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If you were a Shareholder and have sold or otherwise transferred all your Shares, please send this document, together with the accompanying Forms of Proxy, 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.

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## **F&C PRIVATE EQUITY TRUST PLC**

*(Incorporated in Scotland under the Companies Act 1985 with registered number SC179412)  
(An investment company under section 833 of the Companies Act 2006)*

### **NEW DIVIDEND POLICY, NEW INVESTMENT MANAGEMENT INCENTIVE ARRANGEMENTS AND NOTICES OF ANNUAL GENERAL MEETING AND SEPARATE GENERAL MEETING OF ORDINARY SHAREHOLDERS**

## **F&C PRIVATE EQUITY ZEROS PLC**

*(Incorporated in Scotland under the Companies Act 2006 with registered number SC366628)*

### **CANCELLATION OF SHARE PREMIUM ACCOUNT AND AUTHORITY TO PURCHASE ZDP SHARES AND NOTICES OF GENERAL MEETING OF F&C PRIVATE EQUITY ZEROS AND SEPARATE GENERAL MEETING OF ZDP SHAREHOLDERS**

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The notices convening the thirteenth annual general meeting of F&C Private Equity Trust, a separate general meeting of Ordinary Shareholders, a general meeting of F&C Private Equity Zeros (which ZDP Shareholders will be entitled to attend and vote at) and a separate general meeting of ZDP Shareholders are set out in Parts 4, 5, 6 and 7, respectively, of this document. The Meetings will be held at the offices of F&C Asset Management plc, Exchange House, Primrose Street, London EC2A 2NY, on Wednesday, 23 May 2012 commencing at 12 noon.

To be valid for use at the relevant Meetings, the accompanying Forms of Proxy should be completed, signed and returned in accordance with the instructions printed on them as soon as possible and, in any event, so as to be received by not later than 48 hours before the time of the relevant Meetings. Alternatively, if you hold your Ordinary Shares and/or ZDP Shares in uncertificated form, you may appoint a proxy by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes at the end of the notices convening the relevant Meetings in Parts 4 and 5 (if you are an Ordinary Shareholder) or 6 and 7 (if you are a ZDP Shareholder) of this document and such appointments should be transmitted as soon as possible and, in any event, so as to be received by not later than 48 hours before the time of the relevant Meetings.

The accompanying Forms of Direction for use by Savings Plan Participants in relation to the relevant Meetings should be completed and returned in accordance with the instructions printed on such forms as soon as possible and, in any event, so as to be received by not later than 5.00 p.m. on Wednesday, 16 May 2012.

**Your attention is drawn to the paragraphs under the sub-headings "Risk Factors" on pages 6 and 8 of this document, which set out the risk factors associated with the Proposals. However, this document should be read in its entirety.**

# CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE .....	3
PART 1 LETTER FROM THE CHAIRMAN .....	4
Introduction .....	4
F&C Private Equity Trust's Proposed New Dividend Policy .....	5
Proposed New Investment Management Incentive Arrangements .....	6
Cancellation of F&C Private Equity Zeros' Share Premium Account .....	8
Annual General Meeting of F&C Private Equity Trust .....	8
Separate General Meeting of Ordinary Shareholders .....	10
General Meeting of F&C Private Equity Zeros .....	10
Separate General Meeting of ZDP Shareholders .....	11
Action to be Taken .....	11
Recommendation .....	12
PART 2 ADDITIONAL INFORMATION .....	13
PART 3 DEFINITIONS.....	16
PART 4 NOTICE OF ANNUAL GENERAL MEETING OF F&C PRIVATE EQUITY TRUST .....	19
PART 5 NOTICE OF SEPARATE GENERAL MEETING OF ORDINARY SHAREHOLDERS .....	24
PART 6 NOTICE OF GENERAL MEETING OF F&C PRIVATE EQUITY ZEROS .....	27
PART 7 NOTICE OF SEPARATE GENERAL MEETING OF ZDP SHAREHOLDERS .....	30

## EXPECTED TIMETABLE

2012

Latest time and date for receipt of Forms of Direction for use at relevant Meetings	5.00 p.m. on Wednesday, 16 May
Record date for final dividend of 0.8p per Ordinary Share in respect of year ended 31 December 2011	close of business on Friday, 18 May
Latest time and date for receipt of white Forms of Proxy and appointments of proxies utilising CREST electronic proxy appointment service for use at Company's AGM	12 noon on Monday, 21 May
Latest time and date for receipt of blue Forms of Proxy and appointments of proxies utilising CREST electronic proxy appointment service for use at Ordinary Shareholders' Meeting	12.05 p.m. on Monday, 21 May
Latest time and date for receipt of green Forms of Proxy and appointments of proxies utilising CREST electronic proxy appointment service for use at Subsidiary's General Meeting	12.10 p.m. on Monday, 21 May
Latest time and date for receipt of yellow Forms of Proxy and appointments of proxies utilising CREST electronic proxy appointment service for use at ZDP Shareholders' Meeting	12.15 p.m. on Monday, 21 May
Company's AGM	12 noon on Wednesday, 23 May
Ordinary Shareholders' Meeting	12.05 p.m. <sup>1</sup> on Wednesday, 23 May
Subsidiary's General Meeting	12.10 p.m. <sup>2</sup> on Wednesday, 23 May
ZDP Shareholders' Meeting	12.15 p.m. <sup>3</sup> on Wednesday, 23 May
Payment of final dividend of 0.8p per Ordinary Share in respect of year ended 31 December 2011	Friday, 8 June
F&C Private Equity Zeros' share premium account cancelled	in September
Record date for first semi-annual dividend per Ordinary Share in respect of six months ending 30 June 2012 payable in accordance with new dividend policy <sup>4</sup>	in October
Payment of first semi-annual dividend per Ordinary Share in respect of six months ending 30 June 2012 in accordance with new dividend policy <sup>4</sup>	in November

**Notes:**

- <sup>1</sup> Or, if later, such time as the Company's AGM shall have concluded or been adjourned.
- <sup>2</sup> Or, if later, such time as the Ordinary Shareholders' Meeting shall have concluded or been adjourned.
- <sup>3</sup> Or, if later, such time as the Subsidiary's General Meeting shall have concluded or been adjourned.
- <sup>4</sup> Conditional on resolution 12 to be proposed at the Company's AGM and the resolution to be proposed at the Ordinary Shareholders' Meeting being passed.

# PART 1

## LETTER FROM THE CHAIRMAN

### F&C Private Equity Trust plc

*(Incorporated in Scotland under the Companies Act 1985 with registered number SC179412)  
(An investment company under section 833 of the Companies Act 2006)*

### F&C Private Equity Zeros plc

*(Incorporated in Scotland under the Companies Act 2006 with registered number SC366628)*

#### *Directors*

Mark Tennant (*Chairman*)  
Elizabeth Kennedy  
Douglas Kinloch Anderson, OBE  
John Rafferty  
David Shaw

#### *Registered Office*

80 George Street  
Edinburgh EH2 3BU

24 April 2012

#### **To Shareholders**

Dear Shareholder

#### **Introduction**

In conjunction with the announcement of F&C Private Equity Trust's annual results for the year ended 31 December 2011, which was released on 3 April 2012, the Board announced that it was proposing that F&C Private Equity Trust:

- adopts a new dividend policy that should provide Ordinary Shareholders with a regular and relatively predictable source of income and the prospect of income growth over time – *the Company will aim to pay semi-annual dividends with an annual yield equivalent to not less than 4 per cent. of the average of the published net asset values per Ordinary Share as at the end of each of its last four financial quarters prior to the announcement of the relevant dividend or, if higher, equal (in terms of pence per share) to the highest semi-annual dividend previously paid; and*
- enters into new incentive arrangements with its Investment Manager – *broadly, the Investment Manager will be entitled to an annual performance fee of 7.5 per cent. of the annualised aggregate of the increase in the NAV (and taking into account the dividends paid) of the Ordinary Shares over the performance period (being rolling three year periods after an initial transitional period), provided that the IRR per Ordinary Share over that period (after accounting for the performance fee) is at least 8 per cent. per annum and the aggregate basic management and performance fees in relation to the Ordinary Pool do not exceed 2 per cent. per annum of the Ordinary Pool's NAV. The performance fee will also be subject to a "high water mark".*

In addition, the Board is proposing that F&C Private Equity Zeros cancels its share premium account and obtains authority from ZDP Shareholders to buy-back ZDP Shares through the market, which will provide it with the flexibility to buy-back ZDP Shares if the Board considers such buy-backs to be in the best interests of Shareholders as a whole.

This document explains the background to, reasons for and details of each of the Proposals. This document also explains the routine business to be conducted at the thirteenth annual general meeting of F&C Private Equity Trust, which will be held at 12 noon on Wednesday, 23 May 2012 (the notice convening the AGM is set out in Part 4 of this document).

Before the proposed new dividend policy can be implemented by the Company, it is necessary to amend the Company's Articles by removing the current prohibition on paying dividends out of realised capital profits. That amendment requires to be approved, under the Companies Act, by a resolution passed at a general meeting of the Company (that resolution will be proposed at this year's AGM) and, under the Company's Articles, by a resolution passed at a separate general meeting

of Ordinary Shareholders (the notice convening that meeting for the same day as the AGM is set out in Part 5 of this document).

The proposed New Performance Fee constitutes a related party transaction between the Company and its Investment Manager for the purpose of the Listing Rules. As the New Performance Fee payable to the Investment Manager in respect of any 12-month period will be less than 5 per cent. of the Company's NAV and no other changes are being made to the fees payable by the Group to the Investment Manager, the Listing Rules do not require the New Performance Fee to be approved by Ordinary Shareholders. Nevertheless, the Directors believe that it is good corporate governance for the New Performance Fee to be so approved. Accordingly, the Directors have elected to comply with the Listing Rules' requirement that certain alterations to investment management fee arrangements be approved by an ordinary resolution passed at a general meeting of the Company (that resolution will be proposed at this year's AGM and only independent Ordinary Shareholders, being Ordinary Shareholders who are neither the Investment Manager or any other members of the F&C Group, may vote on the relevant resolution).

Finally, the proposed cancellation of F&C Private Equity Zero's share premium account requires to be approved, under the Companies Act, by a special resolution passed at a general meeting of that company (the notice convening that meeting for the same day as the AGM is set out in Part 6 of this document). In addition, under the Subsidiary's Articles, the cancellation of its share premium account and authority to make market purchases of ZDP Shares each require to be approved by special resolutions passed at a separate general meeting of ZDP Shareholders (the notice convening that meeting also for the same day as the AGM is set out in Part 7 of this document).

