

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT AND CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING OF DOMINO SHARES ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES.**

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice outside the United Kingdom.

If you have sold or otherwise transferred all of your Domino Shares, please send this document together with the accompanying documents (but not any personalised accompanying documents) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your holding of Domino Shares, you should retain those documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and/or the accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

**RECOMMENDED CASH ACQUISITION**  
of  
**DOMINO PRINTING SCIENCES PLC**  
by  
**BROTHER INDUSTRIES, LTD.**  
to be effected by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006

**This document (including any document incorporated into it by reference) and the accompanying documents, should be read as a whole. Your attention is drawn to the letter from the Chairman of Domino in Part I (*Letter from the Chairman of Domino*) of this document, which contains the unanimous recommendation of the Domino Directors that you vote in favour of the Scheme at the Court Meeting and the special resolution to be proposed at the General Meeting. A letter from Rothschild explaining the Scheme appears in Part II (*Explanatory Statement*) of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.**

Notices of the Court Meeting and the General Meeting, each of which will be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA, are set out in Part XI (*Notice of Court Meeting*) and Part XII (*Notice of General Meeting*) respectively of this document. The Court Meeting will start at 11.00 a.m. on 15 April 2015 and the General Meeting at 11.15 a.m. on that date or as soon thereafter as the Court Meeting is concluded or adjourned.

Action to be taken by Domino Shareholders is set out in the section of this document entitled, "To Vote on the Acquisition". Scheme Shareholders are asked to complete and return the enclosed blue and white Forms of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Domino's registrars, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 48 hours before the relevant meeting (excluding any day that is not a working day). Scheme Shareholders who hold Domino Shares in CREST may also appoint a proxy using CREST by following the instructions set out in the section, "To Vote on the Acquisition". If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to Capita Asset Services on behalf of the Chairman of the Court Meeting at the Court Meeting before the taking of the poll. However, in the case of the General Meeting, if the white Form of Proxy is not lodged by the relevant time, it will be invalid.

Domino Shareholders who hold their Domino Shares in certificated form and who wish to make an election under the Loan Note Alternative should also complete, sign and return the green Form of Election in accordance with the instructions contained in Part XIII (*Notes on making a Loan Note Election*) of this document. If you hold your shares in uncertificated form and wish to make an election for the Loan Note Alternative, you must do so electronically via the procedure set out in Part XIII (*Notes on making a Loan Note Election*) of this document.

Overseas Domino Shareholders should refer to Part VIII (*Additional Information for Overseas Shareholders*) of this document, which contains important information relevant to such holders.

If you have any questions about this document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy and/or the Form of Election, please call Domino's registrars, Capita Asset Services, between 9.00 a.m. and 5.30 p.m. on Monday to Friday (except UK public holidays), on 0871 664 0321 from within the UK (calls cost 10p per minute from a BT landline; other providers or other network costs may vary) or on +44(0) 20 8639 3399 if calling from outside the UK (calls from outside the UK will be charged at the applicable rate). Please note that calls may be recorded and monitored for training and security purposes and Capita Asset Services cannot provide legal, tax or financial advice or advice on the merits of the Scheme.

Rothschild, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting as financial adviser solely for Domino and nobody else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Domino for providing the protections afforded to clients of Rothschild nor for providing advice in relation to the Acquisition, the content of this document or any matter referred to herein.

Jefferies, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Domino and no one else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Domino for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the Acquisition, the context of this document or any matter referred to herein.

Citi is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom. Citi is acting exclusively as financial adviser and corporate broker for Brother and nobody else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Brother for providing the protections afforded to clients of Citi nor for providing advice in relation to the Acquisition, the context of this document or any matter referred to herein.

This document is dated 23 March 2015.



## IMPORTANT NOTICE

### OVERSEAS JURISDICTIONS

Domino Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

The release, publication or distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Brother or required by the Code and permitted by applicable law and regulation, the Acquisition will not be made in or into and will not be capable of acceptance in or from any jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme if to do so would constitute a violation of the laws in that jurisdiction. Accordingly, unless otherwise determined by Brother or required by the Code and permitted by applicable law and regulation, copies of this document and formal documentation relating to the Acquisition will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction.

Loan Note Restricted Scheme Shareholders will, under the Acquisition, only be entitled to receive cash consideration for the Domino Shares they hold and they will not have the option of taking Loan Notes under the Loan Note Alternative. Any purported election for the Loan Note Alternative by such Loan Note Restricted Scheme Shareholders will be treated as invalid by Brother.

The Loan Notes that may be issued pursuant to the Loan Note Alternative have not been, and will not be, listed or traded on any stock exchange and have not been, and will not be, registered under the US Securities Act of 1933 or under any laws of any state, district or other jurisdiction of the United States; no steps have been taken, nor will any steps be taken, to enable the Loan Notes to be offered in compliance with applicable securities laws of Japan, South Africa or Australia and no regulatory clearances in respect of the Loan Notes have been, or will be, applied for in any other jurisdiction. Accordingly, unless an exemption under relevant securities laws is available, the Loan Notes are not being, and may not be, offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States, or for the account or benefit of, any Loan Note Restricted Scheme Shareholder or into a jurisdiction in which an offer of Loan Notes would constitute a violation of the relevant laws of, or require registration of the Loan Notes, in that jurisdiction or require the filing, registration or publication of a prospectus pursuant to applicable securities laws of that jurisdiction. The Loan Notes are not being offered in, and may not be transferred into, the United States and the Scheme does not constitute an offer of Loan Notes in the United States. There will be no public offer of securities in the United States. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the Loan Notes, or determined if this document is accurate or complete. Any representation to the contrary is a criminal offence.

### NOTE TO US SHAREHOLDERS

US Shareholders should note that the Acquisition relates to the securities of a UK company, is subject to UK procedural and disclosure requirements (which are different from those of the US) and is proposed to be implemented under a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy rules under the US Securities Exchange Act of 1934 (the “US Exchange Act”). The financial information with respect to Domino included in this document has been or will have been prepared in accordance with IFRS and the financial information with respect to Brother included in this document has been or will have been prepared in accordance with Japanese GAAP and thus may not be comparable to

financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Brother exercises its right to implement the acquisition of the Domino Shares by way of a Takeover Offer in lieu of the Scheme, such offer will be made in compliance with applicable US tender offer laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such an offer would be made in the United States by Brother and no one else. In addition to any such Takeover Offer, Brother, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Domino outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were made they would be made outside the United States and would comply with applicable laws and regulations, including the US Exchange Act.

US Shareholders should refer to Part VIII (*Additional Information for Overseas Shareholders*) of this document, which contains certain US federal income tax considerations. Each Domino Shareholder (including US Shareholders) is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

Neither the SEC nor any securities commission of any state of the United States has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

#### **STATEMENTS MADE IN THIS DOCUMENT**

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date.

Save as set out in Part VII (*Domino Profit Forecast*) of this document, nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Domino, the Domino Group, Brother or the Brother Group, unless otherwise stated.

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document (including information incorporated by reference in this document), oral statements made regarding the Acquisition and other information published by Brother and Domino contain statements that are or may be forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the respective management of Brother and Domino about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Actual results may differ materially from those expressed in the forward-looking statements depending on a number of factors, including the satisfaction of the Conditions, future market conditions, the behaviour of other market participants, an adverse change in the economic climate, and the extent to which Domino's business is successfully integrated within Brother, among others. Risks relating to Brother and Domino are included in their respective annual reports. Many of these risks and uncertainties relate to factors that are beyond the relevant company's ability to control or estimate precisely, such as future market conditions and the behaviours of other market participants and, therefore, undue reliance should not be placed on such statements.

The forward-looking statements contained in this document include statements relating to the expected effects of the Acquisition on Brother and Domino, the expected timing and scope of the Acquisition and other statements other than historical facts. All statements other than statements of historical facts included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "could", "would", "may", "anticipates", "estimates", "synergy", "cost-saving", "projects", "goal", "strategy", "budget", "forecast" or "might" or, words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Brother's or Domino's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on Brother's or Domino's business.

All subsequent oral or written forward-looking statements attributable to Brother or Domino or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. The forward-looking statements contained in this document are made as of the date hereof and each of Domino and Brother assumes no obligation and does not intend publicly to update or revise these forward-looking statements, whether as a result of future events, new information or otherwise, except as required pursuant to applicable law.

## **DEALING DISCLOSURE REQUIREMENTS OF THE CODE**

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

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

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

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

## **ELECTRONIC COMMUNICATIONS**

Please be aware that addresses, electronic addresses and certain information provided by Domino Shareholders, persons with information rights and other relevant persons for the receipt of communications from Brother may be provided to Brother during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.12(c) of the Code.

## **PUBLICATION OF THIS DOCUMENT**

A copy of this document (together with any document incorporated by reference) will be available free of charge, subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions, on Brother's website at [www.brother.com/en/news/2015/150311\\_accept\\_e/list/index.htm](http://www.brother.com/en/news/2015/150311_accept_e/list/index.htm) and on Domino's website at [www.domino-printing.com/corporate](http://www.domino-printing.com/corporate) from the time this document is published. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this document unless otherwise stated herein.

## **AVAILABILITY OF HARD COPIES**

If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated into this document by reference to another source by contacting Domino's registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or, between 9.00 a.m. and 5.30 p.m. on Monday to Friday (except UK public holidays), on 0871 664 0321 from within the UK (calls cost 10p per minute from a BT landline; other providers or other network costs may vary) or on +44 (0)20 8639 3399 if calling from outside the UK (calls from outside the UK will be charged at the applicable rate), with your full name and the full address to which the hard copy may be sent (calls may be recorded and monitored for training and security purposes). You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

## **ROUNDING**

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as total in certain tables may not be an arithmetic aggregation of the figures that precede them.

## TO VOTE ON THE ACQUISITION

This page should be read in conjunction with the rest of this document and, in particular, the notices of the Court Meeting and the General Meeting at the end of this document.

### **To vote at the Domino Meetings using the Forms of Proxy**

Whether or not you plan to attend the Domino Meetings, you should:

1. complete, sign and return the blue Form of Proxy for use at the Court Meeting, so as to be received by no later than 11.00 a.m. on 13 April 2015; and
2. complete, sign and return the white Form of Proxy for use at the General Meeting, so as to be received by no later than 11.15 a.m. on 13 April 2015,

(or, in the case of adjournment, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)).

If the blue Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to Capita Asset Services on behalf of the Chairman of the Court Meeting at the Court Meeting before the taking of the poll. However, in the case of the General Meeting, if the white Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions in the Form of Proxy it will be invalid.

The completion and return of Forms of Proxy will not prevent you from attending and voting at the Court Meeting and/or General Meeting, or any adjournments thereof, in person should you wish to do so and should you be so entitled.

Domino Shareholders are entitled to appoint more than one proxy in respect of some or all of their Domino Shares. A space has been included in the Forms of Proxy for both the Court Meeting and the General Meeting to allow Domino Shareholders entitled to attend and vote at the relevant Domino Meeting to specify the number of Domino Shares in respect of which that proxy is appointed. Domino Shareholders who return a Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their holding of Domino Shares.

Domino Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Domino's registrars, Capita Asset Services, for further Forms of Proxy or photocopy the Forms of Proxy as required. Such Domino Shareholders should also read the Forms of Proxy in respect of the appointment of multiple proxies.

### **To vote at the Domino Meetings using an electronic proxy appointment**

Domino Shareholders may register their proxy appointments electronically via the [www.capitashareportal.com](http://www.capitashareportal.com) website, where full details of the procedure are given. This address is given only for the filing of proxies for the Domino Meetings and not for any other purpose. If you choose to appoint a proxy electronically you will need your unique investor code which is printed on the Forms of Proxy. In order to be valid, such appointments and directions must be registered by no later than 11.00 a.m. on 13 April 2015 (in the case of the Court Meeting) or 11.15 a.m. on 13 April 2015 (in the case of the General Meeting) (or, in the case of an adjourned meeting, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)). Domino Shareholders are advised to read the terms and conditions of use carefully.

### **To vote at the Domino Meetings using a proxy appointment through CREST**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so using the procedures described in the CREST Manual, which can be viewed at [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously

appointed proxy must, in order to be valid, be transmitted so as to be received by Domino's registrars, Capita Asset Services (participant ID RA10) not later than 11.00 a.m. on 13 April 2015 in the case of the Court Meeting and not later than 11.15 a.m. on 13 April 2015 in the case of the General Meeting (or, in the case of an adjourned meeting, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his 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. CREST members and, where applicable, their CREST sponsors or voting system providers, are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Domino may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations.

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY, OR APPOINT A PROXY ELECTRONICALLY, AS SOON AS POSSIBLE.**

#### **Shareholder helpline**

If you have any questions about this document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy, please call Domino's registrars, Capita Asset Services, between 9.00 a.m. and 5.30 p.m. on Monday to Friday (except UK public holidays), on 0871 664 0321 from within the UK (calls cost 10p per minute from a BT landline; other providers or other network costs may vary) or on +44 (0)20 8639 3399 if calling from outside the UK (calls from outside the UK will be charged at the applicable rate). Please note that calls may be monitored or recorded for training and security purposes and Capita Asset Services cannot provide legal, tax or financial advice or advice on the merits of the Scheme.



## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme

<u>Event</u>	<u>Time and/or date</u>
<b>Latest time for lodging Forms of Proxy for the:</b>	
a) Court Meeting (blue form)	11.00 a.m. on 13 April 2015 <sup>(1)</sup>
b) General Meeting (white form)	11.15 a.m. on 13 April 2015 <sup>(2)</sup>
Voting Record Time for the Court Meeting and General Meeting	6.00 p.m. on 13 April 2015 <sup>(3)</sup>
<b>Court Meeting</b>	11.00 a.m. on 15 April 2015
<b>General Meeting</b>	11.15 a.m. on 15 April 2015 <sup>(4)</sup>
<b>The following dates are indicative only and are subject to change<sup>(5)</sup></b>	
Latest time for lodging of green Forms of Election and TTE Instructions in respect of the Loan Note Alternative	11.00 a.m. on D-1
Scheme Court Hearing (to sanction the Scheme)	A date expected to be in late June 2015, subject to regulatory clearances (“D”) <sup>(6)</sup>
Last day of dealings in, and for registrations of transfers of and disablement in CREST of, Domino Shares	D+1 2015
Dealings in Domino Shares suspended	5.00 p.m. on D+1 2015
Scheme Record Time	6.00 p.m. on D+1 2015
<b>Effective Date of the Scheme</b>	D+5 2015 <sup>(7)</sup>
Cancellation of admission of and dealings in Domino Shares	D+6 2015
Despatch of cheques and crediting of CREST accounts for cash consideration due under the Scheme and Loan Note certificates in respect of Loan Note consideration	within 14 days of the Effective Date
Long Stop Date	14 August 2015 <sup>(8)</sup>

### Notes:

- (1) It is requested that blue Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting (excluding any day that is not a working day). Blue Forms of Proxy not so lodged may be handed to Domino’s registrars, Capita Asset Services, on behalf of the Chairman of the Court Meeting at the Court Meeting before the taking of the poll.
- (2) White Forms of Proxy for the General Meeting must be lodged not later than 48 hours prior to the time appointed for the General Meeting (excluding any day that is not a working day).
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the date which is two Business Days before the date fixed for the relevant adjourned meeting.
- (4) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (5) These dates are indicative only and will depend, among other things, on the date upon which (i) the Anti-trust Conditions and other Conditions are satisfied or, if capable of waiver, waived; (ii) the Court sanctions the Scheme; and (iii) the Scheme Court Order is delivered to the Registrar of Companies (which will be dependent on, amongst other things, the period of time taken by HMRC to stamp the Scheme Court Order). This timetable assumes that European, Chinese and United States anti-trust clearances are obtained by late June 2015. Domino will give adequate notice of all of these dates, when known, by issuing an announcement through a Regulatory Information Service and by posting notice of these dates on its website ([www.domino-printing.com/corporate](http://www.domino-printing.com/corporate)). Further updates of changes to other times or dates indicated above shall at Domino’s discretion, be notified in the same way.
- (6) Any references to a day before or after “D” are references to a Business Day.
- (7) This date is indicative only and is subject to the Scheme Court Order having been stamped by HMRC.
- (8) This is the latest date by which the Scheme may become effective unless Domino and Brother agree, with the consent of the Panel and (if required) the Court, a later date. The Cooperation Agreement contains certain other circumstances in which the Long Stop Date may be extended. Further details of the Cooperation Agreement are set out in paragraph 9(b) of Part IX (*Additional Information on Domino and Brother*) of this document.

**All references in this document to times are to London time unless otherwise stated.**

Overseas Domino Shareholders should refer to Part VIII (*Additional Information for Overseas Shareholders*) of this document, which contains important information relevant to such holders.

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## PART I: LETTER FROM THE CHAIRMAN OF DOMINO

Domino Printing Sciences plc  
Trafalgar Way, Bar Hill  
Cambridge  
Cambridgeshire  
CB23 8TU

Incorporated in England and Wales with registered number 01363137

Peter Byrom (*Chairman*)  
Nigel Bond (*Chief Executive Officer*)  
Andrew Herbert (*Chief Financial Officer*)  
Rachel Hurst (*Group Operations Director*)  
Sir Mark Wrightson (*Non-Executive and Senior Independent Director*)  
Sir David Brown (*Non-Executive Director*)  
Christopher Brinsmead (*Non-Executive Director*)  
Sucheta Govil (*Non-Executive Director*)

23 March 2015

*To the holders of Domino Shares and, for information only, to holders of options or awards under the Domino Share Schemes*

Dear Domino Shareholder

### RECOMMENDED CASH ACQUISITION OF DOMINO BY BROTHER

#### 1. Introduction

On 11 March 2015, the boards of Domino and Brother announced that they had reached agreement regarding the terms of a recommended cash offer through which the entire issued and to be issued ordinary share capital of Domino will be acquired by Brother.

I am writing to you, on behalf of the Domino Board, to set out the terms of the Acquisition and to explain why the Domino Board is unanimously recommending that Domino Shareholders vote in favour of the Scheme at the Court Meeting and the special resolution to be proposed at the General Meeting, as the Domino Directors have irrevocably undertaken to do in respect of their beneficial holdings of Domino Shares. I draw your attention to the letter from Rothschild set out in Part II (*Explanatory Statement*) of this document, which gives details about the Acquisition and to the additional information set out in Part IX (*Additional Information on Domino and Brother*) of this document.

In order to approve the terms of the Scheme by which the Acquisition is to be implemented, a sufficient majority of Scheme Shareholders will need to vote in favour of the Scheme at the Court Meeting and Domino Shareholders will need to pass the resolution to be proposed at the General Meeting. Details of the actions you should take are set out in paragraph 14 of this letter. The recommendation of the Domino Directors is set out in paragraph 16 of this letter.

#### 2. Summary of the terms of the Acquisition

It is intended that the Acquisition will be implemented by way of the Scheme, details of which are set out in the Explanatory Statement in Part II (*Explanatory Statement*) of this document.

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document, Scheme Shareholders on the register of members of Domino at the Scheme Record Time will be entitled to receive:

**for each Domino Share 915 pence in cash**

The Acquisition values the entire issued ordinary share capital of Domino at approximately £1,031 million, and represents:

- a premium of approximately 42.6 per cent. to the Volume Weighted Average Price per Domino Share of 641.7 pence during the six month period to 10 March 2015 (being the latest practicable date prior to the publication of the Announcement);

- a premium of approximately 26.9 per cent. to the Closing Price per Domino Share of 721.0 pence on 10 March 2015 (being the latest practicable date prior to the publication of the Announcement);
- an Enterprise Value of 15.4x Domino's EBITDA for the year ended 31 October 2014; and
- a P/E multiple of 22.9x Domino's earnings per share for the year ended 31 October 2014.

### 3. **Loan Note Alternative**

As an alternative to all or part of the cash consideration which would otherwise be received pursuant to the Acquisition, Scheme Shareholders (other than Loan Note Restricted Scheme Shareholders) will be able to elect to receive Loan Notes under the Loan Note Alternative. The Loan Note Alternative will be available on the basis of £1 nominal value for every £1 of cash to which a Scheme Shareholder would otherwise be entitled. Further details of the Loan Note Alternative are contained in paragraph 2 of Part II (*Explanatory Statement*) of this document.

The Domino Directors do not give any advice to Scheme Shareholders as to whether, or to what extent, they should elect for the Loan Note Alternative under the Scheme as its benefits will depend on Domino Shareholders' individual tax positions. Domino Shareholders should consider whether the Loan Notes are a suitable payment alternative in light of their own personal circumstances and investment objectives and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice before deciding whether to elect for the Loan Note Alternative.

### 4. **Background to and reasons for the Acquisition**

The combination of Brother and Domino will create a global printing solution group with strong technological capabilities and a shared philosophy to serve our consumer and industrial customers with a long-term perspective.

#### *Brother's history and strategy*

Since its foundation in 1908, Brother has been driven by technological innovation and diversification of business areas. Beginning by manufacturing industrial sewing machines, Brother entered the information and communication equipment business in the 1970s and the printing market in the late 1980s. Brother's business portfolio has global scale, with manufacturing and sales facilities in 44 countries, and its products have a broad reach to end-customers across the world. Brother's successful product and geographical expansion, particularly in the Printing & Solutions business, demonstrates its ability to explore a new business area and grow it on a global basis.

Brother views industrial business areas as being of strategic importance and aims to develop the industrial component of its product portfolio. Brother believes that industrial printing offers an attractive opportunity and has identified Domino, with its established reputation and technological capabilities, as a strong partner that is well positioned in its key business areas:

- *Coding and marking*

Leveraging its inkjet, laser and thermal transfer technologies, Domino has an established leading position in coding and marking, providing a stable and strong cash flow stream based on long-term customer relationships. It is well-positioned to benefit from key sector growth drivers including increasing awareness of traceability of products and increasing emerging market demand supported by economic growth.

- *Digital printing*

Brother expects the digital printing sector to exhibit rapid growth globally, driven by increasing demand for small-lot and tailored packaging orders, and therefore foresees a substantial opportunity in the sector.

#### *Transaction rationale*

Brother believes that a combination between Brother and Domino will deliver the following strategic and financial benefits:

- *Strong value proposition in industrial printing*

Brother believes that its combination with Domino will create a well-positioned business with a differentiated value proposition in industrial printing, an excellent product offering and strong capabilities in the development of new technologies.

