts/nominees of the relevant person to which the irrevocable also relates.

Mr Escott's irrevocable undertaking will remain binding in the event that a third party makes a competing offer and will only cease to be binding in the event that the Offer lapses or is otherwise withdrawn.

Mr Gilchrist's irrevocable undertaking will remain binding in the event of a competing offer being made unless the value of such competing offer is 25 pence or more (where such competing offer has been announced as a firm intention to make an offer in accordance with Rule 2.7 of the Code) or the Offer lapses or is otherwise withdrawn.

5.2 *Institutional Pan Shareholders*

<i>Name</i>	<i>Number of Pan Shares</i>	<i>Percentage of issued share capital</i>
Utilico Emerging Markets Limited	17,030,464	16.02%
Hawkwood Capital LLP	7,200,546	6.77%
WorldOver Capital LLP	5,140,167	4.83%
Hurley Investment Holdings Limited*	5,032,863	4.73%

* as nominee for K&S Baltic Offshore (Cyprus) Limited.

These undertakings will remain binding in the event of a competing offer being made unless the value of such competing offer is 25 pence or more (where such competing offer has been announced as a firm intention to make an offer in accordance with Rule 2.7 of the Code) or the Offer lapses or is otherwise withdrawn.

6. Pan Directors' service agreements and letters of appointment

6.1 Set out below are details of the service agreements or letters of appointment of each of the Pan Directors:

(a) *Simon Escott*

The terms of Mr Escott's engagement by the Company were revised by a resolution of the Remuneration Committee of the Board of Pan passed on 20 December 2006. The arrangements agreed by the Remuneration Committee amended the terms of a consultancy agreement entered into by the Company with Trans Atlantic for the provision of Mr Escott's services as Chief Executive Officer of the Company, as well as those of a letter of appointment between the Company and Mr Escott in respect of his services as a director of the Company, both dated 19 April 2006 (collectively, as revised, "**Mr Escott's Arrangements**"). Mr Escott's Arrangements are continuous and terminable by either party on twenty-four months' written notice given to the other.

Pursuant to Mr Escott's Arrangements, Trans Atlantic is entitled to be paid a fee of £248,000 per annum (though the full amount of such fees has not been requested or paid). Trans Atlantic and Mr Escott are also entitled to reimbursement of all expenses of Mr Escott incurred in connection with the provision of his services and the performance of his duties as a director of

the Company, including accommodation and the cost of a car and a driver when in Russia. In addition, Mr Escott, who is based outside of the UK, is entitled to the use of a transit flat leased by the Company when in London.

(b) *Reginald Eccles*

The Company has entered into a letter of appointment dated 28 September 2013 with Reginald Eccles, confirming his appointment as a Senior Independent Non-executive Director of the Company. The appointment is terminable by the Company upon giving six months' written notice to Mr Eccles, and by Mr Eccles on one month's written notice to the Company. It is also subject to automatic immediate termination in the event of non-election at an annual general meeting of the Company. Pursuant to the appointment, Mr Eccles is entitled to a monthly fee of £3,000, and £1,000 per day if he is required to work more than two days in any month. Mr Eccles is also entitled to reimbursement of all expenses incurred in the performance of the duties of his office.

(c) *Francesco Gardin*

The Company has entered into a letter of appointment dated 15 November 2013 with Professor Francesco Gardin, confirming his appointment as a Non-executive Director of the Company. The appointment is terminable by the Company upon giving six months' written notice to Prof. Gardin, and by Prof. Gardin on one month's written notice to the Company. It is also subject to automatic immediate termination in the event of non-election at an annual general meeting of the Company. Pursuant to the appointment Prof. Gardin is entitled to a monthly fee of £2,500, and £1,000 per day if he is required to work more than two days in any month. Prof. Gardin is also entitled to reimbursement of all expenses incurred in the performance of the duties of his office.

6.2 Except as stated above, none of the agreements set out in sub-paragraph 6.1 above have been entered into or amended during the six months prior to the date of this document.

6.3 Save as disclosed above, there are no other contracts of service between any of the Pan Directors and Pan or any of its subsidiaries.