**Your Board is recommending Ordinary Shareholders to vote in favour of the resolutions to be proposed at the Company's AGM and Ordinary Shareholders' Meeting and ZDP Shareholders to vote in favour of the resolutions to be proposed at the Subsidiary's General Meeting and the ZDP Shareholders' Meeting. Your attention is drawn to the section headed "Action to be Taken" on pages 11 and 12 of this letter, which explains the action you should take to cast your votes at the relevant Meetings.**

## **F&C Private Equity Trust's Proposed New Dividend Policy**

### ***Background to, and Reasons for, the Proposed New Dividend Policy***

In the current low interest rate environment, and with the prospect that interest rates will remain low for some time, many investors are seeking a higher cash yield from their investments. As a result, higher yielding investment trusts tend to trade on narrower discounts than their lower yielding counterparts.

Within the private equity sub-sector (including both investment companies that invest directly and those that invest indirectly through other private equity funds), typically, the yield on their shares has been relatively low because of the nature of their investments. In addition, the tax rules for investment trusts prohibited investment trusts from distributing realised capital profits as dividends. Following the recent modernisation of those rules, that prohibition has been removed for all accounting periods commencing on or after 1 January 2012. In order to align company law with the new investment trust tax rules, the prohibition on Companies Act investment companies distributing realised capital profits was removed with effect from 6 April 2012.

Accordingly, subject to amending their articles of association to remove the prohibition on distributing realised capital profits, investment trusts will be permitted to pay out accumulated realised capital profits in the form of dividends. This should enable investment trust boards to manage dividends with greater flexibility, including setting a dividend yield target that is independent of the underlying portfolio revenue yield.

The Directors believe that the ability to pay dividends out of realised capital profits is particularly helpful for the private equity sub-sector, where, currently, dividend yields are relatively low and discounts are relatively wide. As at 31 December 2011, the Company had accumulated realised capital profits in excess of £120 million. The Directors are proposing, therefore, to take advantage of the new regime by adopting a new dividend policy that is designed to provide Ordinary Shareholders with a regular and relatively predictable source of income and the prospect of income growth over time.

### ***Proposed New Dividend Policy***

The Company intends to make regular cash distributions to Ordinary Shareholders in the form of semi-annual dividend payments, which will be funded out of the income and realised capital profits

attributable to the Ordinary Pool. Accordingly, the Company expects to pay, in respect of each financial year, semi-annual dividends on the Ordinary Shares in November and May in respect of the six months ending on the preceding 30 June and 31 December, respectively. The first dividend under the new distribution policy is expected to be declared in August 2012 and paid in November 2012 in respect of the six months ending 30 June 2012.

The Company's objective will be to pay semi-annual dividends with an annual yield equivalent to not less than 4 per cent. of the average of the published NAVs per Ordinary Share as at the end of each of its last four financial quarters prior to the announcement of the relevant semi-annual dividend or, if higher, equal (in terms of pence per share) to the highest semi-annual dividend previously paid. **For illustrative purposes only**, had the new dividend policy been implemented in respect of the year ended 31 December 2011, aggregate dividends of 9.36p per Ordinary Share would have been paid, representing a yield of 5.7 per cent. based on the closing mid-market price of an Ordinary Share as at 20 April 2012.

Notwithstanding the partial funding of dividends out of capital profits, all dividends will be taxed as income in Ordinary Shareholders' hands.

### ***Dividend Re-investment Plan***

Prior to the payment of the first dividend under the new dividend policy, Ordinary Shareholders will receive details of a service provided by Capita IRG Trustees Ltd in conjunction with Capita Registrars Limited which will allow them, if they so choose, to reinvest their dividend payments to purchase additional Ordinary Shares. Reinvesting dividends can be a convenient and easy way to build up an existing shareholding as the service will enable Ordinary Shareholders to purchase as many Ordinary Shares as possible with each payment made.

### ***Benefits of the Proposed New Dividend Policy***

The Directors believe that the new dividend policy, which is designed to provide Ordinary Shareholders with a regular and relatively predictable source of income and the prospect of income growth over time, should appeal to a broader investor audience that is seeking income. Accordingly, the Directors believe that, over time, the new dividend policy should lead to a higher rating for the Ordinary Shares (that is, a narrower discount at which the Ordinary Shares trade in the market relative to their underlying NAV).

The Directors believe that the new dividend policy will be of particular interest to companies, funds that do not pay tax on UK-sourced income and investors through ISAs and SIPPs, none of which generally incur any additional tax on dividends in the UK.

### ***Risk Factors***

The Board will only be able to adopt and implement the new dividend policy if the Company's Articles are amended by removing the existing prohibition on distributing realised capital profits as dividends. Such an amendment requires to be approved by the Company in general meeting and by Ordinary Shareholders at a separate general meeting and these approvals will be sought at the AGM and the Ordinary Shareholders' Meeting respectively.

The proposed yield under the new dividend policy is a target only, does not represent a forecast and is not guaranteed. In particular, the payment of semi-annual dividends will be made only in accordance with the Company's Articles and applicable law and will be subject to compliance with the financial covenants under the Company's loan facility and the intra-Group arrangements between the Company and the Subsidiary and the Board being satisfied that the Group has sufficient cash, liquid investments and undrawn amounts under its loan facility to meet future calls on its cash resources (including repayment of the ZDP Shares).

## **Proposed New Investment Management Incentive Arrangements**

### ***Background to, and Reasons for, the Proposed New Performance Fee***

At present, the Investment Manager is entitled to the following fees in relation to the Ordinary Pool:

- a basic management fee, payable quarterly in arrears, of 0.9 per cent. per annum of, broadly, the aggregate of the NAV and long-term borrowings of the Ordinary Pool; and
- an incentive fee if the IRR per Ordinary Share over the period commencing on 1 August 2006 and ending on 30 June in either 2012 or 2013 (the year to be determined by the Investment Manager) exceeds 8 per cent. per annum, in which case the performance fee will be 10 per cent. of the gains per Ordinary Share over the period in excess of that IRR multiplied by the

weighted average number of Ordinary Shares in issue during that period (the incentive fee is uncapped).

The Basic Management Fee is relatively low when compared with the corresponding fees charged by other investment companies in the private equity sub-sector and the Board considers that the Basic Management Fee, without an incentive arrangement, is below the market rate for the private equity sub-sector. Accordingly, the Board believes that, following the expiry of the Existing Incentive Fee, there should be a continuing incentive arrangement for the Investment Manager for so long as it serves as the Company's investment manager.

Any new incentive arrangement will be a related party transaction between the Company and the Investment Manager for the purpose of the Listing Rules. As the New Performance Fee payable to the Investment Manager in respect of any 12-month period will be less than 5 per cent. of the Company's NAV and no other changes are being made to the fees payable by the Group to the Investment Manager, the Listing Rules do not require the New Performance Fee to be approved by Ordinary Shareholders. Nevertheless, the Directors believe that it is good corporate governance for any new incentive fee arrangement, replacing the Existing Incentive Fee, to be so approved. As the Existing Incentive Fee may expire in the near future and the performance of the Ordinary Shares is broadly in line with the target IRR of 8 per cent. per annum (an IRR of 7.9 per cent. per annum per Ordinary Share over the period commencing on 1 August 2006 and ending on 31 December 2011), the Board is taking the opportunity of this document to propose a new performance fee which, if resolution 13 set out in the notice convening the Company's AGM in Part 4 of this document is passed, will replace the Existing Incentive Fee with retrospective effect from 1 January 2012. In that event, the Investment Manager will not be entitled to any payment in respect of the Existing Incentive Fee.

No changes are being proposed to the Basic Management Fee or the management fee payable to the Investment Manager in respect of the Restricted Voting Pool.

#### ***Proposed New Performance Fee***

If resolution 13 set out in the notice convening the Company's AGM in Part 4 of this document is passed, the Investment Manager will be entitled to a performance fee in respect of a Performance Period if:

- the IRR per Ordinary Share over that Performance Period, based on the Opening NAV per Ordinary Share, the dividends paid and other distributions made per Ordinary Share during that Performance Period and the Closing NAV per Ordinary Share (before any accrual for the performance fee), exceeds 8 per cent. per annum; and
- the aggregate of the Closing NAV per Ordinary Share (before any accrual for the performance fee) and the dividends paid and other distributions made per Ordinary Share since the date of the High Water Mark NAV per Ordinary Share exceeds the High Water Mark NAV per Ordinary Share.

The performance fee will be 7.5 per cent. of the annualised increase in the Opening NAV per Ordinary Share (calculated using the IRR per Ordinary Share) over the relevant Performance Period multiplied by the time-weighted average number of Ordinary Shares in issue (but excluding, for this purpose, any Ordinary Shares held in treasury) during the relevant Performance Period, provided that such fee will be reduced to such amount as may be necessary to ensure that:

- the IRR per Ordinary Share over the relevant Performance Period, based on the Opening NAV per Ordinary Share, dividends paid and other distributions made per Ordinary Share during that Performance Period and the Closing NAV per Ordinary Share (after accruing for the performance fee), is not less than 8 per cent. per annum; and
- the aggregate of the Closing NAV per Ordinary Share (after accruing for the performance fee) and the dividends paid and other distributions made per Ordinary Share since the date of the High Water Mark NAV per Ordinary Share is not less than the High Water Mark NAV per Ordinary Share.

Furthermore, the aggregate basic management and performance fees payable in respect of any financial year of the Company in relation to the Ordinary Pool shall be capped at 2 per cent. per annum of the average of the Ordinary Pool's NAV (before any accrual for the performance fee) as at 31 March, 30 June, 30 September and 31 December in that financial year. A performance fee, if payable in respect of any Performance Period, shall accrue quarterly and be paid annually.

For the purpose of the performance fee:

- the **"Closing NAV per Ordinary Share"** is the NAV per Ordinary Share (either before any accrual for the performance fee or after accruing for the performance fee, as the context may require) at the end of the relevant Performance Period;
- the **"High Water Mark NAV per Ordinary Share"** is the Closing NAV per Ordinary Share (after accruing for the performance fee) at the end of a Performance Period in respect of which a performance fee was last paid (or, until a performance fee has been paid, 243.54p per Ordinary Share, being the audited NAV per Ordinary Share as at 31 December 2011, the last date before the commencement of the first Performance Period);
- the **"Opening NAV per Ordinary Share"** is the NAV per Ordinary Share immediately prior to the commencement of the relevant Performance Period (after accruing for any performance fee payable in respect of any Performance Period then ended); and
- the **"Performance Period"** shall be the 36 month period ending on 31 December in each year, save that the first Performance Period shall be the 12 month period ending on 31 December 2012 and the second Performance Period shall be the 24 month period ending on 31 December 2013.

The Directors believe that the New Performance Fee will provide an adequate incentive for the Investment Manager, without resulting in undue dilution of value for Ordinary Shareholders. Furthermore, the Directors consider the maximum aggregate of the Basic Management Fee and the New Performance Fee, being 2 per cent. per annum of the Ordinary Pool's NAV, is well within the market norms of the private equity sub-sector.

### **Risk Factors**

Although, on occasion, an incentive fee may encourage an investment manager to propose or make more speculative investments than it would otherwise propose or make in the absence of such a fee, the Board considers that the New Performance Fee is both appropriate for the Company and structured in a manner which seeks to mitigate that risk. The Company's portfolio, which comprises mainly interests in private equity funds, does not lend itself to dealing on short term considerations to enhance an incentive and, more particularly, the Board retains control of both the Company's over-commitment strategy and level of gearing, aspects which could have a material impact on the amount of the New Performance Fee.