- *Reinforced growth strategy in digital printing*

Speed of investment and execution of strategy are of significant importance in driving growth in the fast-moving digital printing sector. Brother intends to invest in this market to grow the business, leveraging Domino's achievements to date. The combined business will retain significant investment capacity to continue its global expansion, supported by the financial strength of the Brother Group.

- *Value creation through sharing of best practices by Brother and Domino*

Brother sees potential to create future value in the combined business through mutual sharing of best practices. Brother values Domino's efficiency and the quality of its global operations, while Brother believes it can provide incremental value in the mid- to long-term by sharing its production know-how and global procurement capability through its larger organisation. This would further underpin Domino's production and delivery efficiency, and potentially help deliver greater value from Domino's existing facilities as well as offering optionality for the delivery of future capacity growth.

- *Shared philosophy*

Brother believes that the two companies share the same philosophy of serving customers through long-term relationships, the same technology-oriented culture and the same long-term commitment to employees, all of which are essential factors for success in strategic collaboration and will assist in creating a solid base for the two companies to learn from each other.

## **5. Background to and reasons for the recommendation**

Founded in 1978, the Domino Group has established a global reputation for the continual development and quality of its total coding and printing technologies through the successful delivery of a strategy focussed on innovation and delivering solutions that meet customers' requirements across a wide range of industrial business segments. Domino has a global sales and service network through which it sells and supports these products.

Since its listing on the London Stock Exchange in 1985, Domino has delivered significant value to its shareholders. Domino's successful operating and financial performance over this time has been reflected in substantial capital growth for shareholders, and has allowed the Board of Domino to adopt a consistent progressive dividend policy resulting in the company's dividend growing every year since flotation.

However, despite Domino's strong historic track record, the current market conditions and the medium to longer-term outlook for Domino as a standalone business are not without challenge.

In 2011, Domino's management identified that developments in digital print head technology, supplied by a number of specialist third party technology providers, offered both a significant business opportunity but were also a major potential threat to the traditional coding and marking business of the Domino Group. This new technology had already had an impact in sectors outside of Domino's traditional market place, and since 2011 has had a disruptive impact on further sectors. There is growing deployment of digital ink jet technology in the printing of packaging and the Domino Board believes that this technology will play an increasingly important role in meeting customers' coding and marking requirements.

The Board of Domino sanctioned investment in the development of a digital printing business, initially focussed on utilising the new print head technology for the printing of full colour labels, but with an ultimate objective of achieving a leading position for Domino in respect of the deployment of digital printing technology as it started to be deployed in all aspects of packaging.

Domino has developed a significant position in providing full colour digital label presses to the label converter market. It is management's belief that in 2014, sales of the Domino Group's products took a significant position in Europe and had a strong first year in North America, where the products were launched a year later than in Europe. Domino has acquired (Graphtech AG in 2012) and developed a number of core competencies in this business and has established a strong brand reputation with major players in the sector. However, the business is still in the investment phase, and over the past two years this has diluted the returns of the Domino Group as a whole.

Domino experienced a more cautious attitude among customers in many markets over the second half of the last financial year. This trend has continued, with market conditions during the first four months of the current financial year having been less buoyant than in the corresponding period a year ago. Customer confidence in that period was at a five-year high, resulting in a number of large volume opportunities, especially in Europe, as many customers looked to catch up on investment in their operations, after an

extended period of slower growth. The coding and marking sector in which Domino operates has returned to more normal GDP +2-3 per cent. growth levels, with fewer of the large catch-up investments now available. A number of other geographic markets are weaker than a year ago, most notably China, where the slowdown in economic growth has been widely reported in the financial media, and also parts of Europe, where the economic growth of some countries is still very limited. Business opportunities in North America and most parts of Asia and the Middle East remain positive.

Despite the more challenging environment, Domino has increased its investment, in research and development and operational capacity, in both the coding and marking and digital label press businesses. In addition to the income statement impact of these investments, there is an expectation that there will be a need for cash investments from this year and over at least the next three years at higher levels than has been normal for the Domino Group. Investments utilising existing cash and debt facilities are planned in new factories in China and the UK and in further product development projects that the Domino Group will capitalise from this year in anticipation of financial returns in the future. The Board of Domino believes this to be an appropriate strategy to meet the significant developments taking place in the packaging market and in particular moves by manufacturers to deploy digital printing technology across a wide variety of their packaging materials. The Board of Domino is pleased with the progress Domino has made, and the competence it has built, but recognises that maintaining a leadership position will require these additional investments.

The developments taking place in digital printing of packaging are attracting interest from a number of highly funded, large potential competitors with access to technology and skills. While development of the market is at an early stage, it is clear to the Board of Domino that the ability to achieve a leadership position will require the Domino Group to build partnerships with one or more organisations that have complementary skills and competences.

The transaction proposed with Brother represents a significant opportunity for the Domino Group, through the combined skills and access to enhanced resources and technology to develop further its digital printing capability and achieve a leadership position. The Board of Domino considers that this approach is consistent with the strategy of the business and represents the optimum course of action for the Domino Group at this stage of development of its business.

The Board of Domino remains cautious about the markets in which Domino operates for the remainder of the year ahead. However, it confirms its previous guidance issued last summer and re-stated with the announcement of Domino's 2014 financial results, namely that the Board of Domino expects results for the year to 31 October 2015 to be at a broadly similar level to those of the previous year.

In the medium to longer term, whilst Domino has established an excellent reputation and position within its markets, it is becoming increasingly clear that the requirement for greater investment in new products and technologies will be an ongoing feature of the markets in which the Domino Group operates. The competition, both established and new entrants, is defined by players of significantly greater scale and financial firepower than Domino, and the Board of Domino believes it will be increasingly difficult for Domino as a standalone business to optimise and maintain the leading position it has created.

The Board of Domino believes that, against this backdrop, the strategic opportunity for Domino to combine with Brother is both compelling and timely. Agreement on the Acquisition was reached after a period of negotiation between the Boards of Brother and Domino. In considering the challenges that the Board of Domino believes the Domino Group faces as an independent business, the Board of Domino believes that the Acquisition recognises the value of Domino and provides certainty, in cash, to Domino's shareholders.

## **6. Irrevocable Undertakings**

Brother has received irrevocable undertakings from each of the Domino Directors who have beneficial holdings in shares to vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the General Meeting, in respect of a total of 481,229 Domino Shares, representing approximately 0.4 per cent. of the share capital of Domino in issue on 20 March 2015 (being the latest practicable date prior to the publication of this document);

Further details of these irrevocable undertakings are set out in Part IX (*Additional Information on Domino and Brother*) of this document.

## **7. Information on Domino**

Founded in 1978, Domino has established a reputation as one of the world's leading manufacturers of coding and marking and digital printing solutions. Domino's products are used for date coding, product marking, serialisation and printing onto products used in everyday life. Domino's customers are some of the most recognisable brands in healthcare, food, beverage and commercial printing.

In coding and marking, Domino develops, manufactures and sells equipment, consumables and services to manufacturers who need to code, mark or print data, information or graphical images onto their products or packaging. Domino is also developing a new business area in digital printing, where it is addressing the need for faster and shorter run production of high resolution print in mono and colour applications. The end users of digitally printed output are typically the same brand owners and manufacturers that are the company's coding and marking customers.

Demand for Domino's products and services is created through legislation and mandate, typically meeting the need to inform consumers, and through providing manufacturers and printers with an economic means of decorating, identifying, tracing, protecting or authenticating their products for commercial or regulatory purposes.

Domino is headquartered in Cambridge, United Kingdom, and as of 15 December 2014 has more than 2,300 employees with operations covering 16 countries and a network of distributors covering a total of some 140 countries. Domino reported revenue of £350.2 million for the financial year ended 31 October 2014.

## **8. Information on Brother**

Founded in 1908, Brother is a globally diversified electronics and electrical equipment manufacturer headquartered in Nagoya, Japan. Brother is listed on the Tokyo Stock Exchange with a market capitalisation of ¥ 504.9 billion (c. £2,805 million) as at 20 March 2015. For the fiscal year ended 31 March 2014, Brother reported net sales of ¥ 617 billion (c. £3,428 million) and EBITDA of ¥ 71 billion (c. £394 million).

Brother operates on a global scale, with approximately 80 per cent. of group net sales generated outside Japan in the fiscal year ended 31 March 2014. Brother has manufacturing and sales facilities in more than 44 countries and regions (as of May 2014), and a broad reach of products to end customers across the world. Brother's successful global expansion to date reflects its continuous product innovation and marketing efforts over time, its robust cost performance and the user friendliness of its products in every business segment.

Brother has a mid- to long-term corporate strategy of becoming a leading global company with high profitability and a world-class manufacturer by developing outstanding proprietary technologies, embodying Brother's motto, "At your side", throughout its corporate culture. Brother plans on further expanding its global reach through mergers and acquisitions, supported by its strong balance sheet and robust cash flows.

## **9. Current trading and prospects of Domino**

Domino's audited financial statements, released on 16 December 2014, showed that Domino's reported revenue, gross margin, and operating profit for the financial year ended 31 October 2014 were £350.2 million, 48.1 per cent. and £56.0 million respectively. Cost of sales was £181.8 million.

Since 31 October 2014, Domino has continued to trade in line with the Domino Directors' expectations.

Your attention is also drawn to the profit forecast given by the Domino Directors in Part VII (*Domino Profit Forecast*) of this document.

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

Brother greatly values Domino's capabilities in industrial printing, and therefore intends to preserve the current Domino organisation, including Domino's existing management team, brand and culture, to ensure continuity of a strong track record.

Brother anticipates that Domino will operate as a standalone division within the combined business and Brother currently does not intend to change the major locations of Domino's places of business or to redeploy Domino's fixed assets.

Brother believes that the global platform of the combined group will offer significantly enhanced opportunities for existing Domino employees. Brother confirms that, following the Scheme becoming effective, the existing contractual and statutory employment rights, including in relation to pensions, of all Domino employees will be safeguarded in accordance with contractual and statutory requirements. Brother expects the incumbent senior and middle management personnel of Domino to continue to demonstrate leadership in each individual's role, and to contribute to a successful combination of the two companies.

Brother intends to put in place appropriate incentive arrangements for management and senior staff and employees of Domino following completion of the Acquisition.

The Domino Board welcomes Brother's intention to preserve the current Domino organisation and the fact that it has confirmed that the existing contractual and statutory employment rights of Domino employees, including in relation to pensions, will be safeguarded on the Scheme becoming effective. The Domino Board is also pleased to note that Brother does not currently intend to change the major locations of Domino's places of business or to redeploy Domino's fixed assets.

#### **11. Pensions**

As at the date of this document, all Domino Group employees have access to a pension plan, either through participation in a state arrangement or a defined contribution arrangement. These arrangements include:

- a defined contribution occupational pension scheme in the UK. Eligible jobholders are automatically enrolled into this scheme as required by UK law; and
- a pension plan for Domino's Swiss employees. This plan is insured and guarantees a minimum rate of return on the plan investments. Additional company contributions may be required if the insurance company is unable to honour its obligations.

#### **12. Employee Share Schemes**

Details of the effect of the Acquisition on each of the Domino Share Schemes and of the choices available to participants will be set out in full in separate letters to participants.

All Domino Shares issued on the exercise of options or vesting of awards granted under the Domino Share Schemes on or before the Scheme Record Time will be considered Scheme Shares subject to the terms of the Scheme. The Scheme will not extend to Domino Shares issued after the Scheme Record Time and the proposed form of the Amended Domino Articles provides that, if the Scheme becomes effective, any Domino Share issued after the Scheme Record Time will be automatically transferred to Brother in consideration of the holder receiving 915 pence per Domino Share so transferred, representing the same price per Domino Share as will be received by holders of Scheme Shares.

#### **13. Overseas Shareholders**

Overseas Domino Shareholders should refer to Part VIII (*Additional Information for Overseas Shareholders*) of this document, which contains important information relevant to such holders.

#### **14. Action to be taken by Domino Shareholders**

The Scheme and the Acquisition are subject to satisfaction or (if applicable) waiver of the Conditions set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document. In order to become effective, the Scheme requires the approval of Scheme Shareholders at the Court Meeting. The resolution to approve the Scheme at the Court Meeting must be approved by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders. Implementation of the Scheme will also require the passing of the special resolution to be proposed at the General Meeting to approve certain matters relating to the Scheme (requiring approval by the requisite majorities at the General Meeting, which will be held immediately after the Court Meeting).

Once the necessary approvals from the Scheme Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived, the Scheme must be approved by the Court. The Scheme will then become effective upon delivery of the Scheme Court Order to the Registrar of Companies.



Upon the Scheme becoming effective:

- it will be binding on all Domino Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended whether or not they voted in favour); and
- share certificates in respect of Domino Shares will cease to be valid.

After the Scheme Record Time but before the Scheme becomes effective entitlements to Domino Shares held within the CREST system will be cancelled and such entitlements will be rematerialised.

Details relating to the de-listing of the Domino Shares and settlement of the consideration offered by Brother are included in paragraph 7 of Part II (*Explanatory Statement*) of this document.

Whether or not you plan to attend the Domino Meetings, you should:

- complete, sign and return the blue Form of Proxy for use at the Court Meeting, so as to be received by no later than 11.00 a.m. on 13 April 2015; and
- complete, sign and return the white Form of Proxy for use at the General Meeting, so as to be received by no later than 11.15 a.m. on 13 April 2015,

(or, in the case of adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)).

If the blue Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to Capita Asset Services on behalf of the Chairman of the Court Meeting at the Court Meeting before the taking of the poll. However, in the case of the General Meeting, if the white Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions in the Form of Proxy it will be invalid.

If you hold your shares through CREST you may also appoint a proxy through CREST by following the instructions to the notices set out in Parts XI (*Notice of Court Meeting*) and XII (*Notice of General Meeting*) of this document. In each case, such appointments and instruction, or votes, must be made and received by Domino's registrars, Capita Asset Services (participant ID RA10), not later than 11.00 a.m. on 13 April 2015 in the case of the Court Meeting and not later than 11.15 a.m. on 13 April 2015 in the case of the General Meeting (or, in the case of an adjourned meeting, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)).

The completion and return of Forms of Proxy will not prevent you from attending and voting at the Court Meeting and/or General Meeting, or any adjournments thereof, in person should you wish to do so and should you be so entitled.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of opinion of Scheme Shareholders. You are therefore strongly urged to complete, sign and return your Forms of Proxy, or, alternatively, submit your proxy by electronic means, for both the Court Meeting and the General Meeting, as soon as possible.**

If you hold your shares in certificated form, unless you are a Loan Note Restricted Scheme Shareholder, you will also find enclosed with this document a green Form of Election for use in connection with the Loan Note Alternative. If you hold your shares in uncertificated form and wish to make an election for the Loan Note Alternative, you must do so electronically via the procedure set out in Part XIII (*Notes on making a Loan Note Election*) of this document. Further notes on how to make an election for the Loan Note Alternative are set out in Part XIII (*Notes on making a Loan Note Election*) of this document.

**Further details of the Scheme and the Domino Meetings are set out in paragraphs 2 and 3 of Part II (*Explanatory Statement*) of this document.**

## 15. United Kingdom taxation

Your attention is drawn to paragraph 8 of Part II (*Explanatory Statement*) of this document headed "United Kingdom taxation". Although this document contains certain tax-related information, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

## 16. Recommendation

The Domino Directors, who have been so advised by Rothschild as to the financial terms of the Acquisition, consider the Acquisition to be fair and reasonable. In providing advice to the Domino Directors, Rothschild has taken into account the commercial assessments of the Domino Directors.

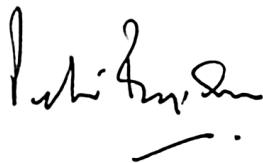
Accordingly, the Domino Directors recommend unanimously that Domino Shareholders vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the General Meeting, as the Domino Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 481,229 Domino Shares representing, in aggregate, approximately 0.4 per cent. of the share capital of Domino in issue on 20 March 2015 (being the latest practicable date prior to the publication of this document).

## 17. Further information

Your attention is drawn to further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*), Part V (*The Scheme of Arrangement*) and Part IX (*Additional Information on Domino and Brother*) of this document, which provide further details concerning the Scheme.

**You are advised to read the whole of this document and not just rely on the summary information contained in this letter.**

Yours faithfully,



Peter Byrom  
*Chairman*  
Domino Printing Sciences plc

## PART II: EXPLANATORY STATEMENT

### EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)

N M Rothschild & Sons Limited  
New Court  
St Swithin's Lane  
London EC4N 8AL

23 March 2015

*To the holders of Domino Shares and, for information only, to holders of options or awards under the Domino Share Schemes*

Dear Domino Shareholder

#### RECOMMENDED CASH ACQUISITION OF DOMINO BY BROTHER

##### 1. Introduction

On 11 March 2015, the boards of Domino and Brother announced that they had reached agreement regarding the terms of a recommended cash offer through which the entire issued and to be issued ordinary share capital of Domino will be acquired by Brother.

The Domino Directors, who have been so advised by Rothschild as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Domino Directors, Rothschild has taken into account the commercial assessments of the Domino Directors. We have been authorised by the Domino Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information.

**Your attention is drawn to the letter from the Chairman of Domino set out in Part I (*Letter from the Chairman of Domino*) of this document, which forms part of this Explanatory Statement. The letter contains, among other things, (a) information on the reasons for and benefits of the Acquisition and (b) the unanimous recommendation by the Domino Directors to Domino Shareholders to vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting.**

This Explanatory Statement contains a summary of the provisions of the Scheme. The Scheme is set out in full in Part V (*The Scheme of Arrangement*) of this document. For overseas holders of Domino Shares, your attention is drawn to Part VIII (*Additional Information for Overseas Shareholders*) of this document, which forms part of this Explanatory Statement. Your attention is also drawn to the other parts of this document, including the information in Part IX (*Additional Information on Domino and Brother*) of this document.

The Scheme is subject to the Conditions set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document being satisfied or (where applicable) waived.

##### 2. Summary of the terms of the Acquisition and the Scheme

###### *The Acquisition*

The Acquisition is to be effected by way of a scheme of arrangement under Part 26 of the Companies Act. Following the Scheme becoming effective, the entire issued share capital of Domino will be held by Brother.

The cash consideration payable to Scheme Shareholders will be satisfied by Brother through debt or existing cash resources. Brother has entered into the Bridge Loan Facility under which a £1,073 million credit facility is available to Brother to fund the Acquisition.

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document, Scheme Shareholders on the register of members of Domino at the Scheme Record Time will be entitled to receive:

**for each Domino Share 915 pence in cash**

As an alternative to the cash consideration described above, Scheme Shareholders on the register of members of Domino at the Scheme Record Time (other than Loan Note Restricted Scheme Shareholders) will have the option of electing to receive Loan Notes under the Loan Note Alternative in respect of all or some of the Scheme Shares which they hold. Further details of the Loan Note Alternative are set out below.

The Acquisition values the entire issued ordinary share capital of Domino at approximately £1,031 million, and represents:

- a premium of approximately 42.6 per cent. to the Volume Weighted Average Price per Domino Share of 641.7 pence during the six month period to 10 March 2015 (being the latest practicable date prior to the publication of the Announcement);
- a premium of approximately 26.9 per cent. to the Closing Price per Domino Share of 721.0 pence on 10 March 2015 (being the latest practicable date prior to the publication of the Announcement);
- an Enterprise Value of 15.4x Domino's EBITDA for the year ended 31 October 2014; and
- a P/E multiple of 22.9x Domino's earnings per share for the year ended 31 October 2014.

### **Conditions**

The Acquisition and, accordingly, the Scheme is subject to a number of Conditions set out in full in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document, including:

- (A) the approval of the Scheme by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders, either in person or by proxy, at the Court Meeting;
- (B) the approval of the special resolution to be proposed at the General Meeting by Domino Shareholders by the requisite majority at the General Meeting;
- (C) certain competition clearances being obtained; and
- (D) the sanction of the Scheme by the Court (in either case, with or without modification but subject to any modification being on terms acceptable to Domino and Brother), and the delivery of the Scheme Court Order to the Registrar of Companies.

The Acquisition is conditional upon the Scheme becoming unconditional and effective, subject to the Code, by no later than the Long Stop Date.

### **Loan Note Alternative**

As an alternative to all or part of the cash consideration which would otherwise be received pursuant to the Acquisition, Scheme Shareholders (other than Loan Note Restricted Scheme Shareholders) will, subject to certain conditions, be able to elect to receive Loan Notes to be issued by Brother on the following basis:

**for every £1 of cash consideration to which the Scheme Shareholder would otherwise be entitled and has made a valid Loan Note Election £1 nominal value of Loan Notes**

Further details of the tax treatment that may apply to Scheme Shareholders are referred to in paragraph 8 of this Part II (*Explanatory Statement*) of this document, which includes certain statements about the UK tax consequences for certain UK resident Scheme Shareholders of electing to receive Loan Notes.

The Loan Notes will be governed by English law and will be issued by Brother, credited as fully paid, in amounts and integral multiples of £1 and any entitlement that is not a whole multiple of £1 will be rounded down to the nearest £1 and the balance of the consideration disregarded and not paid. The Loan Notes will constitute direct, unsecured and unsubordinated obligations of Brother.

The Loan Notes shall not bear interest.

The Loan Notes may be redeemed at the option of a Loan Note Holder on not less than 30 days' prior notice in writing, in minimum denominations of £1,000, unless such holder of Loan Notes has a total holding of less than £1,000, in which case such Loan Note Holder's total Loan Note holding, but not part thereof, may be redeemed. The Loan Notes are redeemable at the option of the Loan Note Holder for cash at par on (i) the next Business Day falling six months after the date of issue of the Loan Notes or 31 January 2016 if later, (ii) 31 January 2017, (iii) 31 January 2018, (iv) 31 January 2019 and (v) to the

extent that Loan Notes are in issue on such date, 31 January 2020. Any Loan Notes not previously repaid, redeemed or purchased will be repaid in full at par on the fifth anniversary of their issue.

Except as provided in the terms of the Loan Note Instrument, the Loan Notes will not be transferable without the prior consent of Brother, and no application will be made for them to be listed on, or dealt on, any stock exchange or other trading facility.

Further details on the terms of the Loan Notes are set out in Part IV (*Summary of the Loan Notes*) of this document and details on how to make an election under the Loan Note Alternative are set out in Part XIII (*Notes on making a Loan Note Election*) of this document.

Citi has advised Brother that, in its opinion, based on market conditions on 20 March 2015 (the latest practicable date prior to publication of this document), the value of the Loan Notes (had they been in issue on that day) would have been not less than 98 pence per £1 in nominal value.

