



Picture Holdco Limited
18 St Swithin's Lane
4th Floor
London
EC4N 8AD
For the attention of: Paul Golding

23 August 2016

Our ref: RED/SHampton/Picture

Dear Sirs

PROJECT PICTURE

Offer for Pinewood Group plc

We refer to the scheme document dated 24 August 2016 to be sent to shareholders of Pinewood Group plc ("Pinewood") (the "Scheme Document") in relation to the recommended cash offer for Pinewood made by Picture Holdco Limited, a copy of which is attached hereto as Appendix A.

We hereby give our consent to the inclusion in the Scheme Document of references to our name in the form and context in which it is included in the Scheme Document, which we have initialled for the purpose of identification.

Yours faithfully

A handwritten signature in black ink, appearing to be 'S. H. P.', is written over the typed name 'PricewaterhouseCoopers LLP'.

PricewaterhouseCoopers LLP

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PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.



Appendix A
Scheme Document

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**initial for identification
purposes only**

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF TRADING IN PINEWOOD SHARES ON THE LONDON STOCK EXCHANGE'S AIM MARKET.

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

If you have sold or otherwise transferred all your Pinewood Shares, please forward this document at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Pinewood Shares, you should retain this document and should contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with any such 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 Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

**Recommended Cash Offer
for
Pinewood Group plc
by
Picture Holdco Limited
to be effected by means of a
Scheme of Arrangement
under Part 26 of the Companies Act 2006**

This document sets out the details of the Offer to be effected by means of a scheme of arrangement under Part 26 of the Companies Act between Pinewood and the Scheme Shareholders. If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, including those who do not attend and/or vote to approve the Scheme or who attend and/or vote against it at the Court Meeting and/or the General Meeting.

Shareholders should read carefully the whole of this document, any information incorporated by reference into this document and the accompanying Forms of Proxy. Your attention is drawn to the letter from the Pinewood Chairman in Part I of this document which contains the unanimous recommendation of the Pinewood Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. Part II of this document contains a letter from Rothschild explaining the Scheme and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

Notices convening the Court Meeting and the General Meeting, both of which will be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL on 19 September 2016, are set out at the end of this document. The Court Meeting will start at 9.00 a.m. and the General Meeting will start at 9.15 a.m. (or, if later, as soon as the Court Meeting has been concluded or adjourned). The action to be taken by Pinewood Shareholders in respect of the Meetings is set out on page iv of this document, in the section entitled "Action to be taken".

Shareholders will find enclosed with this document a blue Form of Proxy for use in connection with the Court Meeting and a white Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend both or either of the Meetings in person, please complete and sign both of the enclosed Forms of Proxy and return them in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post or, during normal business hours only, by hand to

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Pinewood's Registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by 9.00 a.m. on 15 September 2016 in the case of the Court Meeting and by 9.15 a.m. on 15 September 2016 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting (excluding any day that is not a Business Day)). The Forms of Proxy have a pre-paid address for your convenience for use in the UK only. If the blue Form of Proxy for use at the Court Meeting is not returned by the above time, it may be handed to the Chairman of the Court Meeting before the taking of the poll at that Meeting. However, in the case of the General Meeting, unless the white Form of Proxy is returned by the time noted above, it will be invalid. Alternatively, you can submit your proxy electronically at www.sharevote.co.uk by following the instructions on the website. Electronic proxy appointments must be received by 9.00 a.m. on 15 September 2016 in the case of the Court Meeting and by 9.15 a.m. on 15 September 2016 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting (excluding any day that is not a Business Day)). If you hold your Pinewood Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the Notice of Court Meeting and to the accompanying notes to the Notice of General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST participant ID RA19) must be received by Pinewood's Registrar not later than 9.00 a.m. on 15 September 2016 in the case of the Court Meeting and by 9.15 a.m. on 15 September 2016 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting (excluding any day that is not a Business Day)).

The completion and return of the Forms of Proxy or the appointment of a proxy or proxies electronically will not prevent you from attending and voting in person at either of the Meetings, or any adjournment thereof, should you wish to do so.

If you have any questions about this document or the completion and return of your Forms of Proxy, please call Pinewood's Registrar, Equiniti, on 0371 384 2672 or +44 (0)121 415 7047 (if calling from outside the UK) between 8.30 a.m. and 5.30 p.m. Monday to Friday (except English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti cannot provide advice on the merits of the Offer or give financial, tax, investment or legal advice.