The calculation of the New Performance Fee is based in part upon unrealised profits (as well as unrealised losses) and it is possible that such unrealised profits may never be realised by the Company.

### **General**

In the event that resolution 13 set out in the notice convening the Company's AGM in Part 4 of this document is not passed, then the Existing Incentive Fee will remain in place until its expiry later this year or in 2013.

### **Cancellation of F&C Private Equity Zeros' Share Premium Account**

The Subsidiary does not currently have profits or reserves out of which buy-backs of ZDP Shares can be funded. Accordingly, to provide the Subsidiary with the flexibility to buy-back ZDP Shares through the market if the Board considers such buy-backs to be in the best interests of Shareholders as a whole, the Board is proposing, subject to the approval of the Subsidiary's shareholders and confirmation by the Court, that the amount standing to the credit of the Subsidiary's share premium account (being approximately £28.9 million at the date of this document) be cancelled and that that amount be transferred to a newly created special reserve which, following compliance with any Court undertaking (or other form of creditor protection), may be treated as a distributable reserve for all purposes. The cancellation will take effect upon the registration with the Registrar of Companies of the order of the Court confirming the cancellation, which is expected to occur in September 2012.

### **Annual General Meeting of F&C Private Equity Trust**

The AGM will be held at the offices of F&C Asset Management plc, Exchange House, Primrose Street, London EC2A 2NY, on Wednesday, 23 May 2012 commencing at 12 noon. The notice convening the AGM is set out in Part 4 of this document and sets out in full the business to be transacted at the AGM. In summary, the following resolutions will be proposed:

- **Resolutions 1 and 2 – Receive the audited accounts and the associated reports:** Resolution 1 asks Ordinary Shareholders to receive the audited accounts for the year ended

31 December 2011 together with the associated reports of the Directors and auditors, whilst resolution 2 asks Ordinary Shareholders to approve the Directors' remuneration report for the year ended 31 December 2011.

- **Resolution 3 – Final dividend:** Ordinary Shareholders are being asked to approve the recommended final dividend of 0.8p per Ordinary Share for the year ended 31 December 2011. If Ordinary Shareholders approve this final dividend, it will be paid on Friday, 8 June 2012 to Ordinary Shareholders on the Company's register of members at the close of business on Friday, 18 May 2012.
- **Resolutions 4 to 6 – Re-election of Directors:** I will be retiring by rotation at the AGM and, being eligible, am offering myself for re-election. In addition, Mr Douglas Kinloch Anderson and Mr John Rafferty, who have served on the Board for more than nine years and, as recommended by the UK Corporate Governance Code and the AIC Code of Corporate Governance, retire annually, are also offering themselves for re-election. The Board subscribes to the view expressed within the AIC Code of Corporate Governance that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces his or her ability to act independently and, following formal performance evaluations, believes that each of Mr Douglas Kinloch Anderson and Mr John Rafferty is independent in character and judgement and that there are no relationships or circumstances which are likely to affect their judgement. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Directors has been imposed.

Biographical details of each Director standing for re-election are set out on page 14 of the annual report and accounts, a copy of which accompanies this document. The Board confirms that, following formal performance evaluations, the performance of each of the Directors seeking re-election continues to be effective and demonstrates commitment to the role. The Board therefore believes that it is in the interests of Shareholders that these Directors are re-elected.

- **Resolutions 7 and 8 – Re-appointment and remuneration of auditors:** The Company is required to appoint auditors at each general meeting at which accounts are presented to Shareholders and Ernst & Young LLP have indicated their willingness to continue in office. Accordingly, resolution 7 asks Ordinary Shareholders to re-appoint Ernst & Young LLP as auditors of the Company and resolution 8 asks Ordinary Shareholders to authorise the Directors to fix their remuneration.
- **Resolutions 9 and 10 – Directors' authority to allot shares:** Resolution 9 will, if approved, give the Directors a general authority to allot Ordinary Shares up to an aggregate nominal amount of £72,282 (representing approximately 10 per cent. of the Ordinary Shares in issue as at 20 April 2012), whilst resolution 10 will, if approved, authorise the Directors to allot Ordinary Shares up to an aggregate nominal amount of £36,141 (representing approximately 5 per cent. of the Ordinary Shares in issue as at 20 April 2012) for cash without first offering such Ordinary Shares to existing Ordinary Shareholders *pro rata* to their existing shareholdings (together, the "Allotment Authorities"). The Allotment Authorities will expire at the conclusion of the annual general meeting of the Company to be held in 2013.

The Allotment Authorities, if granted, will enable the Directors to issue new Ordinary Shares to take advantage of changes in market conditions that may arise in order to increase the amount of the Company's issued share capital. The purpose of such an increase would be to improve the liquidity of the market in the Ordinary Shares and to spread the fixed costs of administering the Company over a wider base. The Directors believe that this would further increase the investment attractions of the Company to the benefit of existing Ordinary Shareholders.

The Directors have no present intention of using the Allotment Authorities, if granted. No issue of Ordinary Shares would be made which would dilute the net asset value per Ordinary Share of existing Ordinary Shareholders.

- **Resolution 11 – Share buy-backs:** The current authority of the Company to make market purchases of up to 14.99 per cent. of the issued Ordinary Shares and up to 14.99 per cent. of the issued Restricted Voting Shares expires at the end of the AGM and resolution 11 seeks renewal of that authority. The renewed authority, if granted, will be in respect of a maximum of 14.99 per cent. of the issued Ordinary Shares and a maximum of 14.99 per cent. of the issued Restricted Voting Shares as at the date of the passing of the resolution (expected to be approximately 10.8 million Ordinary Shares and 10.1 million Restricted Voting Shares,

respectively) and will expire at the conclusion of the annual general meeting of the Company to be held in 2013 (the "**Buy-back Authority**").

The price paid for an Ordinary Share or Restricted Voting Share bought back pursuant to the Buy-back Authority will not be:

- less than its nominal value of 1p; or
- more than the higher of (i) 5 per cent. above the average of the middle market values of the shares of the relevant class for the five business days before the relevant shares were purchased and (ii) that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC 2273/2003) (being the higher of the price of the last independent trade and the highest current independent bid relating to a share of the relevant class on the trading venue on which the purchase is carried out).

The Buy-back Authority will only be exercised if, in the opinion of the Directors, a purchase will result in an increase in net asset value per share of the relevant class and be in the interests of Shareholders as a whole. Any shares bought back under the Buy-back Authority will be cancelled.

- **Resolution 12 – Amendment of Company's Articles:** The Company's Articles currently prohibit the distribution of realised capital profits as dividends. This prohibition is no longer required under the new investment trust tax rules. To enable the Board to implement the Company's proposed new dividend policy resolution 12 seeks to amend the Company's Articles by removing that prohibition. Resolution 12 is conditional on the resolution to be proposed at the Ordinary Shareholders' Meeting being passed.
- **Resolution 13 – Amendment of Management Agreement to Incorporate New Performance Fee:** Resolution 13 will, if passed, approve the New Performance Fee.

Resolutions 1 to 9 will be proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the relevant resolution.

Resolutions 10, 11 and 12 will be proposed as special resolutions, which means that, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the relevant resolution.

Resolution 13, being the resolution to approve a related party transaction for the purpose of the Listing Rules, will also be proposed as an ordinary resolution. For resolution 13 to be passed, more than half of the votes cast must be in favour of that resolution. No members of the F&C Group (including the Investment Manager) beneficially own any Ordinary Shares.

## **Separate General Meeting of Ordinary Shareholders**

Under the Company's Articles, the payment of dividends on the Ordinary Shares out of the realised capital profits attributable to the Ordinary Pool requires to be approved at a separate general meeting of Ordinary Shareholders. Accordingly, a separate general meeting of Ordinary Shareholders has been convened for Wednesday, 23 May 2012 commencing at 12.05 p.m. (or, if later, such time as the Company's AGM shall have concluded or been adjourned) and will also be held at the offices of F&C Asset Management plc, Exchange House, Primrose Street, London EC2A 2NY.

The notice convening the Ordinary Shareholders' Meeting is set out in Part 5 of this document and sets out in full the special resolution approving the payment of dividends on the Ordinary Shares out of the realised capital profits attributable to the Ordinary Pool. For that resolution to be passed, at least three-quarters of the votes cast must be in favour of it.

The quorum requirement for the Ordinary Shareholders' Meeting is two persons together holding or representing by proxy at least one-third in nominal amount of the issued Ordinary Shares (but so that, if at any adjourned meeting such a quorum is not present, any holder of Ordinary Shares present in person or by proxy shall be a quorum).

## **General Meeting of F&C Private Equity Zeros**

Under the Companies Act, the cancellation of the Subsidiary's share premium account requires to be approved at a general meeting of the Subsidiary. Accordingly, a general meeting of F&C Private Equity Zeros has been convened for Wednesday, 23 May 2012 commencing at 12.10 p.m. (or, if later, such time as the Ordinary Shareholders' Meeting shall have concluded or been adjourned) and

will also be held at the offices of F&C Asset Management plc, Exchange House, Primrose Street, London EC2A 2NY.

The notice convening the Subsidiary's General Meeting is set out in Part 6 of this document and sets out in full the special resolution cancelling the Subsidiary's share premium account and crediting the amount cancelled to a distributable reserve which may be used in any manner in which the Subsidiary's profits available for distribution (as determined in accordance with section 830 of the Companies Act) may be used, conditional on the resolution to be proposed at the ZDP Shareholders' Meeting being passed and subject to the confirmation of and any undertaking required by the Court. For the resolution to be passed at the Subsidiary's General Meeting, at least three-quarters of the votes cast must be in favour of it.

Both the Subsidiary's Ordinary Shareholders and ZDP Shareholders are entitled to attend and vote at the Subsidiary's General Meeting.

## **Separate General Meeting of ZDP Shareholders**

Under the Subsidiary's Articles, both the cancellation of the Subsidiary's share premium account and the authority of the Subsidiary to make market purchases of ZDP Shares require to be approved at a separate general meeting of ZDP Shareholders. Accordingly, a separate general meeting of ZDP Shareholders has been convened for Wednesday, 23 May 2012 commencing at 12.15 p.m. (or, if later, such time as the Subsidiary's General Meeting shall have concluded or been adjourned) and will also be held at the offices of F&C Asset Management plc, Exchange House, Primrose Street, London EC2A 2NY.

The notice convening the ZDP Shareholders' Meeting is set out in Part 7 of this document and sets out in full the special resolutions:

- sanctioning the cancellation of the Subsidiary's share premium account and crediting the amount cancelled to a distributable reserve; and
- authorising the Company to make market purchases of up to 14.99 per cent. of the issued ZDP Shares in any 12 month period, subject to the price restrictions specified in resolution 2 set out in the notice convening the ZDP Shareholders' Meeting in Part 7 of this document.