The Domino Directors do not give any advice to Scheme Shareholders as to whether, or to what extent, they should elect for the Loan Note Alternative under the Scheme as its benefits will depend on Scheme Shareholders' individual tax positions. Scheme Shareholders should consider whether the Loan Notes are a suitable payment alternative in light of their own personal circumstances and investment objectives and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice before deciding whether to elect for the Loan Note Alternative.

### ***The Scheme***

The Acquisition is to be effected by means of the Scheme.

The Scheme is a legal process under the Companies Act, the purpose of which is to enable Brother to become the owner of the entire issued and to be issued share capital of Domino. In order to achieve this, it is proposed that the Scheme Shares shall be transferred to Brother (or such of its nominee(s) as are agreed between Brother and Domino), in consideration for which the Scheme Shareholders will receive cash consideration or, to the extent that a valid Form of Election has been made (and subject to certain terms and conditions) Loan Notes, on the basis set out above.

After the Scheme Record Time but before the Scheme becomes effective entitlements to Domino Shares held within the CREST system will be cancelled and such entitlements will be rematerialised.

On the Effective Date, share certificates in respect of Domino Shares will cease to be valid.

Any Domino Shares issued on or before the Scheme Record Time will be subject to the terms of the Scheme. Domino Shareholders whose names appear on the register of Domino at the Scheme Record Time, that is 6.00 p.m. on the Business Day following the date of the Scheme Court Hearing, will receive 915 pence in cash for each Scheme Share held by them or, to the extent that a valid Form of Election has been made (and subject to certain terms and conditions) Loan Notes.

### ***Amendments to Domino's articles of association***

It is proposed, as part of the special resolution to be proposed at the General Meeting relating to the Scheme, that Domino's articles of association be amended to ensure that any Domino Shares issued under the Domino Share Schemes or otherwise after the Voting Record Time in respect of the Court Meeting and on or prior to the Scheme Record Time will be subject to the Scheme. It is also proposed to amend Domino's articles of association so that any Domino Shares issued to any person other than Brother or its nominee(s) after the Scheme Record Time will be automatically acquired by Brother on the same terms (other than terms as to timings and formalities) as under the Scheme and except that there will be no entitlement to elect for the Loan Note Alternative. This will avoid any person (other than Brother or its nominee(s)) being left with Domino Shares after the Effective Date. Paragraph (b) of the special resolution set out in the notice of the General Meeting in Part XII (*Notice of General Meeting*) of this document seeks the approval of Domino Shareholders for such amendment.

### ***Scheme-related arrangements***

Summaries of the Non-Disclosure Agreement and the Cooperation Agreement are set out in paragraph 9 of Part IX (*Additional Information on Domino and Brother*) of this document. These agreements have been published on Domino's website at [www.domino-printing.com/corporate](http://www.domino-printing.com/corporate) and Brother's website at [www.brother.com/en/news/2015/150311\\_accept\\_e/list/index.htm](http://www.brother.com/en/news/2015/150311_accept_e/list/index.htm) and are available for inspection at the

times and places indicated in paragraph 18 of Part IX (*Additional Information on Domino and Brother*) of this document.

### 3. Domino Meetings and Scheme Court Hearing

The Scheme and the Acquisition are subject to satisfaction or (if applicable) waiver of the Conditions set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document. In order to become effective, the Scheme will require the approval of Scheme Shareholders at the Court Meeting and the passing of the resolution to implement the Scheme at the separate General Meeting, both of which will be held on 15 April 2015 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA. The Court Meeting is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Scheme Shareholders to enable the Domino Directors to implement the Scheme and to amend the articles of association of Domino as described in paragraph 2 above.

Notices of both the Court Meeting and the General Meeting are set out at the end of this document. Entitlement to attend and vote at the Domino Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Domino at the Voting Record Time.

The Scheme also requires the sanction of the Court at the Scheme Court Hearing. The Scheme Court Hearing is expected to be held in late June 2015 subject to, among other things, the receipt of European, Chinese and United States anti-trust clearances by late June 2015. If those anti-trust clearances are obtained later than anticipated, the Scheme Court Hearing may be held on a later date as appropriate. The date of the Scheme Court Hearing and any later change to the date will be communicated to Domino Shareholders by an announcement via a Regulatory Information Service and published on Domino's website. Brother has confirmed that it will be represented by counsel at the Scheme Court Hearing and undertakes to be bound thereby. All Domino Shareholders are entitled to attend the Scheme Court Hearing in person or counsel, or other suitably qualified persons, to support or oppose the sanction of the Scheme. The Scheme will become effective on the delivery of the Scheme Court Order to the Registrar of Companies.

**If the Scheme becomes effective, it will be binding on all Domino Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.**

Any Domino Shares which Brother or any member of the Brother Group (or their nominees) may acquire on or prior to the Scheme Record Time are not Scheme Shares and therefore no member of the Brother Group (or their nominees) is entitled to vote at the Court Meeting in respect of the Domino Shares held or acquired by it. Each such member of the Brother Group will undertake to be bound by the Scheme.

#### *Court Meeting*

The Court Meeting has been convened for 11.00 a.m. on 15 April 2015 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA to seek approval of Scheme Shareholders for the Scheme. At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Domino Share held at the Voting Record Time. In order for the Scheme to be approved at the Court Meeting, those Scheme Shareholders voting to approve the Scheme must represent a majority in number representing 75 per cent. in value of the Scheme Shares voted by Scheme Shareholders present and voting in person or by proxy.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to complete and return your Forms of Proxy as soon as possible, or, alternatively, submit your proxy by electronic means, for both the Court Meeting and the General Meeting, as soon as possible.**

#### *General Meeting*

The General Meeting has been convened for the same date as the Court Meeting at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA, and will be held on 15 April 2015 at 11.15 a.m. or as soon thereafter as the Court Meeting is concluded or adjourned. The General Meeting has been convened to consider and, if thought fit, pass a special resolution to approve:

- (i) the authorisation of the Domino Directors to take all actions as they may consider necessary or appropriate to give effect to the Scheme; and

- (ii) certain amendments to Domino's articles of association as described above and in Part XII (*Notice of General Meeting*) of this document.

The special resolution will require votes in favour representing at least 75 per cent. of the votes cast at the General Meeting. Voting on the above special resolution will be on a show of hands unless a poll is demanded. The chairman reserves his right to demand that the vote be held by way of poll and, in such event, each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Domino Share held at the Voting Record Time.

#### **4. Modifications to the Scheme**

The Scheme contains provisions for Domino and Brother jointly to consent on behalf of all persons affected to any modification of or additions to the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, or impose a condition to, the Scheme which might be materially adverse to the interests of Scheme Shareholders, unless Scheme Shareholders were informed of any such modification, addition or condition. It would be a matter for the Court to decide in its discretion whether or not a further meeting of Scheme Shareholders should be held in these circumstances. Similarly if a modification, addition or condition is put forward which, in the opinion of the Domino Directors, is of such a nature or importance that it requires the consent of Scheme Shareholders at a further meeting, the Domino Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

#### **5. Alternative means of implementing the Acquisition**

Brother reserves the right to elect (subject to the consent of the Panel) to implement the Acquisition by way of a Takeover Offer in accordance with the Code (as an alternative to the Scheme) as it may determine in its absolute discretion. In such event, the Acquisition will be implemented by Brother on substantially the same terms as those which would apply to the Scheme subject to appropriate amendments including (without limitation) an acceptance condition set at 90 per cent. (or such lesser percentage (being more than 50 per cent.) as Brother may decide or the Panel may require) of the Domino Shares to which such an offer would relate. If Brother does elect to implement the Acquisition by way of a Takeover Offer, and if sufficient acceptances of such Acquisition are received and/or sufficient Domino Shares are otherwise acquired, it is the intention of Brother to apply the provisions of sections 979 - 982 (inclusive) of the Companies Act to acquire compulsorily any outstanding Domino Shares to which such Acquisition relates. Brother has undertaken to extend the Takeover Offer if the acceptance condition has not been satisfied by the relevant closing date and to continue doing so, up to and including Day 60 (as determined in accordance with Rule 31.6 of the Code and the notes on that Rule).

#### **6. The Domino Directors and the effect of the Scheme on their interests**

Details of the interests of the Domino Directors in Domino Shares are set out in paragraph 3.2 of Part IX (*Additional Information on Domino and Brother*) of this document. Domino Shares held by the Domino Directors will be subject to the Scheme.

Each Domino Director who is a Domino Shareholder has undertaken to vote his/her Domino Shares in favour of the Scheme at the Court Meeting and the special resolution to be proposed at the General Meeting.

Particulars of service contracts and letters of appointment of the Domino Directors are set out in paragraph 6 of Part IX (*Additional Information on Domino and Brother*) of this document.

Save as disclosed in this document, the effect of the Scheme on the interests of the Domino Directors does not differ from its effect on the like interests of any other person.

In common with other participants in the Domino Share Schemes, appropriate proposals will also be made to relevant Domino Directors in respect of their awards under the Domino Share Schemes. Such proposals will be made on the basis set out above and in accordance with the provisions of the Cooperation Agreement, as summarised in paragraph 9 of Part IX (*Additional Information on Domino and Brother*) of this document.

## 7. De-listing of Domino Shares and settlement of consideration

### *De-listing of Domino Shares*

It is intended that dealings in Domino Shares will be suspended at 5.00 p.m. (London time) on the Business Day after the Scheme Court Hearing. It is further intended that an application will be made to the London Stock Exchange on the Effective Date for the cancellation of trading in Domino Shares on its market for listed securities and the UKLA will be requested to cancel the listing of Domino Shares on the Official List to take effect shortly after the Effective Date.

After the Scheme Record Time and before the Scheme becomes effective, entitlements to Domino Shares held within the CREST system will be cancelled and such entitlements will be rematerialised. On the Effective Date, all share certificates in respect of Domino Shares will cease to be valid and should be destroyed.

### *Settlement*

Subject to the Scheme becoming effective (and except as provided in Part VIII (*Additional Information for Overseas Shareholders*) of this document in relation to certain overseas Domino Shareholders), settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be effected as soon as practicable and, in any event, not later than 14 days after the Effective Date, in the following manner:

#### *Scheme Shares in uncertificated form*

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form (that is, in CREST), the cash consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Brother procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Scheme Shares in respect of the cash consideration due to him or her.

On the Business Day immediately after the date of the Scheme Court Hearing, each holding of Domino Shares credited to any stock account in CREST will be disabled and all Scheme Shares will be removed from CREST in due course.

Brother reserves the right to pay all, or any part of, the cash consideration referred to above to all or any Scheme Shareholder(s) who hold Domino Shares in uncertificated form in the manner referred to in the paragraph below if, for any reason, it wishes to do so.

#### *Scheme Shares in certificated form*

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form (that is, not in CREST), settlement of the cash consideration due under the Scheme in respect of the Scheme Shares will be despatched:

- (a) by first class post (or international standard (formerly airmail) post, if overseas), by cheque drawn on a branch of a UK clearing bank; or
- (b) by such other method as may be approved by the Panel.

All such cash payments will be made in pounds Sterling. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned. Cheques will be despatched not later than the fourteenth day following the Effective Date to the person entitled thereto at the address as appearing in the register of members of Domino at the Scheme Record Time.

Despatch will be by first class post if the registered address is located in the same country as that in which the despatch is occurring, and by international standard (formerly airmail) post if the registered address is not in the same country. None of Domino, Brother, any nominee(s) of Brother or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person entitled thereto.



### *Loan Notes*

Where Loan Notes are issued to Scheme Shareholders, certificates for the Loan Notes (in the form contained in the Loan Note Instrument) will be despatched by first class post (or international standard (formerly airmail) post, if overseas) as soon as practicable and in any event within 14 calendar days (or such other time period as may be approved by the Panel) after the Effective Date to Scheme Shareholders at the address appearing in Domino's register of members at the Scheme Record Time or, in the case of joint holders, to the holder whose name appears first in such register in respect of the joint holding concerned. Each such Scheme Shareholder's aggregate entitlement to Loan Notes will be rounded down to the nearest £1 and, in the event that the Scheme Shareholder has validly elected (or is deemed to have validly elected pursuant to the terms of the Scheme) to receive Loan Notes in lieu of all the cash consideration to which the Scheme Shareholder would otherwise be entitled, the balance of the consideration will be disregarded and not paid to such holder.

### *Right to withdraw or amend Loan Note Elections*

A Scheme Shareholder who has returned a Form of Election and subsequently wishes to withdraw or amend such election must notify Domino's registrars, Capita Asset Services in writing by no later than 11.00 a.m. on the Business Day prior to the date of the Scheme Court Hearing (or such later time (if any) to which the right to withdraw an election may be extended). Such notice must contain an original signature and clearly specify whether the election is to be withdrawn or amended. Any notices of this nature should be sent to Domino registrars, Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If the election was made through a TTE Instruction, Capita Asset Services should be contacted as soon as possible to seek to arrange electronic withdrawal or amendment.

### *General*

All documents and remittances sent by post will be sent at the risk of the person(s) entitled thereto.

Save with the consent of the Panel, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Brother might otherwise be, or claim to be, entitled against such Scheme Shareholder.

On the Effective Date, each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of Domino, delivered up to Domino, or to any person appointed by Domino to receive the same. After the Scheme Record Time but before the Scheme becomes effective entitlements to Scheme Shares held within CREST will be cancelled.

## **8. United Kingdom taxation**

The comments set out below summarise certain limited aspects of the UK taxation treatment of Scheme Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and what is understood to be current HMRC practice, which may not be binding on HMRC as at the date hereof), both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and apply only to Scheme Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in the UK, who hold Scheme Shares as an investment (other than under a self-invested personal pension or new individual savings account) and who are the absolute beneficial owners of their Scheme Shares. These comments do not deal with certain types of shareholders (such as charities, persons holding or acquiring shares in the course of a trade or persons who have or could be treated for tax purposes as having acquired their Scheme Shares by reason of any office or employment), brokers, dealers or traders in shares or securities, intermediaries, depositaries or clearance services, collective investment schemes and insurance companies. They do not apply to Scheme Shareholders who hold (either alone or together with Connected Persons) more than five per cent. of, or any of class of, shares or debentures in Domino. Scheme Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult an appropriate independent professional tax adviser immediately.

Overseas holders of Scheme Shares are referred to Part VIII (*Additional Information for Overseas Shareholders*) of this document, which summarises certain UK tax consequences of the Scheme for such holders.

## ***UK taxation of chargeable gains (“CGT”)***

### **(i) Cash Consideration**

The transfer of Scheme Shares under the Scheme in return for cash should be treated as a disposal of the Scheme Shareholder’s Scheme Shares for CGT purposes and therefore may, depending on the Scheme Shareholder’s particular circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains or, alternatively, an allowable capital loss.

### **(ii) Loan Notes**

To the extent that a Scheme Shareholder receives Loan Notes in exchange for his Scheme Shares and does not hold (either alone or together with persons connected with him) more than 5 per cent. of, or of any class of, shares in or debentures of Domino, he should not be treated as having made a disposal of his Scheme Shares. Instead, for individual Scheme Shareholders, any gain or loss which would have otherwise arisen on a disposal of his Scheme Shares should be “rolled over” into the Loan Notes and the Loan Notes should be treated as the same asset as those Scheme Shares acquired at the same time and for the same consideration as those Scheme Shares. For corporate Scheme Shareholders, any gain or loss which would otherwise have arisen on a disposal of those Scheme Shares should be calculated but “held over” and deemed to arise only on a subsequent disposal (including redemption or repayment) of the Loan Notes.

If a Scheme Shareholder receives cash in addition to Loan Notes and the amount of cash received is small in comparison with the value of his Scheme Shares, the Scheme Shareholder will not be treated as having disposed of the Scheme Shares in respect of which the cash was received. Instead, an amount equal to the amount of such cash will be deducted from the base cost of his Loan Notes or, in the case of corporate Scheme Shareholders receiving Loan Notes, any gain or loss on the Scheme Shares will be dealt with as described below.

Under current HMRC practice, any cash payment of £3,000 or less or (if greater) which is 5 per cent. or less of the market value at the time of disposal of a Scheme Shareholder’s holding of Scheme Shares will generally be treated as small for these purposes.

In all other cases where a Scheme Shareholder receives cash in addition to Loan Notes, the Scheme Shareholder will be treated as having made a part disposal of his Scheme Shares, with the chargeable gain in respect of that part disposal being computed by reference to the proportion of the Scheme Shareholder’s allowable base cost in his holding of Scheme Shares that the cash consideration bears to the aggregate of the Shareholder’s entitlement to both cash consideration and Loan Notes.

### **(iii) General**

Subject to available reliefs or allowances, gains arising on a disposal of Scheme Shares by an individual Scheme Shareholder will be taxed at the rate of 18 per cent. except to the extent that the gain, when it is added to the Scheme Shareholder’s other taxable income and gains in the relevant tax year, exceeds the upper limit of the income tax basic rate band (£31,785 for the tax year ending 5 April 2016), in which case it will be taxed at the rate of 28 per cent.

The capital gains tax annual exemption (£11,100 for the tax year ending 5 April 2016) may be available to an individual Scheme Shareholder to offset against chargeable gains realised on the disposal of the Scheme Shareholder’s Shares.

If an individual is only temporarily resident outside the UK for CGT purposes, at the date of disposal, the individual could, on becoming resident in the UK again, be liable to UK tax on chargeable gains in respect of disposals made while the individual was temporarily resident outside the UK.

For a Scheme Shareholder which is a company, CGT is charged at the corporation tax rate applicable to the company (subject to any applicable exemptions and reliefs including the substantial shareholding exemption). Indexation allowance may be available to a company to reduce the amount of a chargeable gain on a disposal of Scheme Shares. However, indexation cannot create or increase an allowable loss for UK CGT purposes. Where a company receives Loan Notes in exchange for Scheme Shares, no indexation allowance will be available for the period of ownership of the Loan Notes.

### ***UK Tax treatment of Loan Notes***

The Loan Notes are non interest bearing. For individual shareholders, the Loan Notes should be non-qualifying corporate bonds. Accordingly, a subsequent disposal (including redemption or repayment) of Loan Notes may, depending on individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to CGT. As mentioned above, any chargeable gain or allowable loss on a disposal of the Loan Notes should be computed by reference to the proceeds of that disposal and the proportion of his allowable base cost in the Scheme Shareholder's holding of Scheme Shares that the Loan Notes bear to the aggregate of the Shareholder's entitlement to both cash consideration and Loan Notes and which was "rolled over" into his Loan Notes.

A Loan Note Holder which is a company will generally be subject to corporation tax in respect of any profits and gains arising from the Loan Notes in each accounting period broadly in accordance with generally accepted accounting practice. Any "held over" chargeable gain or loss which was calculated on exchange of Scheme Shares for Loan Notes but will, as mentioned above, only accrue on the disposal (including redemption) of the Loan Notes.

### ***UK stamp duty and stamp duty reserve tax ("SDRT")***

No UK stamp duty or SDRT will be payable by Scheme Shareholders as a result of the transfer of the Scheme Shares under the Scheme.

No stamp duty or SDRT will be payable on a transfer or sale of, or on an agreement to transfer, Loan Notes.

### **9. Employee Share Schemes**

The effect of the Scheme in relation to Domino Share Schemes is described in paragraph 12 of the letter from the Chairman of Domino in Part I (*Letter from the Chairman of Domino*) of this document.

### **10. Overseas Domino Shareholders**

Overseas holders of Domino Shares should refer to Part VIII (*Additional Information for Overseas Shareholders*) of this document, which contains important information relevant to such holders.

If, in respect of any Scheme Shareholder, Brother is advised that the allotment and issue of Loan Notes would or might infringe the laws of any jurisdiction outside the United Kingdom, or would or might require Brother or Domino to obtain any governmental or other consent or to effect any registration, filing or other formality with which, in the opinion of Brother or Domino, it would be unable to comply or which it regards as unduly onerous, then such Scheme Shareholder shall be a Loan Note Restricted Scheme Shareholder and no Loan Note Election made by such Scheme Shareholder shall be of any effect.

In particular, Scheme Shareholders who are citizens, residents or nationals of any of the Restricted Jurisdictions shall be Loan Note Restricted Scheme Shareholders and any Loan Note Election made by such Scheme Shareholders shall be of no effect.

### **11. Actions to be taken**

Your attention is drawn to the section of this document entitled "To Vote on the Acquisition", which sets out in full the actions you should take in respect of voting on the Acquisition and the Scheme.

### **12. Further information**

The terms of the Scheme are set out in full in Part V (*The Scheme of Arrangement*) of this document. Further information regarding Domino and Brother is set out in Part IX (*Additional Information on Domino and Brother*) of this document. Documents published and available for inspection are listed in paragraph 18 of Part IX (*Additional Information on Domino and Brother*) of this document.