N M Rothschild & Sons Limited, which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Pinewood and for no one else in connection with the Offer and will not be responsible to anyone other than Pinewood for providing the protections afforded to its clients or for providing advice in connection with the Offer or the contents of this document.

Peel Hunt, which is authorised and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Pinewood and for no one else in connection with the Offer and will not be responsible to anyone other than Pinewood for providing the protections afforded to its clients or for providing advice in connection with the Offer or the contents of this document.

PwC, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Bidco and for no one else in connection with the Offer and will not be responsible to any person other than Bidco for providing the protections afforded to clients of PwC, nor for providing advice in relation to the matters referred to herein. Neither PwC nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of PwC in connection with the Offer or the contents of this document, or otherwise.

This document is dated 24 August 2016.

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IMPORTANT NOTICE

OVERSEAS JURISDICTIONS

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with any such 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 Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

This document does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document and the accompanying documents have been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law, the Code, the AIM Rules for Companies and the Rules of the London Stock Exchange and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. Nothing in this document or the accompanying documents should be relied on for any other purpose.

Further details in relation to Overseas Shareholders are contained in paragraph 13 of Part II of this document. All Pinewood Shareholders or other persons (including nominees, trustees and custodians) who would otherwise intend to or may have a contractual or legal obligation to forward this document and the accompanying Forms of Proxy to a jurisdiction outside the United Kingdom should refrain from doing so and seek appropriate professional advice before taking any action.

No person has been authorised to make any representations on behalf of Pinewood concerning the Offer which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised.

The summary of the principal provisions of the Scheme contained in this document is qualified in its entirety by reference to the Scheme itself, the full text of which is set out in Part III of this document. Each Pinewood Shareholder is advised to read and consider carefully the text of the Scheme itself. This is because this document, and in particular the letter from the Chairman of Pinewood and the Explanatory Statement, has been prepared solely to assist Pinewood Shareholders in respect of voting on the Scheme and the Special Resolution to be proposed at the General Meeting.

The Scheme relates to shares of an English company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation or tender offer rules or the laws of other jurisdictions outside the United Kingdom.

Pinewood Shareholders should not construe the contents of this document as legal, tax or financial advice and should consult with their own advisers as to the matters described in this document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference in this document) contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Pinewood Group and certain plans and objectives of the boards of directors of Pinewood and Bidco. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. The forward-looking statements contained in this document include statements relating to the expected effects of the Offer on Bidco and Pinewood, the expected timing and scope of the Offer and other statements other than historical facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "synergy", "cost-saving", "strategy", "budget", "goal", "believe", "will", "may", "might", "should", "would", "could" or other words of similar meaning or the negative thereof. These statements are based on assumptions and assessments made by the Boards of Pinewood and Bidco in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such

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forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Pinewood and Bidco assume no obligation to update or correct the information contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

The forward-looking 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 publication of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Pinewood except where expressly stated.

NO PROFIT FORECASTS OR ESTIMATES

No statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings per share for Pinewood or Bidco, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings per share for Pinewood or Bidco, as appropriate.

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 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (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 pm (London time) on the Business Day following the date of the relevant dealing.

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

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

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

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ELECTRONIC COMMUNICATIONS

Please be aware that addresses, electronic addresses and certain information provided by Pinewood Shareholders, persons with information rights and other relevant persons for the receipt of communications from Pinewood may be provided to Bidco 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

In accordance with Rule 30.2 of the Code, 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 Bidco's website at www.pictureholddcoltd.com and on Pinewood's website at <http://www.pinewoodgroup.com/about-us/investor-relations> by no later than 12 noon (London time) on the Business Day following the publication of this document. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this document unless expressly stated herein.

RIGHT TO RECEIVE DOCUMENTS IN HARD COPY FORM

Any person entitled to receive a copy of documents, announcements and information relating to the Offer is entitled to receive such documents in hard copy form. Such person may request that all future documents, announcements and information in relation to the Offer are sent to them in hard copy form.