7. **Material contracts**

Belphar

7.1 Save as disclosed below, no contracts have been entered into by Belphar otherwise than in the ordinary course of business since 21 May 2012 (the date two years prior to the commencement of the Offer Period) which are or may be material:

(a) *Purchase of shares and loan notes in Pan from K&S*

On 22 October 2013, Belphar acquired from K&S (i) 16,870,505 Pan Shares (the "**Sale Shares**") and (ii) 350,000 Guaranteed Convertible Fixed Rate Loan Notes Due 2016 of £1 each issued by Dan-Balt (the "**K&S Loan Notes**") for a total consideration of £4,061,511.10. The legal title to each of the K&S Loan Notes and the Sale Shares, pursuant to a declaration of Bare Trusteeship, was vested in Hurley.

(b) *Purchase of warrants and loan notes in Pan from Hepworth*

On 22 October 2013, Belphar acquired from Hepworth (i) 8,500,000 Secured Convertible Fixed Rate Loan Notes Due 2015 of £1 each issued by Dan-Balt and (ii) Warrants to subscribe at 24.5p per share for 408,163 ordinary shares of 1p each in Pan, for a total consideration of £8,500,000.

Pan

7.2 Save as disclosed below, no contracts have been entered into by Pan otherwise than in the ordinary course of business since 21 May 2012 (the date two years prior to the commencement of the Offer Period) which are or may be material:

(a) *Loan Notes in Pan*

(i) *2015 Convertible Loan Notes*

On 19 November 2012, Pan completed a re-financing of its US\$11.0 million secured fixed rate loan note (the “**2011 Loan Note**”) which was raised to fund the acquisition of the Dan-Balt Terminal in November 2011. The 2011 Loan Note was redeemed in its entirety through the issuance of £8.5 million secured convertible fixed rate loan notes of £1 each (the “**2015 Convertible Loan Notes**”) by Dan-Balt, a 100% subsidiary of Pan. The 2015 Convertible Loan Notes were issued to Hepworth pursuant to the terms of a loan note instrument entered into between, inter alia, Dan-Balt, Pan and Hepworth on 17 November 2011, as amended and restated on 19 November 2012. The 2015 Convertible Loan Notes were transferred by Hepworth to Belphar on 22 October 2013.

The 2015 Convertible Loan Notes mature on 19 November 2015, carry interest at 10 per cent. per annum, are transferable and are admitted to the Official List of the Channel Islands Stock Exchange. They are convertible into Pan Shares at a price of 22 pence per Share, subject to the terms and conditions of the 2015 Convertible Loan Notes instrument, including shareholder approval of the relevant authorities to issue Pan Shares upon conversion. Pursuant to the terms of the 2015 Convertible Loan Notes instrument, Pan may redeem the 2015 Convertible Loan Notes at any time after 19 November 2013 on 60 days’ notice without penalty.

(ii) *2016 Convertible Loan Notes*

On 29 April 2013, £350,000 guaranteed convertible fixed rate loan notes of £1 each (the “**2016 Convertible Loan Notes**”) were issued by Dan-Balt to Hurley pursuant to the terms of a loan note instrument entered into between Dan-Balt, Pan and Hurley. The 2016 Convertible Loan Notes were transferred by Hurley to Belphar on 22 October 2013.

The 2016 Convertible Loan Notes mature on 26 April 2016, carry interest at 10 per cent. per annum, and are convertible into Pan Shares at a price of 22 pence per Share. Conversion is subject to the terms and conditions of the 2016 Convertible Loan Notes instrument, including shareholder approval of the relevant authorities to issue Pan Shares upon conversion.

(iii) *Deed of Subordination*

On 29 April 2013, Dan-Balt, Hepworth and Hurley entered into a deed of subordination in relation to the 2015 Convertible Loan Notes and the 2016 Convertible Loan Notes pursuant to which the 2016 Convertible Loan Notes are subordinated in all respects to the 2015 Convertible Loan Notes.

(b) *Placing Agreement*

In connection with the need to raise funds for the re-engineering of the pumping and hydraulic configuration at the Dan-Balt Terminal, Pan entered into a placing agreement on 22 May 2012 with Westhouse Securities (the “**Placing Agreement**”).

Pursuant to the Placing Agreement, Westhouse Securities, on behalf of Pan, placed 7,307,694 new ordinary shares of 1 pence each in Pan at 13 pence per Share with certain institutional investors, to raise £0.95 million before expenses. Pan paid Westhouse Securities a commission under the terms of the Placing Agreement of 3% and 5% of the funds raised, with the relevant

percentage dependent on the identity of the placing participants. Pan also gave certain representations, warranties and undertakings under the Placing Agreement, *inter alia*, as to the accuracy of the document, and Pan gave certain indemnities that are customary in an agreement of this kind.