Yours truly,

**Ravi Gupta**

Duly authorised

For and on behalf of Rothschild

**PART III: CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION**

**PART A: CONDITIONS OF THE SCHEME**

**1. The Scheme is subject to the following conditions:**

- 1.1 its approval by a majority in number of the Scheme Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. in value of the Scheme Shares voted by those Scheme Shareholders;
  - 1.2 the resolution required to approve and implement the Scheme and adopt the Amended Domino Articles being duly passed by the requisite majority of Domino Shareholders at the General Meeting;
  - 1.3 the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Domino and Brother) and the delivery of a copy of the Court Order to the Registrar of Companies; and
  - 1.4 the Scheme becoming unconditional and effective, subject to the Code, by not later than the Long Stop Date.
2. In addition, subject as stated in Part B below and to the requirements of the Panel, the Acquisition will be conditional upon the following Conditions and, accordingly, the Court Order will not be delivered to the Registrar of Companies unless such Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

**Chinese merger control**

- (a) insofar as Brother established that the Acquisition triggers a mandatory filing requirement, a filing having been made to and accepted by the Ministry of Commerce of the People's Republic of China ("MOFCOM") pursuant to the Anti-Monopoly Law of the People's Republic of China (the "Anti-Monopoly Law") and MOFCOM having cleared the Acquisition or all applicable waiting periods under the Anti-Monopoly Law in respect of the Acquisition having expired;

**European Commission clearance**

- (b) insofar as the Acquisition falls within the scope of Council Regulation (EC) 139/2004 (the "Regulation"):
  - (i) the European Commission taking a decision, on terms reasonably satisfactory to Brother, that it will not initiate proceedings under Article 6(1)(c) of the Regulation in relation to the Acquisition or any matter arising from or relating to the Acquisition;
  - (ii) if the European Commission makes a referral under Article 9(1) of the Regulation to the competent authorities of a National Competition Authority ("NCA"), that NCA taking a decision, on terms reasonably satisfactory to Brother of equivalent effect to that set out in sub-paragraph (i) above;

**U.S. Merger control**

- (c) all necessary notifications and filings under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations promulgated thereunder, having been made in connection with the Acquisition or any aspect of the Acquisition and all applicable waiting periods (including any extensions thereof) having expired or been earlier terminated;

**Notifications, waiting periods and Authorisations**

- (d) all material mandatory notifications, filings or applications having been made in connection with the Acquisition and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and all Authorisations necessary in any jurisdiction for or in respect of the Acquisition and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Domino or any other member of the Wider Domino Group by any member of the Wider Brother Group having

been obtained in terms and in a form reasonably satisfactory to Brother from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider Domino Group or the Wider Brother Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider Domino Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes otherwise wholly unconditional and there being no notice of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

### **General regulatory**

- (e) no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted or made any statute, regulation, decision, order or change to published practice (and, in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
- (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Brother Group or by any member of the Wider Domino Group of all or any material part of its businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Brother Group or the Wider Domino Group to acquire or offer to acquire a material number of any shares, other securities (or the equivalent) or interest in any member of the Wider Domino Group or any asset owned by any third party (other than in the implementation of the Acquisition);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Brother Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Brother or on the ability of any member of the Wider Domino Group or any member of the Wider Brother Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Domino Group;
  - (iv) otherwise materially adversely affect any or all of the business, assets or profits of any member of the Wider Domino Group;
  - (v) result in any member of the Wider Domino Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Domino Group taken as a whole or in the context of the Acquisition (as the case may be);
  - (vi) make the Acquisition, its implementation or the acquisition of any shares or other securities in, or control or management of, Domino by any member of the Wider Brother Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise directly or indirectly materially prevent or prohibit, restrict, restrain, or delay or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Acquisition or the acquisition of any shares or other securities in, or control or management of, Domino by any member of the Wider Brother Group;
  - (vii) require, prevent or materially delay a divestiture by any member of the Wider Brother Group of any shares or other securities (or the equivalent) in any member of the Wider Domino Group or any member of the Wider Brother Group; or
  - (viii) impose any material limitation on the ability of any member of the Wider Brother Group or any member of the Wider Domino Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Brother Group and/or the Wider Domino Group in a manner which is materially adverse to the Wider Domino

Group taken as a whole or the Wider Brother Group taken as a whole or in the context of the Acquisition (as the case may be),

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any relevant jurisdiction in respect of the Acquisition or the acquisition of any Domino Shares or otherwise intervene having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

- (f) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Domino Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the acquisition or the proposed acquisition by any member of the Wider Brother Group of any shares or other securities in Domino or because of a change in the control or management of any member of the Wider Domino Group or otherwise, could or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Domino Group taken as a whole:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Domino Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Domino Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Domino Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iv) any liability of any member of the Wider Domino Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
  - (v) the rights, liabilities, obligations, interests or business of any member of the Wider Domino Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Domino Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
  - (vi) any member of the Wider Domino Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vii) the value of, or the financial or trading position of, any member of the Wider Domino Group being prejudiced or adversely affected; or
  - (viii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Domino Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Domino Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might result in any of the events or circumstances as are referred to in Conditions (f)(i) to (viii), in each case to the extent material in the context of the Wider Domino Group taken as a whole;

#### **Certain events occurring since 31 October 2014**

(g) except as Disclosed, no member of the Wider Domino Group having since 31 October 2014:

- (i) issued or agreed to issue, or authorised or announced its intention to authorise or propose the issue, of, additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised the transfer or sale of Domino Shares out of treasury (except, where relevant, as between Domino and wholly owned subsidiaries of Domino or between the wholly owned subsidiaries of Domino and except for the issue or transfer out of treasury of Domino Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Domino Share Schemes);
- (ii) recommended, declared, paid or made, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions, whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Domino to Domino or any of its wholly owned subsidiaries and excluding, for the avoidance of doubt, the final dividend of 14.76p per Domino Share in respect of the year ended 31 October 2014;
- (iii) other than pursuant to the Acquisition (and except for transactions between Domino and its wholly owned subsidiaries or between the wholly owned subsidiaries of Domino and transactions in the ordinary course of business), implemented, effected, authorised or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Domino Group taken as a whole;
- (iv) (except for transactions between Domino and its wholly owned subsidiaries or between the wholly owned subsidiaries of Domino and except for transactions in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so to an extent which is material in the context of the Wider Domino Group taken as a whole;
- (v) (except for transactions between Domino and its wholly owned subsidiaries or between the wholly owned subsidiaries of Domino) issued, authorised or announced an intention to authorise or propose the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability (other than trade credit incurred in the ordinary course of business) or incurred or increased any indebtedness which is material in the context of the Wider Domino Group taken as a whole;
- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) except in the ordinary course of business which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is reasonably likely to be materially restrictive on the business of any member of the Wider Domino Group which, taken together with any other such material transaction, arrangement, agreement, contract or commitment, is material in the context of the Wider Domino Group taken as a whole;
- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director or, except for salary increases, bonuses or variations of terms in the ordinary course, senior executive of any member of the Wider Domino Group;
- (viii) proposed, agreed to provide or modified the terms of any Domino Share Option Scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Domino Group which is material in the context of the Wider Domino Group taken as a whole;

- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) other than in respect of claims between Domino and its wholly owned subsidiaries, waived, compromised or settled any claim otherwise than in the ordinary course of business, in each case to an extent which is material in the context of the Wider Domino Group taken as a whole;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Domino Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Domino Group taken as a whole;
- (xii) save as required in connection with the adoption of the Amended Domino Articles, made any material alteration to its memorandum or articles of association or other incorporation documents to an extent which is material in the context of the Acquisition ;
- (xiii) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to:
  - (A) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Domino Group for its directors, employees or their dependants;
  - (B) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to,
 to an extent which is in any such case material in the context of the Wider Domino Group;
- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Domino Group taken as a whole;
- (xv) (other than in respect of a member of the Wider Domino Group which is dormant and was solvent at the relevant time) taken any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvi) (except for transactions between Domino and its wholly owned subsidiaries or between Domino's wholly owned subsidiaries) made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xvii) entered into or implemented any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which would be restrictive on the business of any member of the Wider Domino Group other than to a nature and extent which is immaterial in the context of the Wider Domino Group taken as a whole; or
- (xviii) other than in the ordinary course of business, entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (g);



**No Adverse change, litigation, regulatory enquiry or similar**

- (h) except as Disclosed, since 31 October 2014 there having been:
- (i) no adverse change and no circumstance having arisen which would or might reasonably be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Domino Group which is material in the context of the Wider Domino Group taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of any member of the Wider Domino Group or to which any member of the Wider Domino Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Domino Group, in each case which is or might reasonably be expected to be material in the context of the Wider Domino Group taken as a whole;
  - (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Domino Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Domino Group, in each case which is or might reasonably be expected to be material in the context of the Wider Domino Group taken as a whole;
  - (iv) no contingent or other liability having arisen or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Domino Group to an extent which is material in the context of the Wider Domino Group taken as a whole; and
  - (v) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Domino Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would or might reasonably be expected to have a material adverse effect on the Wider Domino Group taken as a whole;

**No discovery of certain matters regarding information, liabilities and environmental issues**

- (i) except as Disclosed, Brother not having discovered:
- (i) that any financial, business or other information concerning the Wider Domino Group publicly announced prior to the Announcement Date or disclosed at any time to any member of the Wider Brother Group by or on behalf of any member of the Wider Domino Group prior to the Announcement Date is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case to a material extent;
  - (ii) that any past or present member of the Wider Domino Group has not complied in any material respect with all applicable legislation, regulations or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability, including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Domino Group, in each case to an extent which is material in the context of the Wider Domino Group;
  - (iii) that there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability on the part of any member of the Wider Domino Group, in each case to an extent which is material in the context of the Wider Domino Group;

- (iv) that there is or is reasonably likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Domino Group, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto, in each case to an extent which is material in the context of the Wider Domino Group; or
- (v) that circumstances exist (whether as a result of making the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Domino Group would be likely to be required to institute), an environment audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Domino Group (or on its behalf) or by any person for which a member of the Wider Domino Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, which is material in the context of the Wider Domino Group taken as a whole;

**Anti-corruption and criminal property**

- (j) except as Disclosed, Brother not having discovered:
  - (i) any member of the Wider Domino Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation; or
  - (ii) any asset of any member of the Wider Domino Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

## PART B: CERTAIN FURTHER TERMS OF THE ACQUISITION

1. Subject to the requirements of the Panel, Brother reserves the right to waive in whole or in part all or any of the above Conditions 2(a) to (j) inclusive.
2. If Brother is required by the Panel to make an offer for Domino Shares under the provisions of Rule 9 of the Code, Brother may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
3. The Acquisition will lapse if, insofar as the Acquisition or any matter arising from or relating to the Scheme or Acquisition constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference before the date of the Court Meeting (unless otherwise agreed with the Panel).
4. Brother will be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 2(a) to (j) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
5. In the event that the Acquisition is implemented by way of a Takeover Offer, the Domino Shares acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Announcement Date, save for the final dividend of 14.76 pence per Domino Share in respect of the year ended 31 October 2014.
6. If, after the Announcement Date but prior to the Effective Date, any dividend or other distribution is declared, paid or made or payable by Domino, save for the final dividend of 14.76 pence per Domino Share in respect of the year ended 31 October 2014, (a “**relevant distribution**”) Brother reserves the right (without prejudice to any right of Brother), with the consent of the Panel, to invoke Condition 2(g)(ii) above to reduce the consideration payable under the Acquisition in respect of a Domino Share (the “**Offer Price**”) by the aggregate amount of such dividend or distribution (excluding associated tax credit). Furthermore, Brother reserves the right to reduce the consideration payable under the Acquisition in respect of a Domino Share in such circumstances as are, and by such amount as is, permitted by the Panel.

If any such dividend or distribution occurs, any reference in this document to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. If such reduction occurs, notwithstanding the Conditions on which the Domino Shares are expressed to be acquired by Brother pursuant to the Acquisition, the Domino Shares will be acquired by or on behalf of Brother pursuant to the Acquisition fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now and hereafter attaching to such shares including the right to receive in full all dividends and other distributions (if any) declared, paid or made on or after the date of the Announcement Date other than the final dividend of 14.76p per Domino Share in respect of the year ended 31 October 2014.

To the extent that such a dividend or distribution (other than the final dividend of 14.76p per Domino Share in respect of the year ended 31 October 2014) has been declared, paid, made or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Brother to receive the dividend or distribution and to retain it; or (ii) cancelled, the Offer Price will not be subject to change in accordance with this paragraph.

Any exercise by Brother of its rights referred to in this paragraph will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Acquisition .

7. Brother reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer. In such event, the Acquisition will be implemented on substantially the same terms subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such less percentage, being more than 50 per cent., as Brother may decide) of the

shares to which such offer relates, so far as applicable, as those which would apply to the Scheme. Brother undertakes to extend the Takeover Offer if the acceptance condition has not been satisfied by the relevant closing date and to continue doing so up to and including Day 60.

8. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
9. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
10. The Acquisition is governed by the laws of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions. The Acquisition will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the Financial Conduct Authority and the UKLA.
11. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

## PART IV: SUMMARY OF THE LOAN NOTES

In this Part IV, the following definitions shall apply:

“**Family Trust**” means, as regards any particular individual Loan Note Holder or deceased or former individual Loan Note Holder, a trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or whosoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Loan Notes in question is for the time being vested in any person other than that individual Loan Note Holder and/or their Connected Persons, and for this purpose a person shall be considered to be beneficially interested if such Loan Note or the income accruing thereto is or may become liable to be transferred, paid, applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons; and

“**Group Company**” means a holding company, a subsidiary or a subsidiary of such holding company (as such terms are defined by section 1159 and Schedule 6 of the Companies Act) and “**Group Companies**” means any or all of them.

### 1. Introduction

As an alternative to all or part of the cash consideration which would otherwise be received pursuant to the Acquisition, Scheme Shareholders (other than Loan Note Restricted Scheme Shareholders) will, subject to the conditions and further terms set out below and on the green Form of Election and the provisions of the Loan Note Instrument, be able to elect to receive Loan Notes to be issued by Brother. Scheme Shareholders are referred to paragraph 8 of Part II (*Explanatory Statement*) of this document which includes certain statements about the UK tax consequences of certain UK tax resident Scheme Shareholders. The Loan Notes should not be qualifying corporate bonds for UK capital gains tax purposes.

### 2. Loan Note Instrument

The rights and obligations attaching to the Loan Notes will be set out in the Loan Note Instrument substantially in the form already prepared and initialled for the purpose of identification by Ashurst LLP, Solicitors for Domino, with such modifications or additions, if any, as may be agreed prior to the execution thereof between Brother and Domino. The issue of the Loan Notes will be conditional on the Scheme becoming effective. The Loan Note Instrument will contain provisions, among other things, to the effect set out below.

### 3. Form and Status

- 3.1 The Loan Notes will be issued by Brother in amounts and integral multiples of £1 in nominal amount and will constitute unsecured and unsubordinated obligations of Brother. The Loan Note Instrument will not contain any restrictions on borrowing, disposing or charging of assets by Brother.
- 3.2 The Loan Notes will be in registered form. A registrar (the “**Registrar**”) shall be appointed by Brother to keep a record of the Loan Note Holders in a register (the “**Register**”). The Registrar shall act in the name of and on behalf of Brother. The Register and Registrar are further detailed in clause 8 of the Loan Note Instrument.
- 3.3 Each Loan Note Holder will be entitled without charge to one loan note certificate (the “**Loan Note Certificate(s)**”) for the aggregate amount of Loan Notes registered in his name in the Register. Loan Note Certificates are delivered by the Registrar to Loan Note Holders as evidence of a registration. Title to the Loan Notes passes only on due registration on the Register and any payment of principal due on the Loan Notes will be made only to the duly registered Loan Note Holder. The Loan Note Certificates are further described in clause 7 of the Loan Note Instrument.

### 4. Interest

- 4.1 The Loan Notes shall not bear interest.

### 5. Repayment, Purchase and Redemption

A Loan Note Holder may require Brother to repay the whole or any part (being £1 nominal or any integral multiple thereof) of the principal amount of his holding of Loan Notes at par, in minimum denominations

of £1,000, unless the holder of Loan Notes has a total holding of less than £1,000, in which case the total Loan Note holding, but not part thereof, may be redeemed. The Loan Notes are redeemable at the option of the Loan Note Holder for cash at par on (i) the next Business Day falling six months after the date of issue of the Loan Notes or 31 January 2016 if later, (ii) 31 January 2017, (iii) 31 January 2018, (iv) 31 January 2019 and (v) to the extent that Loan Notes are in issue on such date, 31 January 2020 by giving not less than 30 days' prior notice in writing to the Registrar accompanied by the Loan Note Certificate(s) for all of the Loan Notes to be repaid.

Loan Note Holders may elect to require Brother to make repayment in Euros on the basis set out in the Loan Note Instrument.

- 5.1 Any Loan Notes not previously repaid, redeemed or purchased will be repaid in full at par on the fifth anniversary of their issue.
- 5.2 Brother may at any time after the date falling six months after the latest date of issue of any Loan Notes purchase any Loan Notes then in issue at any price by tender (available to all Loan Note Holders alike), private treaty or otherwise by agreement with the relevant Loan Note Holder(s) provided that such Loan Note Holder(s) shall be under no obligation to agree to sell any Loan Note(s) to Brother in such circumstances.
- 5.3 Any Loan Notes repaid, redeemed or purchased will be cancelled and will not be available for re-issue.

## **6. Repayment on Default**

- 6.1 Each Loan Note Holder will be entitled to require all or part (being £1 in nominal amount or any integral multiple thereof) of the Loan Notes held by him from time to time to be repaid immediately at par:
  - (a) if any principal on any of the Loan Notes held by that Loan Note Holder is not paid in full within 30 days after the due date for payment;
  - (b) on the winding up, dissolution or the starting of insolvency proceedings in respect of Brother; or
  - (c) on the taking of possession by an administrator or similar officer over, or an administration order being made in respect of, the whole or substantially the whole of the undertaking or property of Brother unless the same is paid out or discharged within 30 days.

## **7. Registration and Transfer**

- 7.1 The Loan Notes will be registered (and transferable only as described in paragraph 7.6 below) in amounts or integral multiples of £1, provided that transfers of Loan Notes will not be registered while the Register is closed. Loan Note Certificates in respect of the Loan Notes will be issued to Loan Note Holders.
- 7.2 No application has been made or is intended to be made to any stock exchange for the Loan Notes to be listed or otherwise traded.
- 7.3 The Loan Notes will not be issued to any Loan Note Restricted Scheme Shareholders.
- 7.4 The Loan Notes have not been and will not be registered under the US Securities Act or under any laws of any state, district or other jurisdiction of the United States. Accordingly, Loan Notes may not be offered or sold in the United States.
- 7.5 No steps have been taken, nor will any steps be taken, to enable the Loan Notes to be offered in compliance with the applicable securities laws of any of the Restricted Jurisdictions and no regulatory clearances in respect of the Loan Notes have been, or will be, applied for in any other jurisdiction. Accordingly, unless an exemption under relevant securities law is available, the Loan Notes are not being and may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States, or to, or for the account or benefit of, any Loan Note Restricted Scheme Shareholder or into a jurisdiction in which an offer of Loan Notes would constitute a violation of the relevant laws of, or require registration of the Loan Notes in that jurisdiction or require the filing, registration or publication of a prospectus pursuant to the applicable securities laws of that jurisdiction.

7.6 Loan Notes may not be transferred except:

- (a) by a Loan Note Holder to a Connected Person of that Loan Note Holder;
- (b) by a person entitled to Loan Notes by transmission to a Connected Person of the person from whom he derives his entitlement;
- (c) in the case of Loan Notes held by the trustees of a Family Trust in that capacity to:
  - (i) the new trustees of that Family Trust on any change of trustees; or
  - (ii) a person who has an immediate beneficial interest under the Family Trust or to a Connected Person of that beneficiary, but, for the avoidance of doubt, a trustee of a Family Trust may not transfer any Loan Notes held by him in that capacity to a Connected Person of his except where permitted under sub-paragraph (a) or (b) above; or
- (d) by a Loan Note Holder to a Group Company of that Loan Note Holder.

## 8. **Modification**

Brother shall have the power, with the consent of all holders of Loan Notes at that time, to modify, abrogate or comprise or agree any arrangement or amendment to the Loan Notes or the rights of the Loan Note Holders. Brother may, with the consent of its financial advisers, amend the provisions of the Loan Note Instrument, without the sanction or consent of the Loan Note Holders, if such amendment is of a formal, minor or technical nature or to correct a manifest error and provided that such amendment is not prejudicial to the interests of the Loan Note Holders.

## 9. **Governing Law and Jurisdiction**

- 9.1 The Loan Notes and the Loan Note Instrument and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law.
- 9.2 The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Loan Note Instrument and the Loan Notes and accordingly any proceedings arising out of or in connection with the Loan Note Instrument and/or the Loan Notes shall be brought in such courts.

The above represents a summary of the terms of the Loan Notes and is subject to the detailed provisions of the Loan Note Instrument which will govern the rights and obligations of Brother and the Loan Note Holders with respect to the Loan Notes.

**PART V: THE SCHEME OF ARRANGEMENT**

**THE SCHEME OF ARRANGEMENT**

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT

No. 1979 of 2015

IN THE MATTER OF DOMINO PRINTING SCIENCES PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

DOMINO PRINTING SCIENCES PLC

AND

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

**PRELIMINARY**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“ <b>Brother</b> ” . . . . .	Brother Industries, Ltd., a <i>kabushiki kaisha</i> incorporated in Japan;
“ <b>Brother Group</b> ” . . . . .	Brother and its subsidiary undertakings and, where the context permits, each of them;
“ <b>Business Day</b> ” . . . . .	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;
“ <b>certificated form</b> ” or “ <b>in certificated form</b> ” . . . . .	a share or other security which is not in uncertificated form (that is, not in CREST);
“ <b>Code</b> ” . . . . .	the City Code on Takeovers and Mergers;
“ <b>Companies Act</b> ” . . . . .	the Companies Act 2006, as amended;
“ <b>Court</b> ” . . . . .	the High Court of Justice in England and Wales;
“ <b>Court Meeting</b> ” . . . . .	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof;
“ <b>CREST</b> ” . . . . .	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;
“ <b>Domino</b> ” . . . . .	Domino Printing Sciences plc, incorporated in England and Wales with registered number 01363137;
“ <b>Domino Shareholders</b> ” . . . . .	the holders of Domino Shares from time to time;
“ <b>Domino Shares</b> ” . . . . .	the ordinary shares of 5 pence each in the capital of Domino;



<b>“Effective Date”</b> . . . . .	the date on which this Scheme becomes effective in accordance with its terms;
<b>“Election Return Time”</b> . . . . .	the latest time by which any Loan Note Election may be made, being 11.00 a.m. on the Business Day prior to the date of the Scheme Court Hearing (or such later time (if any) to which the right to make an election may be extended by Brother or Domino);
<b>“Euroclear”</b> . . . . .	Euroclear UK & Ireland Limited, a limited company incorporated in England and Wales with registered number 02878738;
<b>“Excluded Shares”</b> . . . . .	any Domino Shares which are registered in the name of or beneficially owned by any member of the Brother Group or its nominee(s);
<b>“Form of Election”</b> . . . . .	the green form of election relating to the Loan Note Alternative sent to Domino Shareholders;
<b>“holder”</b> . . . . .	a registered holder and any person(s) entitled by transmission;
<b>“Loan Note Alternative”</b> . . . . .	the alternative whereby Scheme Shareholders (other than Loan Note Restricted Scheme Shareholders) may elect to receive Loan Notes in lieu of all or part of the cash consideration to which they would otherwise be entitled under the Acquisition;
<b>“Loan Note Election”</b> . . . . .	an election under the Loan Note Alternative;
<b>“Loan Note Restricted Scheme Shareholders”</b> . . . . .	means a Scheme Shareholder whose Loan Note Election shall be of no effect, as determined by Domino or Brother in accordance with this Scheme and including any Scheme Shareholder who is a citizen, resident or national of the United States, Japan, South Africa or Australia;
<b>“Loan Notes”</b> . . . . .	the unsecured loan notes 2020 of Brother to be issued by Brother pursuant to the Loan Note Alternative;
<b>“Scheme”</b> . . . . .	this scheme of arrangement in its present form or with or subject to any modification, addition or condition which Brother and Domino may agree, and if required, the Court may approve or impose and agreed to by Domino and Brother;
<b>“Scheme Court Hearing”</b> . . . . .	the hearing at which the Scheme Court Order is made;
<b>“Scheme Court Order”</b> . . . . .	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;
<b>“Scheme Record Time”</b> . . . . .	6.00 p.m. on the Business Day immediately after the date of the Scheme Court Hearing;
<b>“Scheme Shareholders”</b> . . . . .	holders of Scheme Shares;
<b>“Scheme Shares”</b> . . . . .	the Domino Shares;
	(i) in issue at the date of this Scheme;
	(ii) (if any) issued after the date of this Scheme and on or prior to the Voting Record Time; and
	(iii) (if any) issued after the Voting Record Time and on or prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme,

but excluding (A) in the case of references in the Scheme to “Scheme Shares” or “Scheme Shareholders” in relation to voting at the Court Meeting any Excluded Shares in issue at the Voting Record Time and any Scheme Shares referred to in (iii) above and (B) in the case of other references in this Scheme to “Scheme Shares” or “Scheme Shareholders” any Excluded Shares in issue at the Scheme Record Time;

- “**subsidiary undertaking**” . . . . . has the meaning given in section 1162 of the Companies Act;
- “**TTE Instruction**” . . . . . a transfer to escrow instruction given by a holder of uncertificated Scheme Shares through CREST;
- “**uncertificated**” or “**in uncertificated form**” . . . . . a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST; and
- “**Uncertificated Securities Regulations**” . . . . . the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
- “**Voting Record Time**” . . . . . 6.00 p.m. on the date which is two Business Days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the date which is two Business Days before the date fixed for such adjourned meeting.