A hard copy form will not be sent to any person unless requested from Equiniti by way of either written request to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or request by telephone on 0371 384 2672 (when telephoning from inside the UK) or on +44 (0)121 415 7047 (when telephoning from outside the UK). Telephone lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti cannot provide advice on the merits of the Offer or give financial, tax, investment or legal advice.

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 totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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ACTION TO BE TAKEN

This section 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.

Please check you have received the following with this document:

- a blue Form of Proxy for use in respect of the Court Meeting; and
- a white Form of Proxy for use in respect of the General Meeting.

If you have not received all of these documents please contact Pinewood's Registrar on the telephone number set out below.

Whether or not you plan to attend the Meetings:

1. COMPLETE AND RETURN THE BLUE FORM OF PROXY, TO BE RECEIVED BY NO LATER THAN 9.00 A.M. ON 15 SEPTEMBER 2016; AND
2. COMPLETE AND RETURN THE WHITE FORM OF PROXY, TO BE RECEIVED BY NO LATER THAN 9.15 A.M. ON 15 SEPTEMBER 2016,

(or, in the case of an adjourned Meeting, not less than 48 hours before the time and date set for the adjourned Meeting (excluding any day that is not a Business Day)).

If you require assistance relating to the completion and return of the Forms of Proxy, please telephone

Equiniti

on 0371 384 2672 (from within the UK)

on +44 (0)121 415 7047 (from outside the UK)

Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Equiniti cannot provide advice on the merits of the Offer or give financial, tax, investment or legal advice.

If the blue Form of Proxy for use at the Court Meeting is not returned by the above time, it may be handed to the Chairman of the Court Meeting at the Court Meeting before the taking of the poll at that Meeting. However, in the case of the General Meeting, unless the white Form of Proxy is returned by the time noted above, it will be invalid.

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

The Scheme requires approval at a meeting of the Scheme Shareholders convened by order of the Court to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 9.00 a.m. on 19 September 2016. Implementation of the Scheme also requires the passing of the Special Resolution by the Pinewood Shareholders to be proposed at the General Meeting to approve certain matters relating to the Scheme. The General Meeting will be held at 9.15 a.m. on 19 September 2016 (or, if later, as soon thereafter as the Court Meeting has been concluded or adjourned).

To vote using an electronic proxy appointment

Pinewood Shareholders may submit their proxy appointments electronically at www.sharevote.co.uk by following the instructions on the website. If you choose to appoint a proxy electronically, you will need to input the Voting ID, Task ID and Shareholder Reference Number as set out in the enclosed Forms of Proxy. Electronic proxy appointments must be received by 9.00 a.m. on 15 September 2016 in the case of the Court Meeting and by 9.15 a.m. on 15 September 2016 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 Business Day)). Pinewood Shareholders are advised to read the terms and conditions of use carefully.

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To vote at the 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. 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 system 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). 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 Pinewood's Registrar, Equiniti (participant ID RA19) not later than 9.00 a.m. on 15 September 2016 in the case of the Court Meeting and by 9.15 a.m. on 15 September 2016 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 Business 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 CREST 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.

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

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

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 SIGN AND RETURN YOUR FORMS OF PROXY, OR APPOINT A PROXY ELECTRONICALLY, AS SOON AS POSSIBLE.

Helpline

If you have any questions about this document, the Meetings or the completion and return of the Forms of Proxy, please call Pinewood's Registrar, Equiniti, on 0371 384 2672 or (+44 (0)121 415 7047 if calling from outside the UK) between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (except English and Welsh public holidays). Please note that for legal reasons, Pinewood's Registrar cannot give you any advice on the merits of the Offer or provide any personal financial, tax, investment or legal advice in connection with the Offer. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme. All times shown in this document are London times unless otherwise stated.