For each resolution to be passed, at least three-quarters of the votes cast must be in favour of it.

The quorum requirement for the ZDP Shareholders' Meeting is two persons together holding or representing by proxy at least one-third in nominal amount of the issued ZDP Shares (but so that, if at any adjourned meeting such a quorum is not present, any holder of ZDP Shares present in person or by proxy shall be a quorum).

## **Action to be Taken**

### ***The Company's AGM and Ordinary Shareholders' Meeting***

#### ***Ordinary Shareholders***

If you hold Ordinary Shares directly (that is, the Ordinary Shares are registered in your name in the Company's register of members), you will find enclosed with this document a white Form of Proxy for use at the AGM and a blue Form of Proxy for use at the Ordinary Shareholders' Meeting. Please complete the Forms of Proxy and return them by post to the address set out on them as soon as possible and, in any event, so as to be received by not later than 48 hours before the time of the relevant Meetings.

If you hold Ordinary Shares directly through CREST, you may appoint a proxy by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes at the end of the notices convening the AGM and the Ordinary Shareholders' Meeting in Parts 4 and 5, respectively, of this document and such appointments should be transmitted as soon as possible and, in any event, so as to be received by not later than 48 hours before the time of the relevant Meetings.

The completion and return of a Form of Proxy, or the appointment of a proxy utilising the CREST electronic proxy appointment service, will not prevent an Ordinary Shareholder from attending the AGM or the Ordinary Shareholders' Meeting and voting in person if they wish to do so.

#### ***F&C Savings Plans Participants***

If you hold Ordinary Shares through any of the F&C Savings Plans, you will find enclosed with this document a white Form of Direction for use at the AGM and a blue Form of Direction for use at the Ordinary Shareholders' Meeting. Please complete the Forms of Direction and return them by post to

the address set out on them as soon as possible and, in any event, so as to be received by not later than 5.00 p.m. on Wednesday, 16 May 2012.

### **General Meeting of F&C Private Equity Zeros and ZDP Shareholders' Meeting**

If you hold ZDP Shares directly (that is, the ZDP Shares are registered in your name in the Subsidiary's register of members), you will find enclosed with this document a green Form of Proxy for use at the Subsidiary's General Meeting and a yellow Form of Proxy for use at the ZDP Shareholders' Meeting. Please complete the Forms of Proxy and return them by post to the address set out on them as soon as possible and, in any event, so as to be received by not later than 48 hours before the time of the relevant Meetings.

If you hold ZDP Shares directly through CREST, you may appoint a proxy by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes at the end of the notices convening the Subsidiary's General Meeting and the ZDP Shareholders' Meeting in Parts 6 and 7, respectively, of this document and such appointments should be transmitted as soon as possible and, in any event, so as to be received by not later than 48 hours before the time of the relevant Meetings.

The completion and return of a Form of Proxy, or the appointment of a proxy utilising the CREST electronic proxy appointment service, will not prevent a ZDP Shareholder from attending the Subsidiary's General Meeting or the ZDP Shareholders' Meeting and voting in person if they wish to do so.

### **Recommendation**

The Board, which has been so advised by its financial adviser, Canaccord Genuity, considers the amendment of the Management Agreement to incorporate the New Performance Fee to be fair and reasonable so far as Shareholders are concerned. In providing advice to the Board, Canaccord Genuity has taken into account the Board's commercial assessment.

The Board considers that the Proposals and all of the resolutions to be considered at the Meetings are in the best interests of the Company, the Subsidiary and the Shareholders as a whole. Accordingly, your Board recommends that Shareholders vote in favour of the resolutions to be proposed at the relevant Meetings. Those Directors who hold beneficial interests in Ordinary Shares intend to vote in favour of all of the resolutions to be proposed at the Company's AGM and the Ordinary Shareholders' Meeting in respect of their own beneficial holdings of 62,079 Ordinary Shares, representing 0.09 per cent. of the Ordinary Shares in issue as at 20 April 2012. None of the Directors have any beneficial interests in ZDP Shares.

Yours faithfully

Mark Tennant  
*Chairman*

## PART 2

### ADDITIONAL INFORMATION

#### 1. Material Contracts

- 1.1 By an investment management agreement between (i) the Company and (ii) F&C Asset Management plc dated 16 and 17 June 2005, subsequently novated to the Investment Manager with effect from 31 January 2007 (pursuant to a novation agreement dated 1 December 2006) and amended on 18 April 2007, the Company has appointed the Investment Manager to act as investment manager of the Company and its subsidiaries from time to time (which includes the Subsidiary), including to manage the assets of the Company in accordance with the Company's investment objectives and guidelines from time to time.

Under the terms of the Management Agreement, subject to the overall supervision of the Directors, the Investment Manager has discretion without prior reference to the Company, to buy, sell and otherwise manage investments for the account of the Company.

The Investment Manager is entitled to basic management fees payable quarterly in arrears of 0.9 per cent. per annum of the relevant assets of the Ordinary Pool and 0.7 per cent. per annum of the relevant assets of the Restricted Voting Pool. For the purposes of such management fees, the "relevant assets" are the net assets of the relevant pool plus the amount of (i) any long term borrowings undertaken for the purpose of investment in relation to that pool and (ii) any amount set aside in respect of deferred taxation in relation to that pool, but excluding (a) the value of any investment in any fund which is managed by the Investment Manager or an associate of the Investment Manager and (b) any deposit or loan related to any borrowing made by the Company or a subsidiary of the Company in one currency for the purpose of enabling such borrowing to be converted into any deposit or loan denominated in another currency.

The Investment Manager is also entitled to an incentive fee as additional remuneration if the IRR per Ordinary Share over the performance period exceeds 8 per cent. per annum (the "Existing Incentive Fee"). The amount of the Existing Incentive Fee will be 10 per cent. of the gains in the performance period in excess of an IRR per Ordinary Share over the performance period of 8 per cent. per annum. The IRR per Ordinary Share takes account of all distributions other than share buy-backs and the fee will be calculated by multiplying the excess gain per Ordinary Share by the weighted average number of Ordinary Shares in issue during the performance period. The performance period commenced on 1 August 2006 and continues until 30 June in any one (to be determined by the Investment Manager) of the years 2010 to 2013. If resolution 13 set out in the notice convening the Company's AGM in Part 4 of this document is passed, the New Performance Fee will replace the Existing Incentive Fee with retrospective effect from 1 January 2012 and the Investment Manager shall not be entitled to any payment in respect of the Existing Incentive Fee.

The Management Agreement may be terminated at any time by either party giving six months' notice of termination. The Management Agreement may also be terminated, in certain circumstances, on shorter notice. In particular, the Investment Manager may terminate the Management Agreement by written notice, effective immediately, if, *inter alia*, the Company is unable to pay its debts or is in material breach of its material obligations (which it fails to remedy within 30 days of being given notice requiring it to do so) or if the Investment Manager is not reasonably satisfied that its investment management fees will continue to be paid in full (for example, if the Company is wound up).

The Company may terminate the Management Agreement without cause on shorter notice, in which event the Investment Manager will be entitled to receive a compensation payment in respect of the unexpired portion of the notice period. Such compensation payment shall be an amount equal to the aggregate of the basic management fee that the Investment Manager would have earned in respect of the unexpired portion of the notice period based on the value of the relevant assets on the business day prior to such termination becoming effective. The Management Agreement may also be terminated by the Company by written notice with immediate effect and no compensation being payable, if, *inter alia*, the Investment Manager ceases to be an authorised person under FSMA or becomes insolvent, is wound up, has a receiver appointed over the whole or a substantial part of its assets, is liquidated, persistently fails to comply with the reasonable instructions of the Directors or is in breach of its material

obligations and fails to remedy the same within 30 days of receiving notice requiring it to do so.

The Management Agreement contains indemnity provisions in favour of the Investment Manager against all claims and demands except where there has been fraud, negligence, wilful default or bad faith on the part of the Investment Manager or where the Investment Manager is in breach of the Management Agreement (save where such breach is beyond the control of the Investment Manager) or the FSA's Handbook of Rules and Guidance.

- 1.2 Save as disclosed in paragraph 1.1 of this Part 2, neither the Company nor the Subsidiary has entered into:
- (i) any material contract (not being a contract entered into in the ordinary course of business) in the two years immediately preceding the date of this document; or
  - (ii) any other contract (not being a contract entered into in the ordinary course of business) which contains any provision under which the Company or the Subsidiary has any obligation or entitlement which is material to the Group as at the date of this document;

which Ordinary Shareholders would reasonably require to make an informed assessment of how to vote on resolution 13 set out in the notice convening the Company's AGM in Part 4 of this document.

## 2. Substantial Share Interests

As at 20 April 2012, so far as known to the Company the persons set out in the table below had interests, directly or indirectly, in the issued Ordinary Shares which were notifiable under the Companies Act 2006 and/or the Disclosure and Transparency Rules.

	<i>No. of Ordinary Shares Held</i>	<i>% of Issued Ordinary Shares</i>
Clients of F&C Group	17,708,755	24.5
Prudential plc Group of Companies	4,826,147	6.7
Oxfordshire County Council Pension Fund	4,000,000	5.5
Henderson Global Investors	3,633,502	5.0
Co-operative Asset Management	3,524,890	4.9
Cayenne Asset Management	3,000,000	4.2
Kames Capital	2,564,313	3.5

## 3. No Significant Change

There has been no significant change in the financial or trading position of the Group since 31 December 2011 (the end of the last financial period of the Company for which audited consolidated financial information has been published).

## 4. General

- 4.1 Canaccord Genuity has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they are included.
- 4.2 There were no Shares held in treasury as at 20 April 2012.

## 5. Documents Available for Inspection

Copies of the following documents will be available for inspection at F&C Asset Management plc's offices at 80 George Street, Edinburgh EH2 3BU, and Exchange House, Primrose Street, London EC2A 2NY, during normal business hours on any day (Saturdays, Sundays and public holidays excepted) until the conclusion of the Company's AGM, and also at the AGM itself:

- (i) the memorandum and articles of association of the Company;
- (ii) the audited reports and consolidated accounts of the Company for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011;

- (iii) the draft supplemental agreement proposed to be entered into by the Company and the Investment Manager referred to in resolution 13 set out in the notice convening the Company's AGM in Part 4 of this document, the purpose of which is to incorporate the New Performance Fee into the Management Agreement;
- (iv) copies of the letters of appointment of the Directors.
- (v) the consent letter referred to in paragraph 4.1 of this Part 5; and
- (vi) this document.