- (B) The issued share capital of the Company as at the close of business on 20 March 2015 (being the latest practicable date prior to the publication of the Scheme Document) was £5,632,784, divided into 112,655,671 Domino Shares, all of which were credited as fully paid. Domino does not hold any Domino Shares in treasury at the date of this document.
- (C) As at 20 March 2015 (being the latest practicable date prior to publication of the Scheme Document), no member of the Brother Group is the registered holder of or beneficially owns any Domino Shares.
- (D) Brother has agreed to appear by Counsel at the Scheme Court Hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.

**1. Transfer of Scheme Shares**

- (a) On the Effective Date, Brother (or such of its nominee(s) as are agreed between Brother and Domino) shall acquire all of the Scheme Shares, fully paid-up with full title guarantee, and free from all liens, equities, charges, encumbrances and other interests.
- (b) For such purposes, the Scheme Shares shall be transferred to Brother (or such of its nominee(s) as are agreed between Brother and Domino) and to give effect to such transfers any person may be appointed by Brother as attorney and/or agent and/or otherwise and shall be authorised as such attorney and/or agent and/or otherwise on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer, or procure the transfer by means of CREST, of such Scheme Shares and every form, instrument or instruction of transfer so executed shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred.

**2. Consideration for the transfer of Scheme Shares**

- (a) In consideration of the transfer of the Scheme Shares to Brother, Brother shall, subject as hereinafter provided, pay or procure that there shall be paid to or for the account of each Scheme Shareholder whose name appears in the register of members of Domino at the Scheme Record Time:

**for each Scheme Share 915 pence in cash**

- (b) If any dividend or distribution is proposed, declared, made or payable by Domino in respect of a Domino Share (other than the final dividend of 14.76p per Domino Share in respect of the year ended 31 October 2014) Brother shall be entitled to reduce the amount of consideration payable by an amount equal to such dividend or distribution.

### 3. Loan Note Alternative

- 3.1 Conditional on and subject to the remainder of this clause 3, to the extent that any Scheme Shareholder (other than a Loan Note Restricted Scheme Shareholder) validly elects for the Loan Note Alternative in respect of all or some of his Scheme Shares, Brother shall, in consideration for the transfer of his Scheme Shares, and subject as herein provided, allot and issue Loan Notes to such Scheme Shareholder (as appearing in the register of members of Domino at the Scheme Record Time) on the following basis:

**for every £1 of cash consideration to which the Scheme Shareholder would otherwise have been entitled and has made a valid Loan Note Election £1 nominal value of Loan Notes**

- 3.2 Elections made by Scheme Shareholders under the Loan Note Alternative will not affect the entitlements of Scheme Shareholders who do not make any such election.

3.3 If:

- (a) a Scheme Shareholder makes a valid Loan Note Election to receive an amount of Loan Notes in respect of a greater number of Scheme Shares than he holds at the Scheme Record Time, such Scheme Shareholder will be deemed to have made a valid Loan Note Election to receive Loan Notes in respect of all such Scheme Shares held at the Scheme Record Time;

- (b) a Scheme Shareholder makes a valid Loan Note Election to receive an amount of Loan Notes in lieu of cash consideration which is less than the amount of cash consideration to which the Scheme Shareholder would otherwise be entitled in respect of his Scheme Shares, the amount of the cash consideration payable by Brother to such Scheme Shareholder in accordance with clause 2 for the Scheme Shares held by such Scheme Shareholder shall be reduced by the nominal value of the Loan Notes issued by Brother to such Scheme Shareholder in accordance with this clause 3.

- 3.4 Subject to clause 3.3 above, Loan Notes issued to Scheme Shareholders who have made a valid Loan Note Election will be issued in amounts and integral multiples of £1 in nominal amount for every £1 of cash consideration (rounded down to the nearest £1) to which such Scheme Shareholder would otherwise be entitled. Accordingly, where a Scheme Shareholder makes a valid Loan Note Election to receive all Loan Notes, or is deemed under clause 3.3(a) above to have made a valid Loan Note Election to receive all Loan Notes, the aggregate cash consideration to which he would otherwise have been entitled will be disregarded and will not be paid to such Scheme Shareholder.

- 3.5 In the case of Scheme Shareholders who hold Scheme Shares in certificated form, a Loan Note Election shall be made by completion of a Form of Election which shall be signed by the Scheme Shareholder or his duly authorised attorney, and in the case of joint holders by or on behalf of all such holders. To be effective, the Form of Election must be completed and returned, in accordance with the instructions printed thereon so as to arrive by no later than the Election Return Time at Capita Asset Services, Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of Scheme Shareholders who hold Scheme Shares in uncertificated form, a Loan Note Election shall be made by delivery of a TTE Instruction validly electing for the Loan Note Alternative by the Election Return Time.

- 3.6 If a Form of Election or TTE Instruction is received after the Election Return Time or is received before such time but is not, or is deemed not to be, valid or complete in all respects at such time, then such election shall be void unless Domino and Brother, in their absolute discretion, elect to treat as valid in whole or in part any such election.

- 3.7 The Loan Notes will be constituted by an instrument substantially in the form already prepared and initialled for the purpose of identification by Ashurst LLP, solicitors for Domino, with such modifications or additions, if any, as may be agreed prior to the execution thereof between Brother and Domino.

- 3.8 If a holder of Scheme Shares has elected for the Loan Note Alternative in lieu of all of the cash consideration to which the Scheme Shareholder would otherwise be entitled in respect of his Scheme Shares, then:
- (a) the validity of the election shall not be affected by any alteration in the number of Scheme Shares held by such holder at any time prior to the Scheme Record Time; and
  - (b) accordingly, the election shall apply in respect of all of the cash consideration to which the Scheme Shareholder would otherwise be entitled in respect of the Scheme Shares held by such holder at the Scheme Record Time.
- 3.9 The provisions of this clause 3 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if in the case of any Scheme Shareholder having a registered address outside the United Kingdom or who is a citizen, resident or national of a jurisdiction outside the United Kingdom, Brother is advised that the issue of Loan Notes pursuant to this clause 3 would or may infringe the law of any such country or jurisdiction or would or may require compliance by Domino or Brother (as the case may be) with any governmental or other consent or any registration, filing or other formality with which Domino or Brother (as the case may be) in its absolute discretion regards as unduly onerous, then the Loan Note Election made by such Scheme Shareholder shall not be of any effect and the omission to send a Form of Election to such Scheme Shareholder shall not constitute a breach by Domino or Brother (as the case may be) of any of their respective obligations under this Scheme.

#### **4. Share certificates and cancellation of CREST entitlements**

- 4.1 With effect from and including the Effective Date all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound by the request of Domino to deliver up the same to Domino, or, as it may direct, to destroy the same.
- 4.2 After the Scheme Record Time but before the Scheme becomes effective, Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares who hold their Scheme Shares in uncertificated form, that is in CREST.

On or as soon as reasonably practicable after the Effective Date and subject to the completion of such transfers, forms, instruments or instructions as may be required in accordance with clause 1(b) and the payment of any stamp duty thereon, appropriate entries will be made in the register of members of Domino to reflect the transfer of the Scheme Shares to Brother or its nominee(s). Any such transfer, form, instrument or instruction which is in writing and which constitutes an instrument of transfer shall be deemed to be the principal instrument.

#### **5. Despatch of consideration**

- (a) As soon as practicable after the Effective Date, and in any event not more than 14 days after the Effective Date, Brother shall:
- (i) in the case of cash consideration payable by Brother for Scheme Shares which at the Scheme Record Time are in certificated form and in respect of which the Scheme Shareholder has not made a valid Loan Note Election, despatch or procure the despatch to the persons entitled thereto, in accordance with the provisions of sub-clause 5(b), cheques for the sums payable to them respectively in accordance with clause 2;
  - (ii) in the case of cash consideration payable by Brother for Scheme Shares which at the Scheme Record Time are in uncertificated form and in respect of which the Scheme Shareholder has not made a valid Loan Note Election, ensure that an assured payment obligation is created in respect of the sums payable in accordance with the CREST assured payment arrangements provided that Brother reserves the right to make payment of the said consideration by cheque as aforesaid in sub-clause 5(a)(i) if, for any reason, it wishes to do so; and
  - (iii) in the case of Loan Notes to be issued by Brother (or such of its nominee(s) as are agreed between Brother and Domino) in respect of Scheme Shares, on any day falling within the period starting on the Effective Date and ending 14 calendar days thereafter, issue the Loan Notes which it is required to issue pursuant to clause 3 and despatch, or procure the despatch of, the

Loan Note certificates to the relevant Scheme Shareholders so entitled in accordance with the clause 5(b).

- (b) All deliveries of cheques or certificates required to be made pursuant to this Scheme shall be effected by sending the same by first class post (or international standard (formerly airmail) post, if overseas) in pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses as appearing in the register of members of Domino at the Scheme Record Time (or in the case of any joint holders, at the address of the joint holder whose name stands first in the register of members of Domino in respect of such joint holding) and none of Domino, Brother or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any cheques or certificates sent in accordance with this sub-clause 4(b), which shall be sent at the risk of the person or persons entitled thereto.
- (c) All cheques shall be in pounds Sterling and shall be made payable to the person or persons respectively entitled to the monies represented thereby and the encashment of any such cheque shall be a complete discharge of Brother's obligation under this Scheme to pay the monies represented thereby.
- (d) In respect of payments made through CREST, Brother shall ensure that an assured payment obligation is created in accordance with the CREST assured payment arrangements. The creation of such an assured payment obligation shall be a complete discharge of Brother's obligation under this Scheme with reference to the payments made through CREST.
- (e) The preceding paragraphs of this clause 5 shall take effect subject to any prohibition or condition imposed by law.

#### **6. Dividend mandates**

Each mandate relating to the payment of dividends on any Scheme Shares and other instructions given to Domino by Domino Shareholders in force at the Scheme Record Time shall, as from the Effective Date, cease to be valid.

#### **7. Operation of this Scheme**

- (a) This Scheme shall become effective upon a copy of the Scheme Court Order being delivered to the Registrar of Companies in England and Wales.
- (b) Unless this Scheme has become effective on or before 14 August 2015, or such later date, if any, as Domino and Brother may agree and the Court and the Panel on Takeovers and Mergers may allow, this Scheme shall never become effective.
- (c) Domino and Brother may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition that the Court may approve or impose. Any such modification or addition may require the consent of the Panel on Takeovers and Mergers.

#### **8. Governing Law**

This Scheme is governed by English law and is subject to the jurisdiction of the English courts. The rules of the Code will apply to this Scheme.

Dated 23 March 2015

## PART VI: FINANCIAL INFORMATION

### 1. Domino Financial Information

The following sets out financial information in respect of Domino as required by Rule 24.3 of the Code. The documents (or parts thereof) referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code.

<u>Information incorporated by reference into this document</u>	<u>Page numbers in reference document</u>
<b>For the financial year ended 31 October 2014</b>	
Domino's annual report for the financial year ended 31 October 2014—audited consolidated financial statements . . . . .	82 - 132
<a href="http://www.domino-printing.com/Corporate/Download-Area/Result-Centre/Current-Year/2014-Annual-Report-and-Accounts.pdf">http://www.domino-printing.com/Corporate/Download-Area/Result-Centre/Current-Year/2014-Annual-Report-and-Accounts.pdf</a>	

#### **For the financial year ended 31 October 2013**

Domino's annual report for the financial year ended 31 October 2014—audited consolidated financial statements . . . . .	74 - 122
<a href="http://www.domino-printing.com/Corporate/Download-Area/Result-Centre/Annual-Report-and-Accounts/2013-Annual-Report-and-Accounts.pdf">http://www.domino-printing.com/Corporate/Download-Area/Result-Centre/Annual-Report-and-Accounts/2013-Annual-Report-and-Accounts.pdf</a>	

These documents are available free of charge on Domino's website at [www.domino-printing.com/corporate](http://www.domino-printing.com/corporate). A person who has received this document may request a copy of such information in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by contacting Domino's registrars, Capita Asset Services, The Registry, 32 Beckenham Road, Beckenham, Kent BR3 4TU or by telephone, between 9.00 a.m. and 5.30 p.m. on Monday to Friday (except UK public holidays), on 0871 664 0321 from within the UK (calls cost 10p per minute from a BT landline; other providers or other network costs may vary) or on +44 (0)20 8639 3399 if calling from outside the UK, with your full name and the full address to which the hard copy may be sent. Please note that calls may be monitored or recorded and Capita Asset Services cannot provide legal, tax or financial advice or advice on the merits of the Scheme.

### 2. Brother Financial Information

The following sets out financial information in respect of Brother as required by Rule 24.3 of the Code. The documents (or parts thereof) referred to below, are incorporated into this document by reference pursuant to Rule 24.15 of the Code.

<u>Information incorporated by reference into this document</u>	<u>Page numbers in reference document</u>
<b>For the financial year ended 31 March 2014</b>	
Brother's annual report for the financial year ended 31 March 2014—audited consolidated financial statements . . . . .	20 - 66
<b>For the financial year ended 31 March 2013</b>	
Brother's annual report for the financial year ended 31 March 2013—audited consolidated financial statements . . . . .	20 - 62

These documents are available free of charge on Brother's website at [www.brother.com/en/investor/financial\\_info/index.htm](http://www.brother.com/en/investor/financial_info/index.htm). A person who has received this document may request a copy of such information in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by contacting Brother's Corporate Communications Department in writing at Brother Industries, Ltd., 15-1 Naeshiro-cho, Mizuho-ku, Nagoya, Aichi 467-8561, Japan.

### 3. No incorporation of website information

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

## PART VII: DOMINO PROFIT FORECAST

### 1. Domino Profit Forecast

The following statement, which is contained in paragraph 5 of Part I (*Letter from the Chairman of Domino*), is considered to be a profit forecast for the purposes of Rule 28 of the Code:

“The Board of Domino remains cautious about the markets in which Domino operates for the remainder of the year ahead. However, it confirms its previous guidance issued last summer and re-stated with the announcement of Domino’s 2014 financial results, namely that the Board of Domino expects results for the year to 31 October 2015 to be at a broadly similar level to those of the previous year.” (the “**Domino Profit Forecast**”).

The Domino Directors have considered the Domino Profit Forecast and confirm that it remains valid as at the date of this document and that it has been properly compiled on the basis of the assumptions set out below and that the basis of the accounting used is consistent with Domino’s accounting policies.

### 2. Basis of preparation

The Domino Profit Forecast is based on the annual results for the Domino Group for the year ended 31 October 2014, the unaudited management accounts of Domino for the three months ended 31 January 2015 and a forecast for the nine months to 31 October 2015.

The Domino Profit Forecast has been prepared on a basis consistent with the Domino Group’s accounting policies which are in accordance with IFRS. These policies are consistent with those applied in the preparation of the Domino Group’s annual results for the year ended 31 October 2014 and those applicable for the year ending 31 October 2015.

The Domino Profit Forecast excludes any transaction costs applicable to the Acquisition or any other associated accounting impacts as a direct result of the Acquisition.

### 3. Assumptions

The Domino Profit Forecast is based on the following assumptions for the year ending 31 October 2015:

Factors outside the influence or control of the Domino Directors:

- There will be no material changes to existing prevailing global macroeconomic or political conditions.
- There will be no material changes to the conditions of the markets in which Domino operates or to the behaviour of competitors in those markets.
- The main exchange rates and inflation and tax rates in Domino’s principal markets will remain materially unchanged from the prevailing rates.
- There will be no material adverse events that will have a significant impact on Domino’s financial performance.
- There will be no material changes in legislation or regulatory requirements impacting on Domino’s operations or its accounting policies.
- The announcement of the Acquisition will not result in any material changes to Domino’s obligations to customers.
- The announcement of the Acquisition will not have any impact on the timing of Domino’s customers placing new or executing existing orders.
- The announcement of the Acquisition will not have any material impact on Domino’s ability to negotiate new business.
- There will be no interruption to the supply of critical components or fluids.

Factors within the influence and control of the Domino Directors:

- There will be no material change to the present management of Domino.
- The value of research and development costs incurred and capitalised in the year to 31 October 2015 will be approximately £5 million.
- There will be no unexpected technical issues with products or process.

- There will be no change to the manufacturing capability of the Domino Group with regards to product quality or product availability to satisfy customers' requirements.

#### 4. **Directors' confirmation**

The Domino Directors have considered the Domino Profit Forecast and confirm that it remains valid as at the date of this document and that it has been properly compiled on the basis of the assumptions set out above and that the basis of the accounting used is consistent with Domino's accounting policies.



## PART VIII: ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

### 1. General

This document has been prepared for the purposes of complying with the laws of England and Wales, the Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the UK.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

US Shareholders should note that the Acquisition relates to the securities of a UK company, is subject to UK procedural and disclosure requirements (which are different from those of the US) and is proposed to be implemented under a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy rules under the US Exchange Act. The financial information with respect to Domino included in this document has been or will have been prepared in accordance with IFRS and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

Overseas shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

### 2. Certain US federal income tax considerations

The following discussion is a summary of certain material US federal income tax considerations for US Scheme Shareholders (as defined below) that receive cash for their Scheme Shares. This summary is not a comprehensive description of all tax considerations that may be relevant to any particular holder. It addresses only US Scheme Shareholders who hold Scheme Shares as capital assets and use the US Dollar as their functional currency. It does not address the tax treatment of US Scheme Shareholders subject to special rules, such as banks, dealers, traders in securities that mark-to-market, insurance companies, tax-exempt entities, regulated investment companies, real estate investment trusts, individual retirement accounts and other tax-deferred accounts, persons that at any time have held 10 per cent. or more of the voting stock of Domino, US expatriates, persons holding Scheme Shares as part of a hedging, straddle, conversion, integrated, constructive sale or constructive ownership transaction, persons whose Scheme Shares were received in connection with the performance of services or persons subject to the alternative minimum tax. This summary does not address US state and local, non-US or other tax considerations.

For the purposes of this summary, you are a "US Scheme Shareholder" if you are: (1) an individual citizen of the United States or a resident alien of the United States as determined for US federal income tax purposes; (2) a corporation (or other entity treated as a corporation for US federal income tax purposes) created or organised under the laws of the United States or any state thereof or the District of Columbia; (3) an estate the income of which is subject to US federal income taxation regardless of its source; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over its administration and one or more US persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a US person.

This summary is based on the Internal Revenue Code of 1986, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. We have not requested, and will not request, an opinion of counsel or a ruling from the United States Internal Revenue Service (the "IRS") with respect to any of the US federal income tax consequences described below; there can be no assurance that the IRS will not disagree with or challenge any of the conclusions we have reached and describe herein.

The US federal income tax treatment of a partner in a partnership (or equity holder in other pass-through entity) that holds Scheme Shares will depend on the status of the partner (equity holder) and the activities of the partnership (entity). Partnerships (and other pass-through entities) should consult their tax advisers

concerning the US federal income tax consequences to their partners (equity holders) of participating in the Scheme.

**THE SUMMARY OF US FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL US SCHEME SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE SCHEME INCLUDING THE APPLICABILITY AND EFFECT OF US STATE AND LOCAL NON-US OR OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

This discussion assumes that Domino is not, and never has been, a PFIC for US federal income tax purposes. If it were determined that Domino is or has been a PFIC, the US federal income tax consequences of the Scheme generally would be materially less favourable to US Scheme Shareholders than those described below.

### **Disposition of Scheme Shares**

A US Scheme Shareholder generally will recognise capital gain or loss on the disposition of Scheme Shares equal to the difference between the US Scheme Shareholder's adjusted tax basis and the amount realised. A US Scheme Shareholder's adjusted tax basis in the Scheme Shares generally will be the US Dollar value of the amount paid to purchase the Scheme Shares. The amount realised will be the US Dollar value of the pounds Sterling received by the US Scheme Shareholder. Gain or loss generally will be long-term capital gain or loss if, at the time of disposition, the US Scheme Shareholder has held the Scheme Shares for more than one year. US Scheme Shareholders who are individuals, trusts or estates may be entitled to a preferential tax rate on long-term capital gains. Deductions for capital losses are subject to limitations. Any gain or loss realised on disposition of Scheme Shares generally will be treated as arising from US sources.

The date for determining the US Dollar value of the pounds Sterling received depends on whether special rules for sales of securities traded on an established securities market apply. Although it is believed that the Scheme Shares currently are traded on such markets, the rules might not apply here because a sale pursuant to the Scheme is not a transaction on those markets. If the special rules apply, cash method and electing accrual method US Scheme Shareholders would value the pounds Sterling received as of the settlement date. If the rules do not apply (and in the case of non-electing accrual method US Scheme Shareholders even if they do apply), all US Scheme Shareholders would value the pounds Sterling received as of the Effective Date and would recognise US source foreign currency gain or loss (taxable as ordinary income or loss) on the settlement date equal to any difference between the US Dollar value of the amount received based on the exchange rates on the Effective Date and the settlement date.