(c) *The Gee Settlement Agreement*

Pan and Trans Atlantic are parties to a contract for services dated 21 January 2008 pursuant to which Peter Gee provides consultancy services to the Group (the “**Gee Consultancy Agreement**”). On 20 May 2014, Trans Atlantic, Peter Gee and Pan entered into an agreement setting out the terms upon which the Gee Consultancy Agreement will terminate (the “**Gee Settlement Agreement**”). The Gee Settlement Agreement provides that on the date on which the Offer becomes wholly unconditional, (1) the Gee Consultancy Agreement will immediately terminate (save for certain defined continuing provisions which will remain in force); and (2) Pan will pay Trans Atlantic the sum of £400,000 as a termination payment.

8. Financing of the Offer and cash confirmation

- 8.1 The maximum amount of cash consideration payable under the Offer is approximately £16.4 million. This is based on the number of Pan Shares which are currently subject to the Offer and not already owned by Belphar, being 74,533,903 Pan Shares as at 23 May 2014 (being the latest practicable date prior to the posting of this document).
- 8.2 The consideration will be financed pursuant to a loan agreement dated 20 May 2014 between Mr Khofiz Shakhidi and Belphar. Under the loan agreement, Mr Shakhidi has agreed to make available to Belphar a loan of £16.4 million and is obliged to provide the loan which will be available for drawdown by Belphar once the Offer has been declared or become wholly unconditional. The loan is repayable on demand but shall not be repayable and no demand shall be made until at least 14 days after the Offer has closed and all payments have been made in respect of acceptances or pursuant to Part 28 of the Companies Act.
- 8.3 Strand Hanson, financial adviser to Belphar, is satisfied that Belphar has the necessary financial resources available to satisfy full acceptance of the Offer.

9. Persons acting in concert

- 9.1 In addition to Belphar and the Belphar Director, the persons who are acting in concert, within the meaning of the Code, with Belphar are:

<i>Name</i>	<i>Registered Office</i>	<i>Relationship with Belphar</i>
Strand Hanson	26 Mount Row London W1K 3SQ	Connected Adviser (as defined in the Code)

- 9.2 In addition to Pan and the Pan Directors, the persons who are acting in concert, within the meaning of the Code, with Pan are:

<i>Name</i>	<i>Registered Office</i>	<i>Relationship with Pan</i>
finnCap	60 New Broad Street London EC2M 1JJ	Connected Adviser (as defined in the Code)
Westhouse Securities	Heron Tower 20th Floor 110 Bishopsgate London EC2N 4AY	Connected Adviser (as defined in the Code)

10. Other information

- 10.1 Strand Hanson has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of the references to its name in the form and context in which they are included.

- 10.2 finnCap has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of the references to its name in the form and context in which they are included.
- 10.3 Westhouse Securities has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of the references to its name in the form and context in which they are included.
- 10.4 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Belphar, or any person acting in concert with them for the purposes of the Offer, and any of the Pan Directors, recent directors of Pan, Pan Shareholders or recent shareholders of Pan, or any person interested or recently interested in Pan Shares, having any connection with, or dependence upon, the Offer.
- 10.5 No agreement, arrangement or understanding exists whereby the beneficial ownership of any of the Pan Shares to be acquired by Belphar pursuant to the Offer will be transferred to any other person, save that Belphar reserves the right to transfer any such shares to any other member of the Belphar Group.
- 10.6 Settlement of the consideration under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any right of lien, right of set-off, counterclaim or other analogous right to which Belphar may otherwise be, or claim to be, entitled against such Pan Shareholder.
- 10.7 The aggregate fees and expenses which are expected to be incurred by Belphar in connection with the Offer are estimated to amount to between £475,000 and £495,000 (excluding applicable VAT). This aggregate number consists of the following categories:
- (a) financial and corporate broking advice: approximately £195,000;
 - (b) legal advice: approximately £210,000;
 - (c) public relations advice: approximately £30,000; and
 - (d) other costs and expenses: between £40,000 and £60,000.
- 10.8 The aggregate fees and expenses which are expected to be incurred by Pan in connection with the Offer are estimated to amount to £826,000 (excluding applicable VAT). This aggregate number consists of the following categories:
- (a) financial and corporate broking advice: approximately £234,000;
 - (b) legal advice: approximately £150,000;
 - (c) public relations advice: approximately £9,000;
 - (d) payments to Reginald Eccles and Francesco Gardin in respect of termination of their appointments as non-executive directors of Pan £33,000; and
 - (e) termination payment under Gee Settlement Agreement £400,000.