## PART 3

### DEFINITIONS

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

<b>"AIC"</b>	the Association of Investment Companies
<b>"Basic Management Fee"</b>	the basic management fee payable to the Investment Manager pursuant to the Management Agreement, details of which are set out in paragraph 1.1 of Part 2 of this document
<b>"Board"</b>	the board of Directors, including any duly constituted committee thereof
<b>"Canaccord Genuity"</b>	Canaccord Genuity Limited
<b>"Companies Act"</b>	the Companies Act 2006
<b>"Company" or "F&amp;C Private Equity Trust"</b>	F&C Private Equity Trust plc
<b>"Company's AGM" or "AGM"</b>	the annual general meeting of F&C Private Equity Trust convened for Wednesday, 23 May 2012 at 12 noon, notice of which is set out in Part 4 of this document, or any adjournment of that meeting
<b>"Company's Articles"</b>	the articles of association of F&C Private Equity Trust
<b>"Court"</b>	the Court of Session in Scotland
<b>"CREST"</b>	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
<b>"Directors"</b>	the directors of the Company and the Subsidiary, whose names appear on page 4 of this document
<b>"Disclosure and Transparency Rules"</b>	the disclosure and transparency rules made by the FSA under section 72 of FSMA
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited
<b>"Existing Incentive Fee"</b>	the existing incentive fee arrangements under the Management Agreement, details of which are set out in paragraph 1.1 of Part 2 of this document
<b>"F&amp;C Group"</b>	F&C Asset Management plc and its subsidiary undertakings, including the Investment Manager
<b>"F&amp;C Savings Plans"</b>	the Private Investor Plan, ISA, Child Trust Fund and Children's Investment Plan operated by the F&C Savings Plans Manager and through which Ordinary Shares may be acquired and held
<b>"F&amp;C Savings Plans Manager"</b>	ISIS Investment Manager plc, F&C Management Limited and F&C Investment Business Limited
<b>"F&amp;C Savings Plans Participants"</b>	persons who beneficially own Ordinary Shares through the F&C Savings Plans
<b>"Forms of Direction"</b>	the form of direction issued by the F&C Savings Plan Manager for use by F&C Savings Plans Participants in connection with the Company's AGM and/or the Ordinary Shareholders' Meeting (as the context may require)
<b>"Forms of Proxy"</b>	the forms of proxy issued by the Company for use by Ordinary Shareholders in connection with the Company's AGM and the Ordinary Shareholders' Meeting and/or the forms of proxy issued by Subsidiary for use by ZDP Shareholders in connection with the Subsidiary's General Meeting and the ZDP Shareholders' Meeting (as the context may require)

<b>"FSA"</b>	Financial Services Authority
<b>"FSMA"</b>	the Financial Services and Markets Act 2000
<b>"Group"</b>	F&C Private Equity Trust and its subsidiary undertakings from time to time, including F&C Private Equity Zeros
<b>"Investment Manager"</b>	F&C Investment Business Limited
<b>"IRR"</b>	internal rate of return
<b>"ISA"</b>	individual savings account
<b>"Listing Rules"</b>	the listing rules made by the FSA pursuant to section 73A of FSMA
<b>"Management Agreement"</b>	the investment management agreement between the Company and the Investment Manager, details of which are set out in paragraph 1.1 of Part 2 of this document
<b>"Meetings"</b>	the Company's AGM, the Ordinary Shareholders' Meeting, the Subsidiary's General Meeting and/or the ZDP Shareholders' Meeting (as the context may require)
<b>"NAV"</b>	net asset value (calculated, in the case of the Ordinary Pool and the Ordinary Shares, on the basis that the outstanding warrants to subscribe for Ordinary Shares are exercised if dilution would occur and, for the purpose of New Performance Fee, either before any accrual for that fee or after accruing for that fee, as the context may require)
<b>"New Performance Fee"</b>	the proposed new performance fee described under the sub-heading "Proposed New Investment Management Incentive Arrangements" in Part 1 of this document
<b>"Ordinary Pool"</b>	the assets and liabilities of the Company attributable to the Ordinary Shareholders
<b>"Ordinary Shareholders"</b>	holders of Ordinary Shares
<b>"Ordinary Shareholders' Meeting"</b>	the separate general meeting of Ordinary Shareholders convened for Wednesday, 23 May 2012 at 12.05 p.m. (or, if later, such time as the Company's AGM shall have concluded or been adjourned), notice of which is set out in Part 5 of this document, or any adjournment of that meeting
<b>"Ordinary Shares"</b>	ordinary shares of 1p each in the capital of F&C Private Equity Trust
<b>"Proposals"</b>	the Company's proposed new dividend policy, the proposed new investment management incentive arrangements with the Investment Manager in relation to the Ordinary Pool and the proposed cancellation of the Subsidiary's share premium account and authority to purchase ZDP Shares, details of which are set out in Part 1 of this document
<b>"Restricted Voting Pool"</b>	the assets and liabilities of the Company attributable to the Restricted Voting Shareholders
<b>"Restricted Voting Shareholders"</b>	holders of Restricted Voting Shares
<b>"Restricted Voting Shares"</b>	restricted voting shares of 1p each in the capital of the Company
<b>"Shareholders"</b>	holders of Shares
<b>"Shares"</b>	Ordinary Shares, ZDP Shares and/or Restricted Voting Shares (as the context may require)
<b>"SIPP"</b>	self-invested personal pension

<b>"Subsidiary" or "F&amp;C Private Equity Zeros"</b>	F&C Private Equity Zeros plc
<b>"Subsidiary's Articles"</b>	the articles of association of F&C Private Equity Zeros
<b>"Subsidiary's General Meeting"</b>	the general meeting of F&C Private Equity Zeros convened for Wednesday, 23 May 2012 at 12.10 p.m. (or, if later, such time as the Ordinary Shareholders' Meeting shall have concluded or been adjourned), notice of which is set out in Part 6 of this document, or any adjournment of that meeting
<b>"Subsidiary's Ordinary Shareholders"</b>	ordinary shares of 100p each in the capital of the Subsidiary
<b>"ZDP Shareholders"</b>	holders of ZDP Shares
<b>"ZDP Shareholders' Meeting"</b>	the separate general meeting of ZDP Shareholders convened for Wednesday, 23 May 2012 at 12.15 p.m. (or, if later, such time as the Subsidiary's General Meeting shall have concluded or been adjourned), notice of which is set out in Part 7 of this document, or any adjournment of that meeting
<b>"ZDP Shares"</b>	zero dividend preference shares of 0.01p each in the capital of F&C Private Equity Zeros

*Notes:*

1. *All references in this document to "£", "pounds sterling" and "pence" (including the abbreviation "p") are to the lawful currency of the United Kingdom.*
2. *All times referred to in this document are references to London time.*
3. *All references in this document to 20 April 2012 should be regarded as being references to the latest practicable date prior to the publication of this document.*

## PART 4

### NOTICE OF ANNUAL GENERAL MEETING OF F&C PRIVATE EQUITY TRUST

#### F&C Private Equity Trust plc

*(Incorporated in Scotland under the Companies Act 1985 with registered number SC179412)*

*(An investment company under section 833 of the Companies Act 2006)*

Notice is hereby given that the thirteenth annual general meeting of F&C Private Equity Trust plc (in this notice, the "**Company**") will be held on Wednesday, 23 May 2012 commencing at 12 noon at the offices of F&C Asset Management plc, Exchange House, Primrose Street, London EC2A 2NY, to transact the following business.

#### Ordinary Business

**To consider and, if thought fit, pass the following as ordinary resolutions:**

1. That the report of the Directors, the auditors' report and the financial statements for the year ended 31 December 2011 be received and adopted.
2. That the Directors' remuneration report for the year ended 31 December 2011 be approved.
3. That a final dividend of 0.8p per Ordinary Share be declared.
4. That Mark Tennant, who retires by rotation, be re-elected as a Director.
5. That Douglas Kinloch Anderson, who retires annually, be re-elected as a Director.
6. That John Rafferty, who retires annually, be re-elected as a Director.
7. That Ernst & Young LLP be re-appointed as auditors.
8. That the Directors be authorised to determine the remuneration of the auditors for the year ending 31 December 2012.
9. That, in accordance with section 551 of the Companies Act 2006 (the "**Act**"), the Directors be and they are hereby generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £72,282 (being an amount equal to 10 per cent. of the total issued ordinary share capital of the Company as at 20 April 2012, being the latest practicable date before the publication of this notice). Unless previously varied, revoked or renewed, this authority shall expire at the conclusion of the annual general meeting of the Company in 2013, save that the Company may, before the expiry of any authority contained in this resolution, make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such offer or agreement as if the authority conferred hereby had not expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Act.

**To consider and, if thought fit, pass the following as a special resolution:**

10. That, subject to resolution 9 being passed, the Directors be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 (the "**Act**") to allot equity securities (as defined in section 560 of the Act) pursuant to the authority to allot equity securities conferred upon them pursuant to the authority granted under resolution 9 as if section 561 of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to the allotment of Ordinary Shares having a nominal amount not exceeding £36,141 (being an amount equal to 5 per cent. of the total issued ordinary share capital of the Company as at 20 April 2012, being the latest practicable date before the publication of this notice). Unless previously varied, revoked or renewed, the power hereby conferred shall expire at the conclusion of the annual general meeting of the Company in 2013, save that the Company may, before the expiry of any power contained in this resolution, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

## Special Business

To consider and, if thought fit, pass the following as special resolutions:

11. That the Company be and it is hereby authorised in accordance with section 701 of the Companies Act 2006 (the "**Act**") to make market purchases (within the meaning of section 693(4) of the Act) of Restricted Voting Shares and Ordinary Shares (collectively, "**Shares**"), provided that:
- (i) the maximum number of Ordinary Shares authorised to be purchased shall be 14.99 per cent. of the number of the Ordinary Shares in issue at the date on which this resolution is passed;
  - (ii) the maximum number of Restricted Voting Shares authorised to be purchased shall be 14.99 per cent. of the number of Restricted Voting Shares in issue at the date on which this resolution is passed;
  - (iii) the minimum price which may be paid for a Share shall be 1p;
  - (iv) the maximum price (exclusive of expenses) which may be paid for a Share shall not be more than the higher of:
    - (a) 5 per cent. above the average of the market value of a Restricted Voting Share (if a Restricted Voting Share is being purchased) or of an Ordinary Share (if an Ordinary Share is being purchased) for the five business days immediately preceding the date of purchase; and
    - (b) that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC 2273/2003); and
  - (v) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the annual general meeting of the Company in 2013, save that the Company may, prior to such expiry, enter into a contract to purchase Shares under such authority which will or might be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract.
12. That, subject to the resolution set out in the notice convening a separate general meeting of the holders of ordinary shares of 1p each in the capital of the Company in Part 5 of the circular to shareholders of F&C Private Equity Trust plc and F&C Private Equity Zeros plc dated 24 April 2012 being passed, the articles of association of the Company be amended by deleting the existing article 144 and substituting therefor the following article 144:

**"144. Capital Reserve**

The Directors shall establish a special reserve to be called the **Capital Reserve Fund**. Subject to Article 7, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Directors to be in the nature of accretion to capital shall be credited to the Capital Reserve Fund. Subject to the provisions of the Statutes, the Directors may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. Subject to Article 7, any loss realised on the realisation or payment off of or other dealing with any investment or other capital assets and, subject to Article 7 and the Statutes, any expenses, loss or liability (or provision therefor) which the Directors consider to relate to a capital item or which the Directors otherwise consider appropriate to be debited to the Capital Reserve Fund shall be carried to the debit of the Capital Reserve Fund. All sums carried and standing to the credit of the Capital Reserve Fund may be applied for any of the purposes to which sums standing to any revenue reserve are applicable."