A US Scheme Shareholder will have a tax basis in the pounds Sterling received by such shareholder on disposition of Scheme Shares equal to the US Dollar amount received on the settlement date. Any gain or loss on a subsequent conversion or disposition of those pounds Sterling generally will be US source ordinary gain or loss.

### **Additional Tax on Passive Income**

An additional 3.8 per cent. tax will generally be imposed on the "net investment income" of individuals, estates and trusts whose income exceeds certain thresholds. "Net investment income" generally includes the following: (1) gross income from interest and dividends other than from the conduct of a non-passive trade or business; (2) other gross income from a passive trade or business; and (3) net gain attributable to the disposition of property other than property held in a non-passive trade or business. Therefore capital gains from the disposition of Scheme Shares may be subject to this additional tax.

### **Backup Withholding and Information Reporting**

Proceeds from the disposition of Scheme Shares, by a US paying agent or other US (or certain US-related) intermediaries will be reported to the IRS and to the US Scheme Shareholder as may be required under applicable regulations. In addition, payments that are subject to information reporting may be subject to backup withholding if the US Scheme Shareholder fails to comply with all applicable taxpayer identification and certification requirements (generally by providing the relevant paying agent or intermediary an IRS Form W-9. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a US Scheme Shareholder's US federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is provided to the IRS.

Certain US Scheme Shareholders who are individuals may be required to report information relating to Scheme Shares, subject to certain exceptions (including an exception for Scheme Shares held in accounts maintained by certain financial institutions). US Scheme Shareholders are urged to consult their tax advisers regarding their reporting requirements.

### **3. UK Taxation of Overseas Shareholders**

The comments below are intended as a general guide only and are based on current UK legislation and what is understood to be the current HMRC practice, both of which are subject to change, possibly with retrospective effect.

Subject to the paragraph below (dealing with temporary non-residents), Scheme Shareholders who are not resident or domiciled in the UK for UK tax purposes will not be subject to UK tax on chargeable gains upon transfer of their Scheme Shares in return for cash, unless they carry on:

- (i) (in the case of a Scheme Shareholder who is an individual) a trade, profession or vocation in the UK through a branch or agency and the Scheme Shares have either been used in or for the purposes of the trade, profession or vocation, or have been used or held for the purposes of the branch or agency, or acquired for use by or for the purposes of the branch or agency; or
- (ii) (in the case of a Scheme Shareholder which is a company) a trade in the UK through a permanent establishment and the Scheme Shares have either been used in or for the purposes of the trade, or have been used or held for the purposes of the permanent establishment, or acquired for use by or for the purposes of the permanent establishment.

However, Scheme Shareholders who are not resident in the UK may be subject to charges to foreign taxation depending upon their personal circumstances.

A Scheme Shareholder who is an individual and who is temporarily not resident in the UK for UK tax purposes may, in certain circumstances, be subject to tax in respect of gains realised while he or she is not so resident.

To the extent that a Scheme Shareholder would be subject to UK tax on chargeable gains upon transfer of his Scheme Shares (whether under the temporary non-residents rules or as a result of such shareholder having a UK branch, agency or permanent establishment as described at (i) and (ii) above), and such Scheme Shareholder receives Loan Notes in exchange for his Scheme Shares and does not hold (either alone or together with persons connected with him) more than 5 per cent. of, or of any class of, shares in or debentures of Domino, he should not be treated as having made a disposal of his Scheme Shares. Instead, for individual Scheme Shareholders, any gain or loss which would have otherwise arisen on a disposal of his Scheme Shares should be “rolled over” into the Loan Notes and the Loan Notes should be treated as the same asset as those Scheme Shares acquired at the same time and for the same consideration as those shares. For corporate shareholders, any gain or loss which would otherwise have arisen on a disposal of those Scheme Shares should be calculated but “held over” and deemed to arise only on a subsequent disposal (including redemption or repayment) of the Loan Notes. The Loan Notes are non interest bearing.

For individual shareholders within the charge to UK tax on chargeable gains as described above, any Loan Notes received pursuant to the Scheme should be non-qualifying corporate bonds. Accordingly, a subsequent disposal (including redemption or repayment) of Loan Notes by such a shareholder may, depending on individual circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to UK tax on capital gains. Any chargeable gain or allowable loss on a disposal of the Loan Notes should be calculated by reference to the proportion of the Shareholder’s allowance base cost in the Shareholder’s holding of Scheme Shares that the Loan Notes bear to the aggregate of the Shareholder’s entitlement to both cash consideration and Loan Notes.

A Loan Note Holder which is a company within the charge to UK tax on chargeable gains will generally be subject to corporation tax in respect any profits and gains arising from the Loan Notes in each accounting period broadly in accordance with generally accepted accounting practice. Any “held over” chargeable gain or loss which was calculated on exchange of Scheme Shares for Loan Notes but is only deemed to accrue on the disposal (including redemption) of the Loan Notes should, as mentioned above, be calculated by reference to the proportion of the Shareholder’s allowable base cost in the Shareholder’s holding of Scheme Shares that the Loan Notes bear to the aggregate of the Shareholder’s entitlement to both cash consideration and Loan Notes. To this should be added (when calculating a chargeable gain but not an allowable loss) indexation allowance on that proportion of the original allowable cost accrued up to the time of the exchange of Scheme Shares for Loan Notes.

## PART IX: ADDITIONAL INFORMATION ON DOMINO AND BROTHER

### 1. Responsibility

- 1.1 The Domino Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document other than the information for which responsibility is taken by others pursuant to paragraph 1.2 of Part IX of this document. To the best of the knowledge and belief of the Domino Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Brother Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this document relating to the Brother Group, the Brother Directors and their respective immediate families and the related trusts of and persons connected with the Brother Directors, and persons deemed to be acting in concert with Brother (as such term is defined in the Code). To the best of the knowledge and belief of the Brother Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. Directors

2.1 The Domino Directors and their respective positions are:

<u>Name</u>	<u>Position</u>
Peter Byrom . . . . .	Chairman
Nigel Bond . . . . .	Chief Executive Officer
Andrew Herbert . . . . .	Chief Financial Officer
Rachel Hurst . . . . .	Group Operations Director
Sir Mark Wrightson . . . . .	Non-Executive Director and Senior Independent Director
Sir David Brown . . . . .	Non-Executive Director
Christopher Brinsmead . . . . .	Non-Executive Director
Sucheta Govil . . . . .	Non-Executive Director

The business address of each of the Domino Directors is Trafalgar Way, Bar Hill, Cambridge, Cambridgeshire CB23 8TU.

The Company Secretary of Domino is Richard Pryn.

2.2 The Directors of Brother and their respective positions are:

<u>Name</u>	<u>Position</u>
Toshikazu Koike . . . . .	Representative Director and President
Shigeki Ishikawa . . . . .	Representative Director and Senior Managing Executive Officer
Tomoyuki Hasegawa . . . . .	Representative Director and Managing Executive Officer
Jun Kamiya . . . . .	Director and Managing Executive Officer
Ichiro Sasaki . . . . .	Director and Managing Executive Officer
Tadashi Ishiguro . . . . .	Director and Managing Executive Officer
Yukihisa Hirano . . . . .	Outside Director
Atsushi Nishijo . . . . .	Outside Director
Shigehiko Hattori . . . . .	Outside Director
Koichi Fukaya . . . . .	Outside Director
Soichi Matsuno . . . . .	Outside Director

The business address of each of the Brother Directors is 15-1 Naeshiro-cho, Mizuho-ku, Nagoya, Aichi 467-8561, Japan.

Brother has its registered office at 15-1 Naeshiro-cho, Mizuho-ku, Nagoya, Aichi 467-8561, Japan.

### 3. Interests in Domino Shares

3.1 For the purposes of this paragraph 3 and paragraphs 4 to 5:

- (i) “acting in concert” has the meaning given to it in the Code;

- (ii) “arrangement” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (iii) “dealing” has the meaning given to it in the Code;
- (iv) “derivative” has the meaning given to it in the Code;
- (v) “disclosure period” means the period beginning on 11 March 2014 and ending on 20 March 2015 (being the latest practicable date prior to the publication of this document);
- (vi) “interest” or “interests” in relevant securities shall have the meaning given to it in the Code and references to interests of Brother Directors or interests of Domino Directors in relevant securities shall include all interests of any other person whose interests in shares the Brother Directors or, as the case may be, the Domino Directors, are taken to be interested in pursuant to Part 22 of the Companies Act;
- (vii) “offer period” means the period commencing on 11 March 2015 and ending on 20 March 2015 (being the latest practicable date prior to the publication of this document);
- (viii) “relevant Brother securities” mean relevant securities (such term having the meaning given to it in the Code in relation to an offeror) of Brother including equity share capital in Brother (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (ix) “relevant Domino securities” mean relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Domino including equity share capital of Domino (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof.

3.2 As at 20 March 2015 (being the latest practicable date prior to the publication of this document), the Domino Directors held the following interests in, or rights to subscribe in respect of, relevant Domino securities:

<u>Name</u>	<u>Number of Domino Shares</u>	<u>Nature of Interest</u>
Nigel Bond . . . . .	67,600	Beneficial Owner
Christopher Brinsmead . . . . .	10,000	Beneficial Owner
Sir David Brown . . . . .	10,000	Beneficial Owner
Peter Byrom . . . . .	302,000	Beneficial Owner
Peter Byrom <sup>(1)</sup> . . . . .	36,000	Legal Owner
Andrew Herbert . . . . .	40,000	Beneficial Owner
Rachel Hurst . . . . .	16,428	Beneficial Owner
Sir Mark Wrightson . . . . .	41,985	Beneficial Owner

(1) Peter Byrom holds these shares on behalf of family members.

### **Domino Share Schemes**

#### **Domino Shares held in trust under the SIP plans**

<u>Name</u>	<u>Total number of Domino Shares</u>
Nigel Bond . . . . .	5,875
Andrew Herbert . . . . .	5,875
Rachel Hurst . . . . .	2,599

## Conditional Domino Share allocations under the LTIP

<u>Name</u>	<u>Total number of Domino Shares</u>	<u>Performance Period End Date</u>
Nigel Bond	73,610	18 December 2015
	58,998	16 December 2016
	67,645	19 December 2017
	<b>200,253</b>	
Andrew Herbert	45,366	18 December 2015
	36,361	16 December 2016
	42,475	19 December 2017
	<b>124,202</b>	
Rachel Hurst	20,000	18 December 2015
	15,000	16 December 2016
	31,463	19 December 2017
	<b>66,463</b>	

## Options under SAYE Plans

<u>Name</u>	<u>Date of Grant</u>	<u>Exercise price (£)</u>	<u>Number of Domino Shares</u>	<u>Saving Term</u>	<u>Full Maturity</u>
Andrew Herbert	28 July 2009	2.03	3,211	7 years	July 2016
	13 August 2013	5.17	1,044	3 years	August 2016
	12 August 2014	4.76	1,890	3 years	August 2017
Nigel Bond	28 July 2011	5.46	2,825	5 years	July 2016
Rachel Hurst	12 August 2014	4.76	6,302	5 years	August 2019

3.3 As at 20 March 2015 (being the latest practicable date prior to the publication of this document) the following persons acting in concert with Domino had the following interests in, or rights to subscribe in respect of, relevant Domino securities:

## Shares held in Domino by certain persons acting in concert with Domino

<u>Name</u>	<u>Number of Domino Shares</u>
Michael Hurst <sup>(1)</sup>	5,827
Domino Printing Sciences Quest Trustees Ltd <sup>(2)</sup>	35,867

(1) Michael Hurst is married to Rachel Hurst.

(2) Domino Printing Sciences Quest Ltd (a wholly owned subsidiary of Domino) holds these ordinary shares as trustee of the Domino Printing Sciences Quest (a Domino employee benefits trust).

## Shares held in trust under the SIP plans

<u>Name</u>	<u>Number of Domino Shares</u>
Michael Hurst <sup>(1)</sup>	2,658

(1) Michael Hurst is married to Rachel Hurst.

## Options under SAYE Plans

<u>Name</u>	<u>Date of Grant</u>	<u>Exercise price (£)</u>	<u>Number of Shares</u>	<u>Saving Term</u>	<u>Full Maturity</u>
Michael Hurst <sup>(1)</sup>	02 August 2012	4.46	2,016	3 years	August 2015
	12 August 2014	4.76	3,151	5 years	August 2019

(1) Michael Hurst is married to Rachel Hurst.

## Options under ESOS Schemes

<u>Name</u>	<u>Total number of Shares</u>
Michael Hurst <sup>(1)</sup> .....	32,500

(1) Michael Hurst is married to Rachel Hurst.

### 4. Dealings in Domino Shares

4.1 During the disclosure period, none of Brother, any member of the Brother Group, the Brother Directors (including members of their immediate families, close relatives, and related trusts), nor any person acting in concert with Brother have dealt for value in relevant Domino securities.

4.2 During the disclosure period, Domino has not purchased any Domino Shares.

### 5. Interests and Dealings—General

5.1 Save as disclosed in paragraphs 3 and 4 above, as at 20 March 2015 (being the latest practicable date prior to the publication of this document),

- (i) no member of the Brother Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Domino securities nor has any member of the Brother Group dealt for value in any relevant Domino securities during the disclosure period;
- (ii) none of the Brother Directors (including members of their immediate families, close relatives and related trusts) had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Domino securities, nor has any such person dealt for value in any relevant Domino securities during the disclosure period;
- (iii) no person acting in concert with Brother had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Domino securities, nor has any such person dealt for value in any relevant Domino securities, during the disclosure period;
- (iv) no person who has an arrangement with Brother, had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Domino securities, nor has any such person dealt for value in any relevant Domino securities during the disclosure period; and
- (v) neither Brother, nor any person acting in concert with Brother, has borrowed or lent any relevant Domino securities, save for any borrowed shares which have been either on-lent or sold.

5.2 Save as disclosed in paragraphs 3 and 4 above as at 20 March 2015 (being the latest practicable date prior to the publication of this document),

- (i) no member of the Domino Group had any interest in, right to subscribe in respect of or any short position in relation to relevant Brother securities nor has any such person dealt for value in any relevant Domino securities or relevant Brother securities during the Offer Period;
- (ii) none of the Domino Directors (including members of their immediate families, close relatives and related trusts) had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Domino securities or relevant Brother securities nor has any such person dealt for value in any relevant Domino securities or any relevant Brother securities during the Offer Period;
- (iii) no person acting in concert with Domino had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Domino securities, nor has any such person dealt for value in any relevant Domino securities during the Offer Period;
- (iv) no person who has an arrangement with Domino, had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Domino securities, nor has any such person dealt for value in any relevant Domino securities during the Offer Period; and

(v) neither Domino, nor any person acting in concert with Domino has borrowed or lent any relevant Domino securities, save for any borrowed shares which have been either on-lent or sold.

5.3 Save as disclosed herein, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the resolutions to be proposed at the General Meeting.

5.4 Save as disclosed herein, none of (i) Brother or any person acting in concert with Brother; or (ii) Domino or any person acting in concert with Domino, has any arrangement in relation to relevant securities.

5.5 No agreement, arrangement or understanding (including any compensation arrangement) exists between Brother or any person acting in concert with it and any of the Domino Directors or the recent directors, shareholders or recent shareholders of Domino having any connection with or dependence upon or which is conditional upon the Acquisition.

5.6 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Domino Shares to be acquired by Brother pursuant to the Scheme will be transferred to any other person.

5.7 No relevant securities of Domino have been redeemed or purchased by Domino during the disclosure period.

## 6. Domino Directors' service contracts and emoluments

6.1 There are no service contracts or letters of appointment between any Domino Director or proposed director of Domino and any member of the Domino Group except for those set out below and, save as disclosed below, no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this document.

### 6.2 Executive Directors

It is Domino's policy for all executive directors to have indefinite service contracts which can be terminated at any time by either party giving the required period of notice as set out in the table below. Domino can elect to terminate their employment by making a payment in lieu of notice equivalent to basic salary for the notice period and continuing to provide the director with his or her contractual benefits.

Director	Date of continuous service	Effective date of service agreement	Notice period (from Domino)	Notice period (from Director)	Current annual base salary (£)	Single figure of total remuneration received in 2014 (£)
Nigel Bond . . . . .	2 May 1989	22 November 1997	12 months	6 months	430,000	851,000
Andrew Herbert . . . . .	2 June 1986	11 May 1998	12 months	6 months	270,000	536,000
Rachel Hurst . . . . .	8 May 1990	1 January 2015	12 months	6 months	200,000	N/A

The executive Domino Directors receive the following additional benefits under their service agreements: private medical insurance for the Domino Director and his/her family, permanent health insurance, life assurance of four times basic salary, travel insurance cover, reasonable expenses, a company car or car allowance, mobile phone, credit card, reimbursement of professional institutional membership fees and, subject to the executive Domino Directors contributing 4.5 per cent. of basic salary to Domino's pension scheme, employer pensions contributions of 25.5 per cent. of basic salary.

The executive Domino Directors are also entitled to participate in Domino's directors' bonus scheme which operates on an annual basis for each financial year. Any bonus is subject to performance criteria and rules established by the Domino remuneration committee. In any one financial year the bonus payable to an executive Domino Director shall not exceed 150 per cent. of the base salary payable to that director, provided that any such bonus shall be paid in line with the current remuneration policy. On a change of control of Domino, the executive Domino Directors are eligible to receive a payment under the terms of any such directors' bonus scheme. The payment will be calculated in accordance with the rules of the scheme and will be based on the extent to which the performance targets set at the beginning of the year have been satisfied up to the date of the change of control. The Domino remuneration committee will have discretion whether or not to pro rate the resulting payment to reflect the portion of the financial year which has been completed up to the date of the change of control and will assess the performance levels achieved and approve the bonus payment to be made immediately prior to the change of control becoming effective.



### 6.3 Non-executive Directors

Non-executive Domino Directors are typically appointed under letters of appointment. Continuation of their appointment is subject to annual re-election at annual general meetings. Non-executive directors do not participate in any variable remuneration or benefit arrangements.

<u>Director</u>	<u>Date of appointment</u>	<u>Expiry term of directorship</u>	<u>Current annual fee (£)</u>	<u>Single figure of total remuneration received in 2014 (£)</u>
Peter Byrom . . . . .	22 March 1996	None specified	172,000 <sup>(1)</sup>	178,000
Sir Mark Wrightson . . . . .	1 February 2007	31 January 2016	50,000	46,000
Sir David Brown . . . . .	1 August 2008	2017 AGM	50,000	46,000
Christopher Brinsmead . . . . .	11 June 2008	2017 AGM	45,000	47,000
Sucheta Govil . . . . .	25 November 2014	2018 AGM	45,000	N/A

Note:

- (1) This includes an annual fee of £68,470 (plus employers' National Insurance contributions and VAT) paid to Stockbridge Limited by virtue of a consultancy agreement dated 15 December 2008 pursuant to which Domino engaged the services of Stockbridge Limited, a company of which Peter Byrom is a director. The agreement is terminable by either party on six months' notice and Domino may terminate the agreement with immediate effect by paying to Stockbridge Limited an amount equal to six months' fees.

The appointments are terminable by either party on six months' notice and Domino is entitled to make a payment in lieu of their notice period on termination.

### 7. Market quotations

The following table shows the closing middle market prices for Domino Shares as derived from the Official List for the first dealing day of each month from October 2014 to March 2015 inclusive, for 10 March 2015 (being the last Business Day prior to the Announcement Date) and for 20 March 2015 (being the last practicable date prior to the publication of this document):

<u>Date</u>	<u>Domino Share price (£)</u>
01/10/2014 . . . . .	6.11
03/11/2014 . . . . .	5.94
01/12/2014 . . . . .	6.46
02/01/2015 . . . . .	6.54
02/02/2015 . . . . .	6.85
02/03/2015 . . . . .	7.48
10/03/2015 . . . . .	7.21
20/03/2015 . . . . .	9.39

### 8. Material contracts

#### 8.1 Brother material contracts

The following material contract, not being a contract entered into in the ordinary course of business, has been entered into by members of the Brother Group in the period of two years prior to the date on which the Offer Period commenced:

#### *Bridge Loan Facility*

On 10 March 2015 Brother entered into a £1,073 million facility agreement (the "**Bridge Loan Facility**") with Citibank Japan as agent and Citibank as lender (the "**Lender**").

The Bridge Loan Facility comprises a £1,073 million term loan facility (the "**Facility**"). The proceeds of the Facility are available to Brother to be used to acquire Scheme Shares in respect of the Acquisition and to finance the surrender or cancellation of options or awards over Domino Shares. The Bridge Loan Facility also makes provision for the use of the Facility to refinance third party indebtedness of the Domino Group following the Announcement Date, to fund acquisitions of Domino Shares separate from the Acquisition

and to pay costs and expenses in respect of the financing and stamp duty in respect of the Acquisition and financing.

The Facility may be utilised in Sterling or yen.

Utilisation of the Facility is subject to certain customary conditions precedent. The term loans under the Facility will bear interest to be paid monthly in arrears at a per annum rate equal to LIBOR plus 0.825 per cent. if utilised in Sterling or TIBOR plus 0.425 per cent. if utilised in yen.

Brother has agreed to pay to the Lender a commitment fee to be calculated on the daily amount of the undrawn commitments under the Facility at a rate of 0.15 per cent. per annum, which fee shall accrue daily and be payable monthly in arrears in Sterling during the availability period for the Facility, which will end, at the latest, on 10 September 2015. An up-front fee and agency fee are also payable by Brother under fee letters in connection with the Bridge Loan Facility.

The term loans under the Bridge Loan Facility are repayable in full on the date falling six months after the date of first utilisation of the Facility or, if first utilisation occurs prior to the due date for payment under the Scheme, the date falling six months after the due date for payment under the Scheme.

Brother may, subject to giving prior written notice and incurring any applicable break costs, prepay the whole or part of any term loan under the Facility (but if in part, being an amount that reduces the amount of that term loan by a minimum of £10 million).

No security or guarantees will be given by Brother in connection with the Bridge Loan Facility.

The Bridge Loan Facility contains customary representations and warranties and undertakings for a facility agreement of this nature.

The Bridge Loan Facility does not contain any financial covenants.

Under the terms of the Bridge Loan Facility, Brother has agreed that it will not, except as required by the Code, the Panel, the Court or other regulatory authority, waive, amend, declare or treat as satisfied any of the Conditions without the prior consent of the Lender if such waiver, amendment, declaration or treatment would materially and adversely affect the interests of the Lender (in its capacity as such).