<u>Event</u>	<u>Time and/or date</u>
Agreed Dividend Record Date	close of business on 2 September 2016
Latest time for receipt of Forms of Proxy for:	
Court Meeting (blue form)	9.00 a.m. on 15 September 2016 ⁽¹⁾
General Meeting (white form)	9.15 a.m. on 15 September 2016 ⁽¹⁾
Voting Record Time	6.30 p.m. on 15 September 2016 ⁽²⁾
Court Meeting	9.00 a.m. on 19 September 2016
General Meeting	9.15 a.m. on 19 September 2016 ⁽³⁾
The following dates are indicative only and are subject to change⁽⁴⁾	
Pinewood AGM	10.30 a.m. on 26 September 2016
Scheme Court Hearing (to sanction the Scheme)	27 September 2016, subject to regulatory clearance
Last day of dealings in, and for registrations of transfers of, Pinewood Shares	28 September 2016
Scheme Record Time	6.00 p.m. on 28 September 2016
Agreed Dividend payment date	3 October 2016
Effective Date of the Scheme	4 October 2016
Cancellation of admission of and dealings in Pinewood Shares on AIM	5 October 2016
Latest date for despatch of cheques and/or crediting of CREST accounts for cash consideration due under the Scheme	Within 14 days of the Effective Date
Long Stop Date	12 December 2016 ⁽⁵⁾

Notes:

The Court Meeting and the General Meeting will both be held at the offices of Travers Smith-LLP, 10 Snow Hill, London EC1A 2AL. Please see "Action to be Taken" on page iv.

- (1) If the blue Form of Proxy for the Court Meeting is not received by Pinewood's Registrar, Equiniti, by 9.00 a.m. on 15 September 2016, it may be handed to the Chairman at the Court Meeting at any time before the taking of the poll and still be valid. However, the white Form of Proxy for the General Meeting must be received by Pinewood's Registrar by 9.15 a.m. on 15 September 2016 in order for it to be valid or, if the General Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any day that is not a Business Day).
- (2) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned meeting will be 6.30 p.m. on the day which is two Business Days before the date fixed for the adjourned meeting.
- (3) The General Meeting will commence at 9.15 a.m. on 19 September 2016 or, if later, as soon thereafter as the Court Meeting has been concluded or adjourned.
- (4) These dates are indicative only and will depend, amongst other things, on the date upon which (i) the Conditions are either satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; (iii) the Scheme Court Order is delivered to the Registrar of Companies.
- (5) This is the latest date by which the Scheme may become Effective unless Pinewood and Bidco agree, with the consent of the Panel and (if required) the Court, a later date.

The dates given are based on Pinewood's current expectations and may be subject to change. Pinewood 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 <http://www.pinewoodgroup.com/about-us/investor-relations>. Further updates of changes to other times or dates indicated above shall, at Pinewood's discretion, be notified in the same way. All Pinewood Shareholders have the right to attend the Scheme Court Hearing.

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PART I
LETTER FROM THE CHAIRMAN OF PINWOOD



(Registered in England and Wales under no. 03889552)

Directors:

Lord Grade of Yarmouth CBE (Chairman)
Andrew M. Smith (Corporate Affairs Director)
Christopher Naisby (Finance Director)
Ivan Dunleavy (Chief Executive)
Nicholas Smith (Commercial Director)
Ruth Prior (Non-Executive Director)
Steven Underwood (Non-Executive Director)
Mary Teresa Rainey (Non-Executive Director)

Registered Office:

Pinewood Studios
Pinewood Road
Iver Heath
Buckinghamshire
SL0 0NH

24 August 2016

To Pinewood Shareholders and persons with information rights

Dear Pinewood Shareholder,

Recommended cash acquisition of Pinewood by Bidco

1. Introduction

On 12 August 2016, the Pinewood Board and Bidco Board announced that they had reached agreement on the terms of a recommended cash acquisition by Bidco of all the issued ordinary share capital of Pinewood.

I am writing to you to set out the background to the Offer and explain why the Pinewood Directors, who have been so advised by Rothschild as to the financial terms of the Offer, consider the Offer to be fair and reasonable and why they unanimously recommend that Pinewood Shareholders should vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. In particular, your attention is drawn to the Explanatory Statement from Rothschild, in Part II of this document which, in compliance with section 897 of the Companies Act, sets out full details of the Scheme.

In order to approve the terms of the Scheme by which the Offer is to be implemented, a sufficient majority of Scheme Shareholders will need to vote in favour of the Scheme at the Court Meeting and Pinewood Shareholders will need to pass the Special Resolution to be proposed at the General Meeting. Details of the actions you should take are set out in paragraph 12 of this letter. The recommendation of the Pinewood Directors is set out in paragraph 14 of this letter.