To consider and, if thought fit, pass the following as an ordinary resolution:

13. That the supplemental agreement proposed to be entered into by the Company and F&C Investment Business Limited in the form produced to the meeting and signed for the purpose of identification by the chairman of the meeting (the purpose of which is to incorporate the

New Performance Fee into the Management Agreement) be and it is hereby approved (and words and expressions defined in the circular to shareholders of F&C Private Equity Trust plc and F&C Private Equity Zeros plc dated 24 April 2012 have the same meanings when used in this resolution).

By order of the Board  
F&C Asset Management plc  
Company Secretary

Registered Office  
80 George Street  
Edinburgh EH2 3BU

24 April 2012

## Notes

### 1. **Website Giving Information Regarding the AGM**

Information regarding the AGM, including the information required by section 311A of the Companies Act 2006, is available from [www.fcpet.co.uk](http://www.fcpet.co.uk).

### 2. **Entitlement to Attend and Vote**

Only Ordinary Shareholders registered in the Company's register of members at 6.00 p.m. on Monday, 21 May 2012 (or, if the AGM is adjourned, at 6.00 p.m. on the day two business days prior to the adjourned meeting) shall be entitled to attend and vote at the AGM in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on Monday, 21 May 2012 (or, if the AGM is adjourned, at 6.00 p.m. on the day two business days prior to the date of the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak and vote at the AGM.

### 3. **Attending the AGM in Person**

An Ordinary Shareholder who wishes to attend the AGM in person should arrive at the venue for the AGM in good time to allow their attendance to be registered. As they may be asked to provide evidence of their identity prior to being admitted to the AGM, it is advisable for Ordinary Shareholders to have some form of identification with them.

### 4. **Appointment and Revocation of Proxies**

- 4.1 An Ordinary Shareholder at the time set out in note 2 above is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy does not need to be a member of the Company but must attend the AGM to represent the Ordinary Shareholder. A proxy may only be appointed using the procedures set out in these notes and the notes on the Form of Proxy.
- 4.2 An Ordinary Shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. An Ordinary Shareholder cannot appoint more than one proxy to exercise rights attached to the same Ordinary Shares. If an Ordinary Shareholder wishes to appoint more than one proxy, they should contact the Company's registrar, Capita Registrars (the "**Registrar**"), on 0871 664 0300. Calls to this number cost 10p per minute plus network extras (excluding VAT). Lines open 9.00 a.m. to 5.30 p.m., Monday to Friday. Overseas Ordinary Shareholders should call +44 (0) 20 8639 3399.
- 4.3 If an Ordinary Shareholder wishes a proxy to speak on their behalf at the AGM, the Ordinary Shareholder will need to appoint their own choice of proxy (not the chairman of the AGM) and give their instructions directly to them. Such an appointment can be made using the white Form of Proxy or through CREST.
- 4.4 An Ordinary Shareholder may instruct their proxy to abstain from voting on a particular resolution to be considered at the AGM by marking the "Vote Withheld" option in relation to that particular resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" that particular resolution.
- 4.5 An Ordinary Shareholder who wishes to change their proxy instruction must submit a new appointment of proxy in accordance with notes 5-7 (as appropriate) below. If an Ordinary Shareholder requires another hard-copy Form of Proxy to enable them to change their proxy instruction, they should contact the Registrar on either of the telephone numbers set out in note 4.2 above.
- 4.6 In order to revoke a proxy instruction, an Ordinary Shareholder must inform the Company by sending a hard-copy notice clearly stating their revocation of their proxy instruction to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of an Ordinary Shareholder that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. The revocation notice must be received by the Registrar not later than 12 noon on Monday, 21 May 2012.
- 4.7 Appointment of a proxy will not preclude an Ordinary Shareholder from attending the AGM and voting in person.
- 4.8 A person who is not an Ordinary Shareholder but has been nominated by an Ordinary Shareholder to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 9 below.

## 5. **Appointment of Proxy Using Hard-copy Form of Proxy**

The notes on the white Form of Proxy explain how to direct a proxy how to vote, or abstain from voting, on the resolution. To appoint a proxy using the white Form of Proxy, the white Form of Proxy must be completed and signed and sent or delivered to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by the Registrar by not later than 12 noon on Monday, 21 May 2012. In the case of an Ordinary Shareholder which is a company, the white Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which the white Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the white Form of Proxy.

## 6. **Appointment of Proxy through CREST**

- 6.1 CREST members who wish to appoint a proxy or proxies for the AGM by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be reviewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
- 6.2 In order for a proxy appointment made via CREST to be valid, the appropriate CREST message (a **"CREST Proxy Instruction"**) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Registrar (RA10) by not later than 12 noon on Monday, 21 May 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- 6.3 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 6.4 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## 7. **Appointment of Proxy by Joint Members**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

## 8. **Corporate Representatives**

Any corporation which is an Ordinary Shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as an Ordinary Shareholder provided that no more than one corporate representative exercises powers over the same Ordinary Share(s).

## 9. **Nominated Persons**

A person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a **"Nominated Person"**):

- (i) may have a right under an agreement between the Nominated Person and the Ordinary Shareholder who has nominated them to have information rights (the **"Relevant Member"**) to be appointed or to have someone else appointed as a proxy for the AGM; and
- (ii) if they either do not have such a right or if they have such a right but do not wish to exercise it, may have a right under an agreement between them and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

#### **10. Website Publication of Audit Concerns**

Pursuant to Chapter 5 of Part 16 of the Companies Act (sections 527 to 531), where requested by (an) Ordinary Shareholder(s) meeting the qualification criteria set out in note 11 below, the Company must publish on its website a statement setting out any matter that such Ordinary Shareholder(s) propose(s) to raise at the AGM relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM. Where the Company is required to publish such a statement:

- (i) it may not require the Ordinary Shareholder(s) making the request to pay any expenses incurred by the Company in complying with the request;
- (ii) it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
- (iii) the statement may be dealt with as part of the business of the AGM.

The request:

- (a) may be in hard copy form or in electronic form (see note 12 below);
- (b) either set out the statement in full or, if supporting a statement sent by another Ordinary Shareholder, clearly identify the statement which is being supported;
- (c) must be authenticated by the person or persons making it (see note 12 below); and
- (d) be received by the Company at least one week before the AGM.

#### **11. Ordinary Shareholders' Qualification Criteria**

In order to be able to exercise the members' right to require the Company to publish audit concerns (see note 10 above) the relevant request must be made by:

- (i) (an) Ordinary Shareholder(s) having a right to vote at the AGM and holding at least 5 per cent. of the total voting rights of the Company; or
- (ii) at least 100 Ordinary Shareholders having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital.

#### **12. Submission of Hard Copy and Electronic Requests and Authentication Requirements**

Where (an) Ordinary Shareholder(s) wish(es) to request the Company to publish audit concerns (see note 10 above) such request must be made in accordance with one of the following ways:

- (i) a hard copy request which is signed by the Ordinary Shareholder(s), states their full name(s) and address(es) and is sent to The Company Secretary, F&C Asset Management plc, 80 George Street, Edinburgh EH2 3BU;
- (ii) a request which is signed by the Ordinary Shareholder(s), states their full name(s) and address(es) and is sent to The Company Secretary, F&C Asset Management plc, 80 George Street, Edinburgh EH2 3BU; or
- (iii) a request which states "FPEO - AGM" in the subject line of the e-mail and the full name(s) and address(es) of the Ordinary Shareholder(s) and is sent to [investor.enquiries@fandc.com](mailto:investor.enquiries@fandc.com).

#### **13. Questions at the AGM**

Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the AGM put by an Ordinary Shareholder attending the AGM unless:

- (i) answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information;
- (ii) the answer has already been given on the Company's website in the form of an answer to a question; or
- (iii) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

#### **14. Issued Shares and Total Voting Rights**

At 20 April 2012, the Company's issued share capital comprised 72,282,273 Ordinary Shares and 67,084,807 Restricted Voting Shares, none of which were held in treasury. Each Ordinary Share carries the right to one vote, and the Restricted Voting Shares do not confer any rights to vote, at a general meeting of the Company and, therefore, the total number of voting rights in the Company at 20 April 2012 was 72,282,273.

#### **15. Disclosure Obligations**

Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the chairman of the AGM as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the FSA's Disclosure and Transparency Rules.

#### **16. Communication**

Any electronic address provided either in this notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.

**PART 5**  
**NOTICE OF SEPARATE GENERAL MEETING**  
**OF ORDINARY SHAREHOLDERS**

**F&C Private Equity Trust plc**

*(Incorporated in Scotland under the Companies Act 1985 with registered number SC179412)*  
*(An investment company under section 833 of the Companies Act 2006)*

Notice is hereby given that a separate general meeting of holders of ordinary shares of 1p each in the capital of F&C Private Equity Trust plc (in this notice, the "**Company**") will be held on Wednesday, 23 May 2012 commencing at 12.05 p.m. (or, if later, such time as the Company's AGM shall have concluded or been adjourned) at the offices of F&C Asset Management plc, Exchange House, Primrose Street, London EC2A 2NY, for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

**Special Resolution**

That:

- (i) the amendment of the articles of association of the Company as set out in resolution 12 in the notice convening the Company's AGM in Part 4 of the circular to shareholders of F&C Private Equity Trust plc and F&C Private Equity Zeros plc dated 24 April 2012 (the "**Circular**"); and
- (ii) the payment of dividends on the Ordinary Shares out of the realised capital profits attributable to the Ordinary Pool;

be and are hereby approved and sanctioned along with any variation, modification or abrogation and/or deemed variation, modification or abrogation of the rights attaching to the Ordinary Shares resulting therefrom (and words and expressions defined in the Circular have the same meanings when used in this resolution).

By order of the Board  
F&C Asset Management plc  
*Company Secretary*

Registered Office  
80 George Street  
Edinburgh EH2 3BU

24 April 2012

**Notes**

**1. Website Giving Information Regarding the Ordinary Shareholders' Meeting**

Information regarding the Ordinary Shareholders' Meeting, including the information required by section 311A of the Companies Act 2006, is available from [www.fcpet.co.uk](http://www.fcpet.co.uk).

**2. Entitlement to Attend and Vote**

Only Ordinary Shareholders registered in the Company's register of members at 6.00 p.m. on Monday, 21 May 2012 (or, if the Ordinary Shareholders' Meeting is adjourned, at 6.00 p.m. on the day two business days prior to the adjourned meeting) shall be entitled to attend and vote at the Ordinary Shareholders' Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on Monday, 21 May 2012 (or, if the Ordinary Shareholders' Meeting is adjourned, at 6.00 p.m. on the day two business days prior to the date of the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak and vote at the Ordinary Shareholders' Meeting.