The Bridge Loan Facility contains various customary events of default including failure to comply with obligations under the Bridge Loan Facility, misrepresentation, certain insolvency events and a cross default clause in relation to any financial indebtedness where the principal amount is at least £25 million.

Upon the occurrence of an event of default other than certain insolvency events, creditors' process and suspension of banking transactions in Japan and subject to any applicable cure periods, the Lender may demand immediate repayment of all amounts outstanding under the Bridge Loan Facility.

Upon the occurrence of an event of default caused by certain insolvency events, creditors' process and suspension of banking transactions in Japan and subject to any applicable cure periods, all amounts outstanding under the Bridge Loan Facility shall automatically become immediately repayable. If any outstanding amounts under the Bridge Loan Facility become immediately repayable all undrawn commitments under the Bridge Loan Facility shall automatically be cancelled.

Under the Bridge Loan Facility, if either (i) banks generally become unable to enter into loan transactions in Sterling in the London interbank market or yen in the Tokyo interbank market or (ii) the Lender becomes unable to advance loans under the Bridge Loan Facility due to the occurrence of any natural disaster, war or terrorism, suspension or disruption of electrical communications or various clearing and settlement systems, or any other event not attributable to the Lender (an "**Exemption Event**"), the Lender shall be temporarily excused from its obligations to fund loans under the Facility. The period during which the Lender will be so excused will start on the date on which both (i) the Lender has notified Brother of the Exemption Event; and (ii) the Panel has approved a suspension of the Scheme; and will end on the earlier of (a) the date on which the Lender notifies Brother the relevant Exemption Event has ceased; and (b) the date on which any suspension of the Scheme approved by the Panel is withdrawn.

## 8.2 Domino material contracts

No member of the Domino Group has, during the period of two years prior to the date on which the Offer Period commenced, entered into any material contract otherwise than in the ordinary course of business.

## 9. Offer-related arrangements

### (a) Non-Disclosure Agreement

Brother and Domino entered into the Non-Disclosure Agreement on 18 February 2015, pursuant to which Brother has undertaken to keep confidential information relating to Domino and not to disclose it to third parties (other than permitted disclosees) unless required by law or regulation or permitted pursuant to limited carve-outs to the obligations of confidentiality. These confidentiality obligations will remain in force until the Scheme becomes effective. The standstill provisions ceased to apply upon publication of the Announcement.

### (b) Cooperation Agreement

Pursuant to the Cooperation Agreement, Brother and Domino have, amongst other things, each agreed to (i) cooperate in relation to the obtaining of any and all consents, clearances, permissions, waivers and/or approvals as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Acquisition and (ii) cooperate in preparing and implementing appropriate proposals in relation to the Domino Share Schemes. Brother has agreed to use best endeavours to procure that the Anti-trust Conditions are satisfied as soon as reasonably practicable after the date of the Cooperation Agreement with the aim of fulfilling such Conditions on or before 20 June 2015. Under the Cooperation Agreement, unless Brother and Domino agree otherwise, if 4 weeks prior to the Long Stop Date the Anti-trust Conditions have not been satisfied, Brother shall extend the certain funds in respect of the Acquisition and immediately thereafter the Long Stop Date, in each case to 11 March 2016 or such earlier date that Domino determines is required in order to satisfy the Anti-trust Conditions, and Domino shall agree to such extension to the Long Stop Date.

## 10. Irrevocable Undertakings

<u>Name of Domino Director</u>	<u>Number of Domino Shares in respect of which undertaking is given</u>	<u>Percentage of Domino issued share capital</u>
Nigel Bond . . . . .	67,600	0.06%
Christopher Brinsmead . . . . .	10,000	0.01%
Sir David Brown <sup>(1)</sup> . . . . .	10,000	0.01%
Peter Byrom . . . . .	302,000	0.27%
Andrew Herbert . . . . .	40,000	0.04%
Rachel Hurst . . . . .	9,644	0.01%
Sir Mark Wrightson . . . . .	41,985	0.04%

Note:

(1) Sir David Brown holds his Domino Shares through a nominee and has irrevocably undertaken to instruct that nominee to vote in favour of the Scheme (or in the event that the Acquisition is implemented as a Takeover Offer, to accept the Takeover Offer)

These irrevocable undertakings cease to be binding if the Scheme (or Takeover Offer, as applicable) does not become effective or lapses in accordance with its terms or the Scheme (or Takeover Offer, as applicable) is withdrawn or any competing offer is made which is declared unconditional or otherwise becomes effective.

The terms of the irrevocable undertakings from each of the Domino Directors will continue to be binding in the event a higher competing offer is made for Domino.

The irrevocable undertakings given by Domino Directors prevent such Domino Directors from selling all or any part of their Domino Shares during any Standstill Period, except pursuant to the Scheme or a forfeiture or to a connected person (including to any pension scheme and any person detailed in the appendix of the relevant irrevocable undertaking).

## 11. Offer-related fees and expenses

### (a) Brother fees and expenses

The aggregate fees and expenses expected to be incurred by Brother in connection with the Acquisition and during the Offer Period (excluding any applicable VAT) are expected to be:

<u>Category</u>	<u>Amount (excluding applicable VAT)</u>
Financial and corporate broking advice . . . . .	approximately £5,500,000
Legal advice . . . . .	approximately £1,010,000
Accounting advice . . . . .	approximately £270,000
Public relations advice . . . . .	approximately £150,000
Other professional services . . . . .	approximately £270,000
Other costs and expenses . . . . .	approximately £1,800,000
Total . . . . .	approximately £9,000,000

### (b) Domino fees and expenses

The aggregate fees and expenses expected to be incurred by Domino in connection with the Acquisition and during the Offer Period (excluding any applicable VAT) are expected to be:

<u>Category</u>	<u>Amount (excluding applicable VAT)</u>
Financial and corporate broking advice . . . . .	approximately £7,800,000
Legal advice . . . . .	approximately £1,900,000
Public relations advice . . . . .	approximately £40,000
Other costs and expenses . . . . .	approximately £100,000
Total . . . . .	approximately £9,840,000

## 12. Ratings

There are no ratings or outlooks publicly accorded to Domino.

Prior to the Offer Period, Brother had a rating of A with a “Stable” outlook from Rating and Investment Information, Inc (“RII”). Its commercial paper was rated A1 by RII prior to the Offer Period. RII had not changed these ratings as at 20 March 2015 (being the latest practicable date prior to the date of this document).

## 13. Cash confirmation

The cash consideration payable to Domino Shareholders will be satisfied through debt or existing cash resources. Brother has entered into the Bridge Loan Facility under which a £1,073 million credit facility is available to Brother to finance the Acquisition.

Citi, which is acting as financial adviser to Brother in relation to the Acquisition, is satisfied that sufficient resources are available to satisfy in full the consideration payable to Domino Shareholders in connection with the Acquisition.

## 14. Financial effects of the Acquisition on Brother

Under Japanese GAAP, Brother generated net sales of £3,428 million (JPY616,835 million) and operating profit of £241 million (JPY43,301 million) for the fiscal year ended 31 March 2014. Brother had total equity of £1,713 million (JPY308,310 million) as at the end of the same fiscal year.

As at 31 December 2014, Brother had a net cash position of approximately £491 million (JPY88,360 billion) and debt of approximately £75 million (JPY 13,446 million). The Acquisition is to be financed through debt or existing cash resources. Brother has entered into the Bridge Loan Facility under which a £1,073 million credit facility is available to Brother to finance the Acquisition at a per annum cost of LIBOR + 0.825 per cent. in relation to term loans utilised in Sterling or TIBOR + 0.425 per cent. in relation to term loans utilised in yen. Following the Acquisition, whilst Brother will increase its financial leverage, it is confident it will retain a strong balance sheet with substantial financial flexibility and access to capital markets to finance investment in the combined business and execute Brother’s growth strategy.

The Acquisition is expected to be accretive to Brother’s cash earnings per share in the first 12 months of ownership.

The statements made in this paragraph 14 should not be construed as profit forecasts or be interpreted to mean that the future earnings per share, profits, margins or cash flows of Brother will necessarily be greater or less than the historical published earnings per share, profits, margins or cash flows of Brother

**15. Persons acting in concert**

15.1 In addition to the members of the Wider Brother Group, and their respective directors and officers, including the persons who, for the purposes of the Code, are acting in concert with Brother are:

<u>Name</u>	<u>Registered Office</u>	<u>Relationship with Brother</u>
Citi . . . . .	Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB	financial adviser

15.2 In addition to the Domino Directors and the members of the Domino Group, the persons who, for the purposes of the Code, are acting in concert with Domino are:

<u>Name</u>	<u>Registered Office</u>	<u>Relationship with Domino</u>
Rothschild . . . . .	New Court, St Swithin's Lane, London, EC4N 8AL	Rule 3 adviser and financial adviser

**16. No significant change**

There has been no significant change in the financial or trading position of Domino since 31 October 2014, being the date to which the annual financial report published by Domino was prepared.

**17. Consent**

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

Jefferies has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of references to its name in the form and context in which it is included.

Citi has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of references to its name in the form and context in which it is included.

**18. Documents published on a website**

Copies of the following documents will be available for viewing on Domino's website at [www.dominio-printing.com/corporate](http://www.dominio-printing.com/corporate), on Brother's website at [www.brother.com/en/news/2015/150311\\_accept\\_e/list/index.htm](http://www.brother.com/en/news/2015/150311_accept_e/list/index.htm) and also available for inspection at the registered office of Domino, being Trafalgar Way, Bar Hill, Cambridge, Cambridgeshire, CB23 8TU and at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA during usual business hours on Monday to Friday of each week (UK public holidays excepted) in each case, up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- (a) this document;
- (b) the Announcement;
- (c) the memorandum and articles of association of each of Domino and Brother;
- (d) a draft of the articles of association of Domino as proposed to be amended at the General Meeting;
- (e) the consolidated audited report and accounts of Domino for the financial years ended 31 October 2013 and 31 October 2014;
- (f) the consolidated audited report and accounts of Brother for financial years ended 31 March 2013 and 31 March 2014;
- (g) the written consents referred to in paragraph 17 above;

- (h) a draft (subject to modification) of the Loan Note Instrument;
- (i) the opinion letter from Citi relating to the valuation of the Loan Notes referred to in paragraph 2 of Part II (*Explanatory Statement*) of this document;
- (j) the Non-Disclosure Agreement and the Cooperation Agreement;
- (k) copies of the irrevocable undertakings referred to in paragraph 10 above; and
- (l) the documents in relation to the financing of the Acquisition, including the Bridge Loan Facility.

#### 19. Sources of information and bases of calculation

- 19.1 The value of the Acquisition is calculated on the basis of the issued share capital of Domino as set out in paragraph 19.2 below.
- 19.2 As at the close of business on 20 March 2015, being the last practicable date prior to the publication of this document, Domino had in issue 112,655,671 Domino Shares.
- 19.3 The Enterprise Value within the Enterprise Value to EBITDA valuation multiple represented by the Offer Price has been calculated on the following basis:
  - (i) Acquisition equity value of £1,031 million (as calculated in paragraph (19.1) above); plus
  - (ii) a value of £40.3 million at the Offer Price, attributed to any further Domino Shares which may be issued on or after the Announcement Date following the exercise of options or vesting of awards under the Domino Share Schemes (amounting in aggregate to up to 4,406,156 Domino Shares as at 20 March (being the latest practicable date prior to the publication of this document)); less
  - (iii) assumed proceeds of £20.1 million from exercising the Domino Shares specified in paragraph (ii) above; less
  - (iv) Domino's net cash position of £40.1 million as at 31 October 2014; all divided by
  - (v) Domino's EBITDA of £65.6 million in respect of the year ended 31 October 2014.
- 19.4 Domino's underlying earnings per share of 40.0p in respect of the year ended 31 October 2014 was used in the calculation of the P/E multiple represented by the Offer Price.
- 19.5 Closing Prices for Domino Shares are taken from the Daily Official List.
- 19.6 Unless otherwise stated, the financial information relating to Domino is extracted from the audited consolidated financial statements of Domino for the financial year to 31 October 2014, prepared in accordance with IFRS.
- 19.7 Unless otherwise stated, the financial information relating to Brother is extracted from the audited consolidated financial statements of Brother for the year ended 31 March 2014, prepared in accordance with Japanese GAAP.
- 19.8 Volume Weighted Average Prices for Domino Shares are derived from Factset.
- 19.9 The following exchange rate (sourced from Bloomberg, as at 5.00 p.m. on 20 March 2015, being the last practicable date prior to the publication of this document) has been used to translate JPY to GBP: £1 = ¥179.96.

## PART X: DEFINITIONS

“2003 SIP”	the Domino Share Incentive Plan 2003 (together with the 2013 SIP, the “SIP plans”);
“2013 SIP”	the Domino Share Incentive Plan 2013 (together with the 2003 SIP, the “SIP plans”);
“Acquisition”	the acquisition by Brother of the entire issued and to be issued ordinary share capital of Domino at a price of 915 pence per Domino Share to be effected by means of a Scheme (or, subject to the consent of the Panel, a Takeover Offer) including, where the context so requires, any subsequent variation, revision, extension or renewal thereof;
“Amended Domino Articles”	the articles of association of Domino as at the Announcement Date, as amended to include provisions, in terms approved by Brother, that avoid any person (other than Brother or its nominee(s)) remaining as a holder of Domino Shares after the Effective Date, such proposed amendments to be set out in full in the notice of the General Meeting in this document;
“Announcement”	the announcement made in accordance with Rule 2.7 of the Code dated 11 March 2015;
“Announcement Date”	11 March 2015, being the date of the Announcement;
“Anti-trust Conditions”	the Conditions set out in paragraphs 2(a) to 2(e) of Part A of Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of this document;
“Authorisations”	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
“Board”	the board of directors of the relevant company;
“Bridge Loan Facility”	the £1,073 million bridge loan facility agreement entered into between Brother, Citibank Japan as agent and Citibank as lender on 10 March 2015;
“Brother”	Brother Industries, Ltd., a kabushiki kaisha incorporated in Japan;
“Brother Group”	Brother and its subsidiary undertakings and, where the context permits, each of them;
“Brother Directors”	the persons whose names are set out in paragraph 2.2 of Part IX ( <i>Additional Information on Domino and Brother</i> ) of this document or, where the context so requires, the directors of Brother from time to time;
“Business Day”	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;
“Capita Asset Services”	a trading name of Capita Registrars Limited;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Citi”	Citigroup Global Markets Limited;
“Citibank”	Citibank N.A., London Branch;
“Citibank Japan”	Citibank Japan Ltd.;

“Closing Price”	the closing middle market price of a Domino Share on a particular trading day as derived from the Daily Official List;
“CMA Phase 2 Reference”	a reference of the Acquisition to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
“Code”	the City Code on Takeovers and Mergers;
“Companies Act”	the Companies Act 2006, as amended;
“Competition and Markets Authority”	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013;
“Conditions”	the conditions to the implementation of the Scheme and Acquisition as set out in Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of this document;
“Connected Person”	has the meaning given to that expression in section 1122 of the Corporation Tax Act 2010;
“Cooperation Agreement”	the cooperation agreement entered into between Domino and Brother dated 11 March 2015;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;
“Daily Official List”	the Daily Official List published by the London Stock Exchange;
“Dealing Disclosure”	has the same meaning as in Rule 8 of the Code;
“Disclosed”	the information disclosed by, or on behalf of Domino, (i) in the annual report and accounts of the Domino Group for the financial year ended 31 October 2014; (ii) in any other announcement to a Regulatory Information Service by, or on behalf of Domino prior to the publication of the Announcement; (iii) as otherwise fairly disclosed to Brother (or its respective officers, employees, agents or advisers) prior to the date of the Announcement; or (iv) in this document;
“Domino”	Domino Printing Sciences plc, incorporated in England and Wales with registered number 01363137;
“Domino Directors”	the persons whose names are set out in paragraph 2.1 of Part IX ( <i>Additional Information on Domino and Brother</i> ) of this document or, where the context so requires, the directors of Domino from time to time;
“Domino Group”	Domino and its subsidiary undertakings and, where the context permits, each of them;
“Domino Meetings”	the Court Meeting and the General Meeting;
“Domino Profit Forecast”	the profit forecast of Domino referred to and explained in Part VII ( <i>Domino Profit Forecast</i> ) of this document;
“Domino Shareholders”	the holders of Domino Shares from time to time;
“Domino Shares”	the ordinary shares of 5 pence each in the capital of Domino;



<b>“Domino Share Schemes”</b> . . . . .	any and all of : a) the Domino Executive Share Option Scheme 2003; b) the Domino Executive Share Option Scheme 2013; c) the Domino Savings Related Share Option Scheme 2003; d) the Domino Savings Related Share Option Scheme 2013; e) the LTIP; f) the 2003 SIP; g) the 2013 SIP; and h) the Domino 2015 Deferred Bonus Plan;
<b>“EBITDA”</b> . . . . .	earnings before interest, taxation, depreciation and amortisation;
<b>“Effective Date”</b> . . . . .	the date on which the Scheme becomes effective in accordance with its terms;
<b>“Election Return Time”</b> . . . . .	the latest time by which any Loan Note Election may be made, being 11.00 a.m. on the Business Day prior to the date of the Scheme Court Hearing (or such later time (if any) to which the right to make an election may be extended by Brother or Domino);
<b>“ESOS Schemes”</b> . . . . .	the Domino Executive Share Option Scheme 2003 and the Domino Executive Share Option Scheme 2013;
<b>“Enterprise Value”</b> . . . . .	enterprise value, calculated in accordance with paragraph 19.3 of Part IX ( <i>Additional Information on Domino and Brother</i> ) of this document;
<b>“Euroclear”</b> . . . . .	Euroclear UK & Ireland Limited, a limited company incorporated in England and Wales with registered number 02878738;
<b>“Excluded Shares”</b> . . . . .	any Domino Shares which are registered in the name of or beneficially owned by any member of the Brother Group or its nominee(s);
<b>“Explanatory Statement”</b> . . . . .	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in Part II ( <i>Explanatory Statement</i> ) of this document;
<b>“FCA” or the “Financial Conduct Authority”</b> . . . . .	the United Kingdom Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“Form of Election”</b> . . . . .	the green form of election relating to the Loan Note Alternative which accompanies the Scheme Document;
<b>“Form(s) of Proxy”</b> . . . . .	either or both (as the context demands) of the blue Form of Proxy in relation to the Court Meeting and the white Form of Proxy in relation to the General Meeting;
<b>“FSMA”</b> . . . . .	the Financial Services and Markets Act 2000, including any statutory modification or re-enactment thereof for the time being in force;
<b>“General Meeting”</b> . . . . .	the general meeting of Domino Shareholders (including any adjournment thereof) to be convened in connection with the Scheme;
<b>“HMRC”</b> . . . . .	HM Revenue and Customs;
<b>“holder”</b> . . . . .	a registered holder and any person(s) entitled by transmission;

“IFRS”	International Financial Reporting Standards;
“IRS”	Internal Revenue Services;
“Japanese GAAP”	generally accepted accounting principles in Japan;
“Jefferies”	Jefferies Hoare Govett, a division of Jefferies International Limited;
“Listing Rules”	the rules and regulations made by the Financial Conduct Authority in its capacity as the UK Listing Authority under FSMA, and contained in the UK Listing Authority’s publication of the same name;
“Loan Note Alternative”	the alternative whereby Scheme Shareholders (other than certain Loan Note Restricted Scheme Shareholders) may elect to receive Loan Notes in lieu of all or part of the cash consideration to which they would otherwise be entitled under the Acquisition;
“Loan Note Election”	an election under the Loan Note Alternative;
“Loan Note Holder”	means a person for the time being entered on the register of Noteholders of Brother as the holder of a Loan Note;
“Loan Note Instrument”	the instrument constituting the Loan Notes;
“Loan Note Restricted Scheme Shareholders”	means a Scheme Shareholder whose Loan Note Election shall be of no effect, as determined by Domino or Brother in accordance with the Scheme and including any Scheme Shareholder who is a citizen, resident or national of any of the Restricted Jurisdictions;
“Loan Notes”	the unsecured loan notes 2020 of Brother to be issued by Brother Industries, Ltd. pursuant to the Loan Note Alternative;
“London Stock Exchange”	the London Stock Exchange plc;
“Long Stop Date”	14 August 2015, or such later date (if any) as Brother and Domino may agree and (if required) the Panel and the Court may allow;
“LTIP”	the Domino 2008 Long Term Incentive Plan;
“Non-Disclosure Agreement”	the non-disclosure agreement dated 18 February 2015 between Domino and Brother details of which are set out in paragraph 9 of Part IX ( <i>Additional Information on Domino and Brother</i> ) of this document;
“Offer Period”	the offer period (as defined by the Code) relating to Domino, which commenced on the Announcement Date;
“Offer Price”	consideration payable under the Acquisition in respect of a Domino Share;
“Official List”	the official list maintained by the UK Listing Authority;
“Opening Position Disclosure”	has the same meaning as in Rule 8 of the Code;
“Overseas Shareholders”	Domino Shareholders (or nominees of, or custodians or trustees for Domino Shareholders) not resident in, or nationals or citizens of the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers;
“P/E multiple”	price to earnings multiple, calculated in accordance with paragraph 19.4 of Part IX ( <i>Additional Information on Domino and Brother</i> ) of this document;
“PFIC”	a passive foreign investment company;

“Registrar of Companies” . . . . .	the registrar of companies in England and Wales;
“Regulation” . . . . .	has the meaning given to in paragraph 2(b) of Part III ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> );
“Regulatory Information Service” . . . . .	any of the services set out in Appendix III to the Listing Rules;
“Restricted Jurisdiction” . . . . .	United States, Japan, South Africa or Australia;
“Rothschild” . . . . .	N M Rothschild & Sons Limited;
“SAYE Plans” . . . . .	the Domino Savings Related Share Option Scheme 2003 and the Domino Savings Related Share Option Scheme 2013;
“Scheme” or “Scheme of Arrangement” . . . . .	the proposed scheme of arrangement under Part 26 of the Companies Act between Domino and the Scheme Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Domino and Brother;
“Scheme Court Hearing” . . . . .	the hearing at which the Scheme Court Order is made;
“Scheme Court Order” . . . . .	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;
“Scheme Document” . . . . .	this document dated 23 March 2015 sent by Domino to Domino Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting;
“Scheme Record Time” . . . . .	6.00 p.m. on the Business Day immediately after the date of the Scheme Court Hearing;
“Scheme Shareholders” . . . . .	holders of Scheme Shares;
“Scheme Shares” . . . . .	the Domino Shares;
	(i) in issue at the date of this document;
	(ii) (if any) issued after the date of this document and on or prior to the Voting Record Time in respect of the Court Meeting; and
	(iii) (if any) issued after the Voting Record Time in respect of the Court Meeting and on or prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof shall be bound by the Scheme or shall by such time have agreed in writing to be bound by the Scheme,
	but excluding (A) in the case of references in this document to “Scheme Shares” or “Scheme Shareholders” in relation to voting at the Court Meeting any Excluded Shares in issue at the Voting Record Time in respect of the Court Meeting and any Scheme Shares referred to in (iii) above and (B) in the case of other references in this document to “Scheme Shares” or “Scheme Shareholders” any Excluded Shares in issue at the Scheme Record Time;
“SEC” . . . . .	the US Securities and Exchange Commission;
“Significant Interest” . . . . .	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;

<b>“Standstill Period”</b> . . . . .	any one or more of the following periods: (i) the period from the date of the Announcement until the approval of the Acquisition at the Domino Meetings; (ii) the period from the date of any proposal or offer being received from or announced by a third party in respect of a possible offer for Domino until 30 June 2015; and/or (iii) the period from the date that Brother elects to implement the Acquisition by way of a Takeover Offer until 30 June 2015;
<b>“subsidiary”</b> . . . . .	has the meaning given in section 1159 of the Companies Act;
<b>“subsidiary undertaking”</b> . . . . .	has the meaning given in section 1162 of the Companies Act;
<b>“Takeover Offer”</b> . . . . .	should the Acquisition be implemented by way of a takeover offer, a takeover offer made by Brother to acquire the issued and to be issued Domino Shares and, where the context so requires, any revision, variation, extension or renewal of such offer;
<b>“Third Party”</b> . . . . .	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction;
<b>“TTE Instruction”</b> . . . . .	a transfer to escrow instruction given by a holder of uncertificated Scheme Shares through CREST;
<b>“UKLA” or “UK Listing Authority”</b> . . . . .	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
<b>“uncertificated” or “in uncertificated form”</b> . . . . .	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of CREST;
<b>“Uncertificated Securities Regulations”</b> . . . . .	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
<b>“United Kingdom” or “UK”</b> . . . . .	the United Kingdom of Great Britain and Northern Ireland;
<b>“US” or “United States”</b> . . . . .	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
<b>“US Exchange Act”</b> . . . . .	the United States Securities Exchange Act of 1934, as amended;
<b>“US Securities Act”</b> . . . . .	the US Securities Act of 1933, as amended, and rules and regulations promulgated thereunder;
<b>“US Shareholders”</b> . . . . .	holders of Domino Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Domino Shares for persons in the US or with a registered address in the US;
<b>“Volume Weighted Average Price”</b> . . . . .	volume weighted average price, calculated in accordance with paragraph 19.8 of Part IX ( <i>Additional Information on Domino and Brother</i> ) of this document;

- “**Voting Record Time**” . . . . . 6.00 p.m. on the date which is two Business Days prior to the date of the Domino Meetings or, if either meeting is adjourned, 6.00 p.m. on the date which is two Business Days before the date fixed for the relevant adjourned meeting;
- “**Wider Brother Group**” . . . . . Brother and associated undertakings and any other body corporate, partnership, joint venture or person in which Brother and all such undertakings (aggregating their interests) have a Significant Interest; and
- “**Wider Domino Group**” . . . . . Domino and associated undertakings and any other body corporate, partnership, joint venture or person in which Domino and such undertakings (aggregating their interests) have a Significant Interest.