11. Bases of calculations and sources of information

Unless otherwise stated in this document, or the context otherwise requires:

- (a) financial information relating to the Pan Group has been extracted or derived (without material adjustment) from the audited consolidated annual report and financial statements of Pan for the financial year ended 31 December 2012 and the unaudited consolidated interim financial statements for the six month period ended 30 June 2013. Other information relating to Pan has been extracted or derived from the Company's Regulatory News Service (RNS) announcements and website (www.peterminerals.com);
- (b) information relating to Belphar has been provided by the Belphar Director;

- (c) the value attributed to Pan's existing issued share capital is based on the Offer Price and the number of Pan Shares currently in issue referred to in paragraph (f) below;
- (d) the percentage holdings in the issued or diluted share capital of Pan are calculated on the basis of the number of shares held by a shareholder and the number of Pan Shares currently in issue referred to in paragraph (f) below and, if dilutive shares are applicable, the additional potentially dilutive shares, referred to in paragraph (g) below as appropriate;
- (e) the average daily traded value for any period is calculated by reference to FactSet Research Systems Inc., ("**FactSet**") daily VWAP and volume data for the period concerned;
- (f) as at the date of this document, there are 106,325,110 Pan Shares in issue. The ISIN for Pan Shares is GB00B12V3082;
- (g) Pan has in issue instruments which if exercised or converted would give rise to a total of 40,635,435 additional dilutive shares. The CLNs would potentially convert into 40,227,272 potentially dilutive shares, which would result from the conversion of the 8,500,000 and the 350,000 £1 CLNs, currently held by Belphar at their 22 pence conversion price. In addition, Belphar owns 408,163 Warrants which, if exercised, would result in the issue of 408,163 Pan Shares;
- (h) all share prices for Pan Shares are closing middle market quotations derived from the AIM appendix of the Daily Official List for the particular dates concerned;
- (i) the maximum cash consideration payable under the Offer is based on the Offer Price and calculated on the basis of the number of Pan Shares which are currently subject to the Offer and not already owned by Belphar, being 74,533,903 Pan Shares; and
- (j) the premium calculations are based on the Offer Price of 22 pence per Pan Share and have been calculated with reference to:
 - (a) the closing middle market price of 15.00 pence per Pan Share on 20 May 2014, the latest practicable date prior to the announcement of the Offer; and
 - (b) the VWAP per Pan Share of 16.02 pence over the three month period up to and including 20 May 2014, derived from FactSet daily VWAP and volume data.

12. Obtaining documents incorporated by reference

Parts of other documents are incorporated by reference in, and form part of, this document. Appendix III to this document sets out which sections of such documents are incorporated into this document and the location of references to such documents within this document.

Right to request copies of documents or information incorporated by reference

Belphar will provide, without charge, to each person to whom a copy of this document has been delivered, on their written request, a copy of any documents or information incorporated by reference into this document. Copies of any documents or information incorporated by reference into this document will not be provided unless such a request is made.

Requests for hard copies of any such documents or information should be directed to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephone on 0871 384 2809 from within the UK or on +44 121 415 0089, if calling from outside the UK. Calls to the 0871 384 2809 number cost 8 pence per minute (excluding VAT) plus network extras. Lines are open between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

13. Documents available for inspection

Copies of the following documents will be made available on Pan's website at www.peterminals.com and on Belphar's website at www.belphar.com while the Offer remains open for acceptance:

- (a) the constitutional documents of Belphar;
- (b) the articles of association of Pan;
- (c) the written consents referred to in paragraphs 10.1 to 10.3 above;
- (d) the irrevocable undertakings referred to in section 5 above;
- (e) the Gee Settlement Agreement; and
- (f) this document and the Form of Acceptance.

14. Date of despatch and publication

This document was despatched and published on 27 May 2014.