**3. Attending the Ordinary Shareholders' Meeting in Person**

An Ordinary Shareholder who wishes to attend the Ordinary Shareholders' Meeting in person should arrive at the venue for the Ordinary Shareholders' Meeting in good time to allow their attendance to be registered. As they may be asked to provide evidence of their identity prior to being admitted to the Ordinary Shareholders' Meeting, it is advisable for Ordinary Shareholders to have some form of identification with them.

**4. Appointment of Proxies**

- 4.1 An Ordinary Shareholder at the time set out in note 2 above is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Ordinary Shareholders' Meeting. A proxy does not need to be a member of the Company but must attend the Ordinary Shareholders' Meeting to represent the Ordinary Shareholder. A proxy may only be appointed using the procedures set out in these notes and the notes on the Form of Proxy.

- 4.2 An Ordinary Shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Ordinary Shares. An Ordinary Shareholder cannot appoint more than one proxy to exercise rights attached to the same Ordinary Shares. If an Ordinary Shareholder wishes to appoint more than one proxy, they should contact the Company's registrar, Capita Registrars (the "**Registrar**"), on 0871 664 0300. Calls to this number cost 10p per minute plus network extras (excluding VAT). Lines open 9.00 a.m. to 5.30 p.m., Monday to Friday. Overseas Ordinary Shareholders should call +44 (0) 20 8639 3399.
- 4.3 If an Ordinary Shareholder wishes a proxy to speak on their behalf at the Ordinary Shareholders' Meeting, the Ordinary Shareholder will need to appoint their own choice of proxy (not the chairman of the Ordinary Shareholders' Meeting) and give their instructions directly to them. Such an appointment can be made using the blue Form of Proxy or through CREST.
- 4.4 An Ordinary Shareholder may instruct their proxy to abstain from voting on the resolution to be considered at the Ordinary Shareholders' Meeting by marking the "Vote Withheld" option in relation to that resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" that resolution.
- 4.5 An Ordinary Shareholder who wishes to change their proxy instruction must submit a new appointment of proxy in accordance with notes 5-7 (as appropriate) below. If an Ordinary Shareholder requires another hard-copy Form of Proxy to enable them to change their proxy instruction, they should contact the Registrar on either of the telephone numbers set out in note 4.2 above.
- 4.6 In order to revoke a proxy instruction, an Ordinary Shareholder must inform the Company by sending a hard-copy notice clearly stating their revocation of their proxy instruction to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of an Ordinary Shareholder that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. The revocation notice must be received by the Registrar not later than 12.05 p.m. on Monday, 21 May 2012.
- 4.7 Appointment of a proxy will not preclude an Ordinary Shareholder from attending the Ordinary Shareholders' Meeting and voting in person.
- 4.8 A person who is not an Ordinary Shareholder but has been nominated by an Ordinary Shareholder to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 9 below.

#### 5. ***Appointment of Proxy Using Hard-copy Form of Proxy***

The notes on the blue Form of Proxy explain how to direct a proxy how to vote, or abstain from voting, on the resolution. To appoint a proxy using the blue Form of Proxy, the blue Form of Proxy must be completed and signed and sent or delivered to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by the Registrar by not later than 12.05 p.m. on Monday, 21 May 2012. In the case of an Ordinary Shareholder which is a company, the blue Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which the blue Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the blue Form of Proxy.

#### 6. ***Appointment of Proxy through CREST***

- 6.1 CREST members who wish to appoint a proxy or proxies for the Ordinary Shareholders' Meeting by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be reviewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
- 6.2 In order for a proxy appointment made via CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Registrar (RA10) by not later than 12.05 p.m. on Monday, 21 May 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- 6.3 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

6.4 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**7. Appointment of Proxy by Joint Members**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

**8. Corporate Representatives**

Any corporation which is an Ordinary Shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as an Ordinary Shareholder provided that no more than one corporate representative exercises powers over the same Ordinary Share(s).

**9. Nominated Persons**

A person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a **"Nominated Person"**):

- (i) may have a right under an agreement between the Nominated Person and the Ordinary Shareholder who has nominated them to have information rights (the **"Relevant Member"**) to be appointed or to have someone else appointed as a proxy for the Ordinary Shareholders' Meeting; and
- (ii) if they either do not have such a right or if they have such a right but do not wish to exercise it, may have a right under an agreement between them and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

**10. Questions at the Ordinary Shareholders' Meeting**

Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the Ordinary Shareholders' Meeting put by an Ordinary Shareholder attending the Ordinary Shareholders' Meeting unless:

- (i) answering the question would interfere unduly with the preparation for the Ordinary Shareholders' Meeting or involve the disclosure of confidential information;
- (ii) the answer has already been given on the Company's website in the form of an answer to a question; or
- (iii) it is undesirable in the interests of the Company or the good order of the Ordinary Shareholders' Meeting that the question be answered.

**11. Issued Shares and Total Voting Rights**

At 20 April 2012, the Company's issued share capital comprised 72,282,273 Ordinary Shares and 67,084,807 Restricted Voting Shares, none of which were held in treasury. Each Ordinary Share carries the right to one vote, and the Restricted Voting Shares do not confer any rights to vote, at a general meeting of the Company and, therefore, the total number of voting rights in the Company at 20 April 2012 was 72,282,273.

**12. Disclosure Obligations**

Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the chairman of the Ordinary Shareholders' Meeting as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the FSA's Disclosure and Transparency Rules.

**13. Communication**

Any electronic address provided either in this notice of Ordinary Shareholders' Meeting or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.

## PART 6

### NOTICE OF GENERAL MEETING OF F&C PRIVATE EQUITY ZEROS

#### F&C Private Equity Zeros plc

*(Incorporated in Scotland under the Companies Act 2006 with registered number SC366628)*

Notice is hereby given that a general meeting of F&C Private Equity Zeros plc (in this notice, the "**Company**") will be held on Wednesday, 23 May 2012 commencing at 12.10 p.m. (or, if later, such time as the Ordinary Shareholders' Meeting shall have concluded or been adjourned) at the offices of F&C Asset Management plc, Exchange House, Primrose Street, London EC2A 2NY, for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

#### Special Resolution

That, subject to:

- (i) resolution 1 set out in the notice convening a separate general meeting of the holders of zero dividend preference shares of 0.01p each in the capital of the Company in Part 7 of the circular to shareholders of F&C Private Equity Trust plc and F&C Private Equity Zeros plc dated 24 April 2012 being passed; and
- (ii) the confirmation of the Court of Session in Scotland;

the amount standing to the credit of the share premium account of the Company at the date on which this resolution is passed be cancelled and the credit thereby arising in the Company's books of account be applied in crediting a distributable reserve (to be designated the "special distributable reserve") to be established in the Company's books of account which shall be able to be applied in any manner in which the Company's profits available for distribution (as determined in accordance with section 830 of the Companies Act 2006) are able to be applied.

By order of the Board  
F&C Asset Management plc  
Company Secretary

Registered Office  
80 George Street  
Edinburgh EH2 3BU

24 April 2012

#### Notes

**1. Website Giving Information Regarding the Subsidiary's General Meeting**

Information regarding the Subsidiary's General Meeting, including the information required by section 311A of the Companies Act 2006, is available from [www.fcpet.co.uk](http://www.fcpet.co.uk).

**2. Entitlement to Attend and Vote**

Only members registered in the Company's register of members at 6.00 p.m. on Monday, 21 May 2012 (or, if the Subsidiary's General Meeting is adjourned, at 6.00 p.m. on the day two business days prior to the adjourned meeting) shall be entitled to attend and vote at the Subsidiary's General Meeting in respect of the number of shares in the capital of the Company registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on Monday, 21 May 2012 (or, if the Subsidiary's General Meeting is adjourned, at 6.00 p.m. on the day two business days prior to the date of the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak and vote at the Subsidiary's General Meeting.

**3. Attending the Subsidiary's General Meeting in Person**

A member of the Company who wishes to attend the Subsidiary's General Meeting in person should arrive at the venue for that meeting in good time to allow their attendance to be registered. As they may be asked to provide evidence of their identity prior to being admitted to the Subsidiary's General Meeting, it is advisable for members of the Company to have some form of identification with them.

**4. Appointment and Revocation of Proxies**

- 4.1 A member of the Company at the time set out in note 2 above is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Subsidiary's General Meeting. A proxy does not need to be a member of the Company but must attend the Subsidiary's General Meeting to represent the member. A proxy may only be appointed using the procedures set out in these notes and the notes on the Form of Proxy.
- 4.2 A member of the Company may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member of the Company cannot appoint more than one

proxy to exercise rights attached to the same shares. If a member of the Company wishes to appoint more than one proxy, they should contact the Company's registrar, Capita Registrars (the "**Registrar**"), on 0871 664 0300. Calls to this number cost 10p per minute plus network extras (excluding VAT). Lines open 9.00 a.m. to 5.30 p.m., Monday to Friday. Overseas members should call +44 (0) 20 8639 3399.

- 4.3 If a member of the Company wishes a proxy to speak on their behalf at the Subsidiary's General Meeting, the member will need to appoint their own choice of proxy (not the chairman of the Subsidiary's General Meeting) and give their instructions directly to them. Such an appointment can be made using the green Form of Proxy or through CREST.
- 4.4 A member of the Company may instruct their proxy to abstain from voting on the resolution to be considered at the Subsidiary's General Meeting by marking the "Vote Withheld" option in relation to that resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" that resolution.
- 4.5 A ZDP Shareholder who wishes to change their proxy instruction must submit a new appointment of proxy in accordance with notes 5-7 (as appropriate) below. If a ZDP Shareholder requires another hard-copy Form of Proxy to enable them to change their proxy instruction, they should contact the Registrar on either of the telephone numbers set out in note 4.2 above.
- 4.6 In order to revoke a proxy instruction, a ZDP Shareholder must inform the Company by sending a hard-copy notice clearly stating their revocation of their proxy to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a ZDP Shareholder that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. The revocation notice must be received by the Registrar not later than 12.10 p.m. on Monday, 21 May 2012.
- 4.7 Appointment of a proxy will not preclude a member of the Company from attending the Subsidiary's General Meeting and voting in person.
- 4.8 A person who is not a member of the Company but has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 9 below.

#### 5. ***Appointment of Proxy Using Hard-copy Form of Proxy***

The notes on the green Form of Proxy explain how to direct a proxy how to vote, or abstain from voting, on the resolution. To appoint a proxy using the green Form of Proxy, the green Form of Proxy must be completed and signed and sent or delivered to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by the Registrar by not later than 12.10 p.m. on Monday, 21 May 2012. In the case of a member of the Company which is a company, the green Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which the green Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the green Form of Proxy.

#### 6. ***Appointment of Proxy through CREST***

- 6.1 CREST members who wish to appoint a proxy or proxies for the Subsidiary's General Meeting by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be reviewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
- 6.2 In order for a proxy appointment made via CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Registrar (RA10) by not later than 12.10 p.m. on Monday, 21 May 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- 6.3 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 6.4 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**7. Appointment of Proxy by Joint Members**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

**8. Corporate Representatives**

Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share(s).