PART XI: NOTICE OF COURT MEETING

No. 1979 of 2015

IN THE HIGH COURT OF JUSTICE  
CHANCERY DIVISION  
COMPANIES COURT  
Registrar Baister

IN THE MATTER OF DOMINO PRINTING SCIENCES PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 20 March 2015 made in the above matters, the Court has granted permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the Scheme of Arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between Domino Printing Sciences plc (the “**Company**”) and the holders of Scheme Shares (“**Scheme of Arrangement**”) and that such meeting will be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA, on 15 April 2015 at 11.00 a.m. at which place and time all holders of Scheme Shares are requested to attend.

A copy of the Scheme of Arrangement and a copy of the statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

**Holders of Scheme Shares may vote in person at the meeting or they may appoint another person as their proxy to attend, speak and vote in their stead. A proxy need not be a member of the Company. A blue Form of Proxy for use at the meeting is enclosed with this notice. Alternatively, holders of Scheme Shares may appoint a proxy or proxies electronically following the instructions set out in the section, “To Vote on the Acquisition”, of this document. The Company’s shareholders with Scheme Shares held through CREST may also appoint a proxy or proxies using CREST by following the instructions set out in the section, “To Vote on the Acquisition”, of this document. Completion and return of a Form of Proxy, or the appointment of proxies electronically or through CREST, will not preclude a holder of Scheme Shares from attending and voting in person at the meeting, or any adjournment thereof.**

Holders of Scheme Shares are entitled to appoint more than one proxy in respect of some or all of their Scheme Shares provided each proxy is appointed to exercise rights attached to different shares. Holders of Scheme Shares may not appoint more than one proxy to exercise rights attached to one share. A space has been included in the blue Form of Proxy to allow Scheme Shareholders entitled to attend and vote at the meeting to specify the number of Scheme Shares in respect of which that proxy is appointed. Scheme Shareholders who return a blue Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their holding of Scheme Shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Domino’s registrars, Capita Asset Services, for further Forms of Proxy or photocopy the Form of Proxy as required. Such Scheme Shareholders should also read the Form of Proxy in respect of the appointment of multiple proxies.

In the case of joint holders of Scheme Shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

It is requested that forms appointing proxies (together with any power of attorney or other authority under which they are signed, or a notarially certified copy of such power of attorney) be lodged with the Company’s registrar, Capita Asset Services, at the address stated therein, or through CREST or electronically, as soon as possible and, in any event, so as to be registered or received by no later than 11.00 a.m. on 13 April 2015 (or, if the meeting is adjourned, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)) but, if forms are not so returned, they may be handed to the chairman at the meeting.

Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company as at 6.00 p.m. on the date which is

two Business Days (as defined in the Scheme of Arrangement) prior to the date of the Court Meeting, or if the Court Meeting is adjourned, 6.00 p.m. on the date which is two Business Days before the date fixed for the relevant adjourned meeting. Changes to the register of members after such time will be disregarded.

By the said order, the Court has appointed Peter Byrom, or failing him, Nigel Bond or, failing him, Andrew Herbert or, failing him Rachel Hurst or, failing her any director of the Company to act as chairman of the meeting and has directed the chairman to report the result of the meeting to the Court.

The said Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 23 March 2015

ASHURST LLP

Broadwalk House, 5 Appold Street, London EC2A 2HA

Solicitors for the Company

Notes:

1. The statement of rights of Scheme Shareholders (as defined in the Scheme of Arrangement referred to above) in relation to the appointment of proxies described in this Notice of Court Meeting does not apply to nominated persons. Such rights can only be exercised by Scheme Shareholders.
2. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**nominated person**”) may, under an agreement between him/her and the member by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

## PART XII: NOTICE OF GENERAL MEETING

### DOMINO PRINTING SCIENCES PLC

Notice is hereby given that a general meeting of Domino Printing Sciences plc (the “**Company**”) will be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA, on 15 April 2015 at 11.15 a.m. (or as soon thereafter as the Court Meeting (as defined in the Scheme as referred to in the resolution set out below) convened for 11.00 a.m. on the same day and at the same place, by an order of the High Court of Justice, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

#### SPECIAL RESOLUTION

THAT for the purpose of giving effect to the scheme of arrangement between the Company and the holders of the Scheme Shares (as defined in the said scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, in its original form or subject to such modification, addition or condition as may be agreed between the Company and Brother Industries, Ltd. (“**Brother**”) and approved or imposed by the Court (the “**Scheme**”):

- (a) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into full effect; and
- (b) the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new article 56:

#### “Scheme of Arrangement

##### 56. Scheme of Arrangement

- 56.1 In this article, references to the “Scheme” are to the scheme of arrangement dated 23 March 2015 under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) and as approved by the holders of the Scheme Shares at the meeting convened by the Court and as it may be modified or amended in accordance with its terms, and expressions defined in the Scheme shall have the same meanings in this article.
- 56.2 Notwithstanding either any other provision of these articles or the terms of any resolution whether ordinary or special passed by the Company in general meeting, if the Company issues any ordinary shares (other than to Brother Industries, Ltd. (“**Brother**”) or its nominee(s)) on or after the adoption of this article and on or prior to the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or any subsequent holder or holders of such ordinary shares shall be bound by the Scheme accordingly.
- 56.3 Notwithstanding either any other provision of these articles or the terms of any resolution whether ordinary or special passed by the Company in general meeting, if any ordinary shares are issued to any person (other than Brother or its nominee(s)) (the “**New Member**”) after the Scheme Record Time, such New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) will, provided the Scheme shall have become effective, be obliged to immediately transfer all the ordinary shares held by the New Member (or any subsequent holder or any nominee of such New Member or such subsequent holder) (the “**Disposal Shares**”) to Brother (and/or its nominee, as Brother may direct) who shall be obliged to acquire all of the Disposal Shares in consideration of and conditional on the payment by or on behalf of Brother to the New Member of an amount in cash for each Disposal Share equal to the consideration that the New Member would have been entitled to had each Disposal Share been a Scheme Share.
- 56.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the consideration per Disposal Share to be paid under Article 56.3 above shall be adjusted by the directors in such manner as the auditors of the Company or an independent investment bank selected by the Company may determine to be fair and reasonable to the New Member to reflect such reorganisation or alteration. References in this article to ordinary shares shall, following such adjustment, be construed accordingly.



- 56.5 To give effect to any transfer required by this article, the Company may appoint any person as attorney for the New Member to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of Brother and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Disposal Shares in Brother and/or its nominees and pending such vesting to exercise all such rights to the Disposal Shares as Brother may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Brother) be entitled to exercise any rights attaching to the Disposal Shares unless so agreed by Brother. The Company may give good receipt for the purchase price of the Disposal Shares and may register Brother and/or its nominees as the holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for any Disposal Shares. Brother shall send a cheque drawn on a UK clearing bank (or shall procure that such a cheque is sent) in favour of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for the purchase price of such Disposal Shares within 14 days of the date on which the Disposal Shares are issued to the New Member.
- 56.6 If the Scheme shall not have become effective by the date referred to in paragraph 7(b) of the Scheme (or such later date, if any, as Brother and the Company may agree and the Court and the Panel on Takeovers and Mergers may allow, if such consent is required), this article shall be of no effect.
- 56.7 Notwithstanding any other provision of these articles, both the Company and the directors shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date (other than Brother and/or its nominee pursuant to the Scheme).
- 56.8 Notwithstanding any other provision of these articles, both the Company and the directors may refuse to register the transfer of any ordinary shares other than as provided by this article.”

Dated 23 March 2015

**By Order of the Board**

Richard Pryn

Company Secretary

Registered Office: Trafalgar Way, Bar Hill, Cambridge, Cambridgeshire CB23 8TU

Registered in England and Wales No. 01363137

Notes:

1. Only holders of ordinary shares of 5 pence in the capital of Domino are entitled to attend and vote at this meeting and may appoint a proxy to attend, speak and vote instead of them. A Domino Shareholder (as defined in the Scheme) may appoint more than one proxy in relation to the meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of the Company.
2. A white Form Of Proxy is enclosed for use at this meeting. To be valid, a completed Form of Proxy (and any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or other authority) must be returned so as to arrive at the offices of the Company's registrar, Capita Asset Services, at the address stated thereon, not later than 11.15 a.m. on 13 April 2015, (or, if the meeting is adjourned, by no later than the 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day)).
3. A space has been included in the white Form of Proxy to allow Domino Shareholders entitled to attend and vote at the meeting to specify by each proxy's name the number of Domino Shares in respect of which that proxy is appointed. Domino Shareholders who return a white Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their holding of Domino Shares. Domino Shareholders may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. Domino Shareholders may not appoint more than one proxy to exercise rights attached to one share. Domino Shareholders who wish

to appoint more than one proxy in respect of their shareholding should contact Domino's registrars, Capita Asset Services, for further Forms of Proxy or photocopy the Form of Proxy as required.

4. Domino Shareholders may register their proxy appointments electronically via the [www.capitashareportal.com](http://www.capitashareportal.com) website, where full details of the procedure are given. This address is given only for the filing of proxies for the General Meeting and not for any other purpose. If you choose to appoint a proxy electronically you will need your unique investor code which is printed on the Forms of Proxy. In order to be valid, such appointments and directions must be registered by no later than 11.15 a.m. on 13 April 2015 (in the case of the General Meeting) or, in the case of an adjourned meeting, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day). Domino Shareholders are advised to read the terms and conditions of use carefully.
5. Domino Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA10) not later than 11.15 a.m. on 13 April 2015, or if the meeting is adjourned, by no later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a working day). 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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a personal CREST member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. 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.
9. Completion and return of a Form of Proxy, or the appointment of proxies through CREST or electronically will not preclude a shareholder from attending and voting in person.
10. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes that may be cast thereat will be determined by reference to the register of members of the Company as at 6.00 p.m. on the date which is two Business Days prior to the date of the meeting, or if the meeting is adjourned, 6.00 p.m. on the date which is two Business Days before the date fixed for the adjourned meeting. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
11. As at close of business on 20 March (being the latest practicable date for preparation of this notice) the Company's issued share capital consisted of 112,655,671 ordinary shares of 5 pence each. Therefore, total voting rights in the Company as at close of business on 20 March 2015 were 112,655,671.

12. In the case of joint holders of ordinary shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
13. The statement of rights of Domino Shareholders in relation to the appointment of proxies described in these notes does not apply to nominated persons. Such rights can only be exercised by Domino Shareholders.
14. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a “**nominated person**”) may, under an agreement between him/her and the member by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
15. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that no more than one corporate representative is appointed over the same share.
16. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. However, members should note that no answer need be given in the following circumstances: (a) if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information; (b) if the answer has already been given on a website in the form of an answer to a question; or (c) if it is undesirable in the interests in the Company or in the good order of the meeting that the question be answered.
17. A copy of this notice, and other information required by section 311A of the Companies Act, can be found at [www.domino-printing.com/corporate](http://www.domino-printing.com/corporate).
18. Under sections 338 and 338A of the Companies Act, members meeting the threshold requirements in those sections may, subject to conditions, require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting, and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved, or a matter may properly be included in the business, unless one of the following applies: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company’s constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious.
19. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

## PART XIII: NOTES ON MAKING A LOAN NOTE ELECTION

### 1. Making an Election

#### 1.1 Shares held in certificated form

You should note that if you hold Scheme Shares in certificated form and are not a Loan Note Restricted Scheme Shareholder and you wish to make an election under the Loan Note Alternative you must complete and sign the green Form of Election in accordance with the instructions printed thereon and return it to Capita Asset Services, Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received by no later than 11.00 a.m. on the Business Day prior to the date of the Scheme Court Hearing (or such later time (if any) to which the right to make an election may be extended). A reply-paid envelope, for use in the UK only, is enclosed for your convenience. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme.

**If you wish to receive cash for all the Scheme Shares that you hold at the Scheme Record Time and do not wish to make an election under the Loan Note Alternative, do not return the Form of Election.**

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

You should complete a separate Form of Election for Scheme Shares held in certificated form, but under different designations, if you wish to make an election under the Loan Note Alternative in respect of cash consideration to which you would otherwise be entitled in respect of some or all your Scheme Shares.

If you need further copies of the Form of Election, please call Domino's registrars, Capita Asset Services, between 9.00 a.m. and 5.30 p.m. on Monday to Friday (except UK public holidays), on 0871 664 0321 from within the UK (calls cost 10p per minute from a BT landline; other providers or other network costs may vary) or on +44(0) 20 8639 3399 if calling from outside the UK (calls from outside the UK will be charged at the applicable rate). Please note that calls may be recorded and monitored for training and security purposes and Capita Asset Services cannot provide legal, tax or financial advice or advice on the merits of the Scheme.

#### 1.2 Shares held in uncertificated form (that is, in CREST)

If your Scheme Shares are in uncertificated form and you are not a Loan Note Restricted Scheme Shareholder and you wish to elect for the Loan Note Alternative you should NOT complete a green Form of Election but instead take (or procure to be taken) the actions set out below to transfer the Scheme Shares in respect of which you wish to elect for the Loan Note Alternative to the relevant escrow account using a transfer to escrow instruction ("**TTE Instruction**") specifying Capita Asset Services (in its capacity as a CREST participant under the participant ID referred to below) as the escrow agent ("**Escrow Agent**"), as soon as possible and in any event so that the TTE Instruction settles no later than 11.00 a.m. on the Business Day prior to the date of the Scheme Court Hearing (or such later time (if any) to which the right to make an election may be extended).

If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your Scheme Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Scheme Shares. You should send (or, if you are a CREST personal member or other CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

- (a) the number of Scheme Shares to be transferred to escrow (see below);
- (b) your member account ID;
- (c) your participant ID;
- (d) the participant ID of the Escrow Agent. This is RA10;
- (e) the ISIN number of the Scheme Shares. This is GB0002748050;

- (f) the intended settlement date. This should be as soon as possible and in any event by the Election Return Time;
- (g) the corporate action number for the Transaction. This is allocated by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST;
- (h) CREST standard delivery instructions priority of 80; and
- (i) a contact name and telephone number (in the shared note file of the TTE Instruction).

To elect for the Loan Note Alternative:

- (a) in the field relating to the number of Scheme Shares to be transferred to escrow, you should insert the number of Scheme Shares in respect of which you wish to make an election for the Loan Note Alternative; and
- (b) the member account ID of the Escrow Agent for the Loan Notes, which is 28524DOM.

After settlement of the TTE Instruction, you will not be able to access the Scheme Shares in CREST for any transaction or for charging purposes. If the Scheme becomes effective, the Escrow Agent will transfer the Scheme Shares to Brother or its nominees. You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedure outlined above.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Scheme Shares to settle prior to the Election Return Time. In this regard you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Please note that, if (i) you elect for the Loan Note Alternative in respect of Scheme Shares which are held in CREST and (ii) you fail to give the TTE Instructions to settle prior to the Election Return Time in accordance with the instructions set out above, your election for the Loan Note Alternative will to that extent be invalid and you will receive cash as if you had not elected for the Loan Note Alternative.

## **2. Other Provisions relating to the Loan Note Alternative**

The Loan Note Alternative is made available on the basis of £1 nominal value of Loan Notes for every £1 cash to which a Scheme Shareholder would otherwise be entitled to under the Scheme. Each Scheme Shareholder's aggregate entitlement to Loan Notes will be rounded down to the nearest £1 and, in the event that the Scheme Shareholder has validly elected (or is deemed to have validly elected pursuant to the terms of the Scheme) to receive Loan Notes in lieu of all of the cash consideration to which the Scheme Shareholder would otherwise be entitled, the balance of of the consideration will be disregarded and not paid to such holder.

Domino and Brother reserve the right at their sole discretion to determine that any Scheme Shareholder electing for the Loan Note Alternative is a Loan Note Restricted Scheme Shareholder and to refuse to issue Loan Notes to that Scheme Shareholder. In such event, the relevant Scheme Shareholder shall only be entitled to receive cash consideration as set out in this document. Neither Domino or Brother will be liable to any Scheme Shareholder for making any such determination.

## **3. General**

Persons who have made valid elections under the Loan Note Alternative will not be entitled to transfer their Scheme Shares after the Scheme Record Time.

No election under the Loan Note Alternative will be valid unless, in the case of certificated shares, a green Form of Election is completed in all respects and submitted, or in the case of uncertificated shares, an appropriate TTE Instruction is settled, in each case, by 11.00 a.m. on the Business Day prior to the date of the Scheme Court Hearing (or such later time (if any) to which the right to make an election may be extended).

If any Form of Election, in the case of certificated shares, or TTE Instruction, in the case of uncertificated shares, to make an election under the Loan Note Alternative is either received after 11.00 a.m. on the Business Day prior to the date of the Scheme Court Hearing (or such later time (if any) to which the right to make an election may be extended) or is received before such time and date but is not valid or complete

in all respects at such time and date, such election shall, for all purposes, be void and the holder of Scheme Shares purporting to make such election shall not, for any purpose, be entitled to receive any variation of consideration under the Loan Note Alternative and the relevant holder of Scheme Shares will, upon the Scheme becoming effective, only be entitled to receive the cash consideration due under the Scheme in respect thereof.

Without prejudice to any other provision of this Part XIII or the Form of Election or otherwise, Brother and Domino reserve the right in their absolute discretion to treat as valid in whole or in part any election for the Loan Note Alternative which is not entirely in order.

No acknowledgements of receipt of any Form of Election or other documents will be given. All communications, notices, other documents and remittances to be delivered by or to or sent to or from holders of Scheme Shares (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such holders of Scheme Shares (or their designated agents(s)) at their risk.

Brother and Domino and/or their respective agents reserve the right to notify any matter to all or any Scheme Shareholders with (i) registered addresses outside the UK or (ii) whom Brother, Domino and/or their respective agents know to be nominees, trustees or custodians for such Scheme Shareholders by announcement in the UK or paid advertisement in any daily newspaper published and circulated in the UK or any part thereof, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Scheme Shareholders to receive or see such notice. All references in this document to notice in writing, or the provision of information in writing, by or on behalf of Brother, Domino and/or their respective agents shall be construed accordingly. No such document shall be sent to an address outside the United Kingdom where it would or might infringe the laws of that jurisdiction or would or might require Brother or Domino to obtain any governmental or other consent or to effect any registration, filing or other formality with which, in the opinion of Brother and Domino, it would be unable to comply or which it regards as unduly onerous.

The Form of Election and TTE Instructions and all elections thereunder or pursuant thereto and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with English law.

Signature by or on behalf of a holder of Scheme Shares of a Form of Election or the submission by or on behalf of a holder of Scheme Shares of a TTE Instruction will constitute his submission, in relation to all matters arising out of or in connection with the Scheme and the Form of Election, or TTE Instruction to the jurisdiction of the courts of England and Wales and his agreement that nothing shall limit the rights of Domino to bring any action, suit or proceeding arising out of or in connection with the Scheme and the Form of Election or TTE Instruction in any other manner permitted by law or in any court of competent jurisdiction.

If the Scheme does not become effective in accordance with its terms, any election made shall cease to be valid.

Neither Brother, Domino nor any of their respective advisers or any person acting on behalf of either of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of elections under the Scheme on any of the bases set out in this Part XIII or otherwise in connection therewith.