APPENDIX V

Definitions

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

“AIM”	the AIM Market of the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange (as amended from time to time);
“Announcement Date”	21 May 2014, the date on which the Offer was announced in accordance with Rule 2.7 of the Code;
“Belphar”	Belphar Ltd, a British Virgin Islands incorporated limited liability company with registered number 1793423 whose registered office is 333 Waterfront Drive, P.O. Box 3175, Road Town, Tortola, British Virgin Islands;
“Belphar Director”	the sole director of Belphar referred to in section 1(a) of Appendix IV of this document;
“Belphar Group”	Belphar and any subsidiary, subsidiary undertakings or associated undertakings or any joint venture, partnership, firm or company in which any of them (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital (or the equivalent);
“Business Day”	any day not being a Saturday, Sunday or public holiday, on which banks are normally open for business in the City of London;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“CIS”	the Commonwealth of Independent States, a regional organisation whose participating countries are former Soviet Republics, formed during the breakup of the Soviet Union;
“Closing Price”	the middle-market quotation of a Pan Share at the close of business on the day to which such a price relates, as derived from the AIM appendix to the Daily Official List;
“Code”	the City Code on Takeovers and Mergers issued by the Panel, and references to a “Rule” shall be to the rules of the Code;
“Companies Act 2006”	the UK Companies Act 2006 (as amended from time to time);
“Conditions”	the conditions of the Offer set out or referred to in Part A of Appendix I to this document and (where applicable) the Form of Acceptance;
“Convertible Loan Notes” or “CLNs”	the £8,500,000 10% Secured Convertible Fixed Rate Loan Notes of £1 each, repayable on 19 November 2015 and convertible into a maximum of 38,636,363 Pan Shares at 22 pence per Share (the “2015 Convertible Loan Note”) and the £350,000 10% Guaranteed Convertible Fixed Rate Loan Notes, repayable on 26 April 2016 and convertible into a maximum of 1,590,909 Pan Shares at 22 pence per Share (the “2016 Convertible Loan Notes”), in each case, subject to Pan obtaining such authorities and

	approvals from its shareholders as are required for the Pan Directors to authorise the issue of such shares on conversion free of statutory pre-emption rights, as acquired by Belpar pursuant to the sale and purchase agreements, summaries of which are set out in section 7.1 of Appendix IV of this document;
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
“CREST Manual”	the manual issued by Euroclear from time to time;
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations);
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the Regulations);
“CREST payment”	has the meaning given to it in the CREST Manual;
“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 published by the London Stock Exchange;
“Dan-Balt”	Dan-Balt Terminals Limited, a 100% subsidiary of Pan;
“Dealing Disclosure”	has the same meaning as in Rule 8 of the Code;
“Electronic Acceptance”	the input and settlement of a TTE Instruction in respect of Pan Shares held in uncertificated form which constitutes or is deemed to constitute acceptance of the Offer on the terms set out in this document;
“ESA Instruction”	an escrow account adjustment input (AESN) transaction type “ESA” (as described in the CREST Manual);
“Escrow Agent”	Equiniti Limited (in its capacity as Escrow Agent) as described in the CREST Manual;
“Euroclear”	Euroclear UK & Ireland Limited;
“Financial Conduct Authority” or “FCA”	the Financial Conduct Authority (formerly the Financial Services Authority) in its capacity as the competent authority for the purposes of Part VI of FSMA, including its successor(s) from time to time;
“finnCap”	finnCap Ltd, the joint financial adviser to Pan;
“First Closing Date”	17 June 2014;
“Form of Acceptance”	the form of acceptance and authority relating to the Offer which (in the case of Pan Shareholders who hold their Pan Shares in certificated form) accompanies the Offer Document;
“FSMA”	the Financial Services and Markets Act 2000 (as amended from time to time);
“FSU”	the Former Soviet Union;
“Gee Consultancy Agreement”	the consultancy agreement dated 21 January 2008 between Pan and Trans Atlantic, providing for the services of Peter Gee;