**9. Nominated Persons**

A person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a **"Nominated Person"**):

- (i) may have a right under an agreement between the Nominated Person and the member of the Company who has nominated them to have information rights (the **"Relevant Member"**) to be appointed or to have someone else appointed as a proxy for the Subsidiary's General Meeting; and
- (ii) if they either do not have such a right or if they have such a right but do not wish to exercise it, may have a right under an agreement between them and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

**10. Questions at the Subsidiary's General Meeting**

Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the Subsidiary's General Meeting put by a member of the Company attending the Subsidiary's General Meeting unless:

- (i) answering the question would interfere unduly with the preparation for the Subsidiary's General Meeting or involve the disclosure of confidential information;
- (ii) the answer has already been given on the Company's website in the form of an answer to a question; or
- (iii) it is undesirable in the interests of the Company or the good order of the Subsidiary's General Meeting that the question be answered.

**11. Issued Shares and Total Voting Rights**

At 20 April 2012, the Company's issued share capital comprised 50,000 ordinary shares of 100p each and 30,000,000 ZDP Shares, none of which were held in treasury. Each such ordinary share carries the right to one vote, and the ZDP Shares also confer the right to one vote at a general meeting of the Company upon any resolution to alter, modify or abrogate the special rights or privileges attached to the ZDP shares. Therefore, the total number of voting rights as at 20 April 2012 in respect of the meeting to which this Notice relates was 30,050,000.

**12. Disclosure Obligations**

Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the chairman of the Subsidiary's General Meeting as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the FSA's Disclosure and Transparency Rules.

**13. Communication**

Any electronic address provided either in this notice of Subsidiary's General Meeting or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.

## PART 7

### NOTICE OF SEPARATE GENERAL MEETING OF ZDP SHAREHOLDERS

#### F&C Private Equity Zeros plc

*(Incorporated in Scotland under the Companies Act 2006 with registered number SC366628)*

Notice is hereby given that a separate general meeting of holders of zero dividend preference shares of 0.01p each in the capital of F&C Private Equity Zeros plc (in this notice, the **"Company"**) will be held on Wednesday, 23 May 2012 commencing at 12.15 p.m. (or, if later, such time as the F&C PEZ General Meeting shall have concluded or been adjourned) at the offices of F&C Asset Management plc, Exchange House, Primrose Street, London EC2A 2NY, for the purpose of considering and, if thought fit, passing the following resolutions as special resolutions.

#### Special Resolutions

1. That the proposed cancellation of the share premium account as set out in resolution 1 in the notice convening the F&C PEZ General Meeting in Part 6 of the circular to shareholders of F&C Private Equity Trust plc and F&C Private Equity Zeros plc dated 24 April 2012 (the **"Circular"**) be and is hereby approved and sanctioned along with any variation, modification or abrogation and/or deemed variation, modification or abrogation of the rights attaching to the ZDP Shares resulting therefrom (and words and expressions defined in the Circular have the same meanings when used in this resolution).
2. That the Company be and is hereby authorised in accordance with section 701 of the Companies Act 2006 (the **"Act"**) to make market purchases (within the meaning of section 693(4) of the Act) of ZDP Shares, provided that:
  - (i) the maximum number of ZDP Shares to be purchased shall not exceed, in any rolling period of 12 months from the date of the passing of this resolution, 14.99 per cent. of the ZDP Shares in issue at the start of such period;
  - (ii) the minimum price which may be paid for a ZDP Share shall be 0.01p;
  - (iii) the maximum price (exclusive of expenses) which may be paid for a ZDP Share shall not be more than the higher of:
    - (a) 5 per cent. above the average of the market value of a ZDP Share for the five business days immediately preceding the date of purchase; and
    - (b) that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC 2273/2003); andand, in any event, the maximum price (inclusive of expenses) which may be paid for a ZDP Share shall not be more than the amount of the accrued capital entitlement of a ZDP Share at the date of purchase; and
  - (iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 15 December 2014;and any variation, modification or abrogation and/or deemed variation, modification or abrogation of the rights attaching to the ZDP Shares resulting therefrom be and is hereby approved and sanctioned (and words and expressions defined in the circular to shareholders of F&C Private Equity Trust plc and F&C Private Equity Zeros plc dated 24 April 2012 (have the same meanings when used in the resolution).

By order of the Board  
F&C Asset Management plc  
Company Secretary

Registered Office  
80 George Street  
Edinburgh EH2 3BU

24 April 2012

#### Notes

1. **Website Giving Information Regarding the ZDP Shareholders' Meeting**

Information regarding the ZDP Shareholders' Meeting, including the information required by section 311A of the Companies Act 2006, is available from [www.fcpet.co.uk](http://www.fcpet.co.uk).

2. **Entitlement to Attend and Vote**

Only ZDP Shareholders registered in the Company's register of members at 6.00 p.m. on Monday, 21 May 2012 (or, if the ZDP Shareholders' Meeting is adjourned, at 6.00 p.m. on the day two business days prior to the

adjourned meeting) shall be entitled to attend and vote at the ZDP Shareholders' Meeting in respect of the number of ZDP Shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on Monday, 21 May 2012 (or, if the ZDP Shareholders' Meeting is adjourned, at 6.00 p.m. on the day two business days prior to the date of the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak and vote at the ZDP Shareholders' Meeting.

### 3. **Attending the ZDP Shareholders' Meeting in Person**

A ZDP Shareholder who wishes to attend the ZDP Shareholders' Meeting in person should arrive at the venue for the ZDP Shareholders' Meeting in good time to allow their attendance to be registered. As they may be asked to provide evidence of their identity prior to being admitted to the ZDP Shareholders' Meeting, it is advisable for ZDP Shareholders to have some form of identification with them.

### 4. **Appointment and Revocation of Proxies**

- 4.1 A ZDP Shareholder at the time set out in note 2 above is entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the ZDP Shareholders' Meeting. A proxy does not need to be a member of the Company but must attend the ZDP Shareholders' Meeting to represent the ZDP Shareholder. A proxy may only be appointed using the procedures set out in these notes and the notes on the Form of Proxy.
- 4.2 A ZDP Shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different ZDP Shares. A ZDP Shareholder cannot appoint more than one proxy to exercise rights attached to the same ZDP Shares. If a ZDP Shareholder wishes to appoint more than one proxy, they should contact the Company's registrar, Capita Registrars (the **"Registrar"**), on 0871 664 0300. Calls to this number cost 10p per minute plus network extras (excluding VAT). Lines open 9.00 a.m. to 5.30 p.m., Monday to Friday. Overseas ZDP Shareholders should call +44 (0) 20 8639 3399.
- 4.3 If a ZDP Shareholder wishes a proxy to speak on their behalf at the ZDP Shareholders' Meeting, the ZDP Shareholder will need to appoint their own choice of proxy (not the chairman of the ZDP Shareholders' Meeting) and give their instructions directly to them. Such an appointment can be made using the yellow Form of Proxy or through CREST.
- 4.4 A ZDP Shareholder may instruct their proxy to abstain from voting on a resolution to be considered at the ZDP Shareholders' Meeting by marking the "Vote Withheld" option in relation to that particular resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" that particular resolution.
- 4.5 A ZDP Shareholder who wishes to change their proxy instruction must submit a new appointment of proxy in accordance with notes 5-7 (as appropriate) below. If a ZDP Shareholder requires another hard-copy Form of Proxy to enable them to change their proxy instruction, they should contact the Registrar on either of the telephone numbers set out in note 4.2 above.
- 4.6 In order to revoke a proxy instruction, a ZDP Shareholder must inform the Company by sending a hard-copy notice clearly stating their revocation of their proxy to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a ZDP Shareholder that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. The revocation notice must be received by the Registrar not later than 12.15 p.m. on Monday, 21 May 2012.
- 4.7 Appointment of a proxy will not preclude a ZDP Shareholder from attending the ZDP Shareholders' Meeting and voting in person.
- 4.8 A person who is not a ZDP Shareholder but has been nominated by a ZDP Shareholder to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 9 below.

### 5. **Appointment of Proxy Using Hard-copy Form of Proxy**

The notes on the yellow Form of Proxy explain how to direct a proxy how to vote, or abstain from voting, on the resolution. To appoint a proxy using the yellow Form of Proxy, the yellow Form of Proxy must be completed and signed and sent or delivered to Capita Registrars PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by the Registrar by not later than 12.15 p.m. on Monday, 21 May 2012. In the case of a ZDP Shareholder which is a company, the yellow Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which the yellow Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the yellow Form of Proxy.

### 6. **Appointment of Proxy through CREST**

- 6.1 CREST members who wish to appoint a proxy or proxies for the ZDP Shareholders' Meeting by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be reviewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
- 6.2 In order for a proxy appointment made via CREST to be valid, the appropriate CREST message (a **"CREST Proxy Instruction"**) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the

instruction given to a previously appointed proxy, must be transmitted so as to be received by the Registrar (RA10) by not later than 12.15 p.m. on Monday, 21 May 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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- 6.4 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### **7. Appointment of Proxy by Joint Members**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

#### **8. Corporate Representatives**

Any corporation which is a ZDP Shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a ZDP Shareholder provided that no more than one corporate representative exercises powers over the same ZDP Share(s).

#### **9. Nominated Persons**

A person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (a **"Nominated Person"**):

- (i) may have a right under an agreement between the Nominated Person and the ZDP Shareholder who has nominated them to have information rights (the **"Relevant Member"**) to be appointed or to have someone else appointed as a proxy for the ZDP Shareholders' Meeting; and
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A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, their custodian or broker) and they should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

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Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the ZDP Shareholders' Meeting put by a ZDP Shareholder attending the ZDP Shareholders' Meeting unless:

- (i) answering the question would interfere unduly with the preparation for the ZDP Shareholders' Meeting or involve the disclosure of confidential information;
- (ii) the answer has already been given on the Company's website in the form of an answer to a question; or
- (iii) it is undesirable in the interests of the Company or the good order of the ZDP Shareholders' Meeting that the question be answered.

#### **11. Issued Shares and Total Voting Rights**

At 20 April 2012, the Company's issued share capital comprised 50,000 ordinary shares of 100p each and 30,000,000 ZDP Shares, none of which were held in treasury. Each such ZDP share carries the right to one vote at a separate class meeting of ZDP Shareholders and the ordinary shares do not confer any rights to vote at a separate class meeting of ZDP Shareholders and, therefore, the total number of voting rights as at 20 April 2012 in respect of the meeting to which this Notice relates was 30,000,000.

#### **12. Disclosure Obligations**

Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the chairman of the ZDP Shareholders' Meeting as their proxy will need to ensure that both they and their proxy complies with their respective disclosure obligations under the FSA's Disclosure and Transparency Rules.

#### **13. Communication**

Any electronic address provided either in this notice of ZDP Shareholders' Meeting or any related documents (including the Form of Proxy) to communicate with the Company may not be used for any purposes other than those expressly stated.