“Gee Settlement Agreement”	the settlement agreement dated 20 May 2014 between Pan, Trans Atlantic and Peter Gee;
“Hepworth”	Hepworth Technologies S.A.;
“HMRC”	HM Revenue & Customs;
“Hurley”	Hurley Investment Holdings Limited;
“K&S”	K&S Offshore (Cyprus) Limited;
“London Stock Exchange”	London Stock Exchange plc, a public company incorporated in England and Wales under number 2075721, together with any successors thereto;
“member account ID”	the identification code or number attached to any member account in CREST;
“Offer”	the recommended all cash offer being made by Belphar at the Offer Price to acquire the entire issued and to be issued share capital of the Company not already owned by Belphar on the terms and subject to the Conditions set out in this document and (where applicable) the Form of Acceptance and including, where the context so requires, any subsequent revision, variation, extension or renewal of, or election available under, such offer;
“Offer Document”	this document and any subsequent document containing and/or varying the Offer;
“Offer Period”	the period beginning on and including 21 May 2014 and ending in accordance with the rules of the Code;
“Offer Price”	22 pence in cash per Pan Share;
“Opening Position Disclosure”	has the same meaning as in Rule 8 of the Code;
“OTC”	over-the-counter or off-exchange trading conducted directly between two parties without any supervision of an exchange;
“Overseas Pan Shareholders”	Pan Shareholders who are resident in, or nationals or citizens of, jurisdictions outside the UK or who are nominees of, or custodians, or trustees for, Pan Shareholders who are citizens, residents or nationals of countries other than the UK;
“Pan” or the “Company”	Pan European Terminals plc, a company incorporated in England and Wales with registered number 5752493, and whose registered office is 1-6 Yarmouth Place, London W1J 7BU, United Kingdom;
“Pan Directors” or “Pan Board”	those persons named as directors of Pan in Appendix III to this document;
“Pan Group”	Pan and its subsidiary undertakings from time to time;
“Pan Shareholders”	registered holders of Pan Shares from time to time;
“Pan Shares” or “Shares”	the existing unconditionally allotted or issued and fully paid (or credited as fully paid), or where the context so requires, unissued ordinary shares of 1 penny each in the capital of Pan (other than any shares which are Treasury Shares) and any further such shares which are unconditionally allotted or issued fully paid (or credited as fully paid), in each case prior to the time at which the

	Offer ceases to be open for acceptance (or, subject to the provisions of the Code, such earlier time and/or date, as Belphar may, with the Panel’s consent or in accordance with the Code, decide) not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances;
“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;
“Phase 2 CMA reference”	a reference of an offer to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 of the Enterprise and Regulatory Reform Act 2013;
“Receiving Agent” or “Registrars”	Equiniti Limited, a private company incorporated in England and Wales under the Companies Act 2006 with registered number 06226088, whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, in its capacity as receiving agent or registrar in connection with the Offer;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time);
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for Belphar or Pan if information or documentation concerning the Offer is sent or made available to Pan Shareholders in that jurisdiction;
“Strand Hanson”	Strand Hanson Limited, the financial adviser to Belphar;
“subsidiary”, “subsidiary undertaking” and “undertaking”	have the meanings given thereto by sections 1159, 1161 and 1162 of the Companies Act 2006;
“TFE Instruction”	a Transfer from Escrow instruction (as described in the CREST Manual) in relation to Pan Shares in uncertified form meeting the requirements set out in paragraph 13.2(b) of the letter from Belphar to Pan Shareholders set out in Part II of this document;
“Trans Atlantic”	Trans Atlantic Energy Limited;
“Treasury Shares”	Pan Shares held as treasury shares as defined in section 724(5) of the Companies Act 2006;
“TTE Instruction”	a Transfer to Escrow instruction (as described in the CREST Manual) in relation to Pan Shares in uncertificated form meeting the requirements set out in paragraph 13.2(b) of the letter from Belphar to Pan Shareholders set out in Part II of this document;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form and title to which may, by virtue of the Regulations, be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and

	all areas subject to its jurisdiction or any political sub-division thereof;
“ VWAP ”	volume weighted average price;
“ Warrants ”	408,163 warrants to subscribe for 408,163 Pan Shares, exercisable at 24.5 pence per Pan Share between 17 November 2011 and 17 November 2016, purchased by Belphar from Hepworth on 22 October 2013;
“ Westhouse Securities ”	Westhouse Securities Limited, the joint financial adviser, nominated adviser and broker to Pan; and
“ Wider Pan Group ”	Pan and the subsidiaries and subsidiary undertakings of Pan (including any joint venture, partnership, firm or company in which any member of the Pan Group has a significant interest or any undertaking in which Pan and such undertakings (aggregating their interests) have a significant interest)

In this document:

- all references to “**pounds**”, “**£**”, “**pence**” or “**p**” are to the lawful currency of the United Kingdom;
- the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender; and
- all references to legislation are to English legislation unless the contrary is indicated, and any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension thereof.

All times referred to are London time unless otherwise stated.