2. The Offer

(a) Consideration

Under the terms of the Offer, which is subject to the Conditions and the further terms set out in Part V of this document, each Pinewood Shareholder will be entitled to receive up to 563.2 pence per Pinewood Share on the following basis:

- for each Scheme Share held at the Scheme Record Time, 560 pence in cash; and
- for Pinewood Shareholders who are on the register of members of Pinewood at the close of business on 2 September 2016, the Agreed Dividend of 3.2 pence per Pinewood Share which, subject to shareholder approval at the Pinewood AGM, will be paid on 3 October 2016 without any reduction to the Offer Price payable by Bidco for each Scheme Share under the terms of the Offer.

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The Offer (including the payment of the Agreed Dividend) values the entire issued ordinary share capital of Pinewood at approximately £323.3 million and the price per Pinewood Share which Scheme Shareholders would receive under the Offer (including the Agreed Dividend) represents:

- a premium of approximately: 31.0 per cent. to the average Closing Price of 430 pence per Pinewood Share for the 20 Business Days ending on 9 February 2016, being the last Business Day prior to the announcement of the Strategic Review; and
- a premium of 50.2 per cent. to the 375 pence per share price of the share placing by Pinewood which completed on 17 April 2015.

(b) Scheme becoming Effective

The Scheme and the Offer are subject to satisfaction or (if applicable) waiver of the Conditions set out in Part V of this document. As the Pinewood Group includes an FCA-authorized subsidiary, Pinewood Film Advisors Limited, the Offer will be conditional upon FCA consent to any change of control of Pinewood Film Advisors Limited for the purposes of the controllers regime under Part XII of the Financial Services and Markets Act 2000 (as amended). 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 at least 75 per cent. in value of the Scheme Shares voted. Implementation of the Scheme also requires the passing of the Special Resolution to be proposed at the General Meeting to approve certain matters relating to the Scheme and the reregistration of Pinewood as a private company under the Companies Act subject to the Scheme becoming Effective.

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. Subject to satisfaction or waiver of the Conditions, the Scheme is expected to become Effective on 4 October 2016.

The Offer will lapse if the Scheme does not become Effective by the Long Stop Date.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted (in favour or otherwise) at the Court Meeting or the General Meeting.

It is expected that Pinewood will close its register of members after close of business on 28 September 2016 and the listing of the Pinewood Shares on AIM and dealings in such shares on the London Stock Exchange will be suspended from 29 September 2016. Application will be made to the London Stock Exchange for the Pinewood Shares to cease to be admitted to trading on AIM as of the Effective Date.

If the Scheme becomes Effective, cheques in respect of the cash consideration will be despatched by post to Scheme Shareholders at their own risk (or the cash consideration will be settled through CREST, as the case may be) as soon as practicable and, in any event, within 14 days of the Effective Date. Subject to shareholder approval being received at the Pinewood AGM, the Agreed Dividend will be paid on 3 October 2016.

Further details of the Scheme are set out in the Explanatory Statement in Part II of this document.

3. Reasons for the Offer and future plans for Pinewood

Bidco believes that Pinewood represents a compelling opportunity to invest in a well-established and growing business led by an experienced management team. The Board of Bidco believes that Pinewood's attractions include, among others: (i) its well-recognised and iconic brand; (ii) its world class facilities and market leading position; (iii) its highly regarded and experienced professionals; and (iv) various long-term growth opportunities.

Bidco intends to focus on and invest in Pinewood's core business of providing world class facilities for the production and post-production of screen content both in the UK and internationally. Further, Bidco intends to work with management to evaluate and develop growth opportunities within the business.

Aermont (formerly, PW Real Assets LLP) serves as investment adviser to PW Fund III and has a strong track record in operating companies with a real estate component. Bidco intends to provide strategic guidance, financial capital and operational expertise to support the continued growth of the Company.

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Bidco is positive about the opportunity to grow the Pinewood business and intends to work with its management to further enhance the Company's position as a global leader in the operation and provision of professional production facilities and related services. Bidco plans to continue to operate Pinewood as an independent British business.

4. Background to and reasons for recommending the Offer

On 10 February 2016, Pinewood announced that it had appointed Rothschild to assist with a strategic review of Pinewood's capital base and structure. The background to the Strategic Review was that the Company's shareholder register has been tightly held for a number of years, which has stifled liquidity in the Company's shares and prevented the Company from obtaining a main market listing.

As stated in the announcement on 10 February 2016, the goals of the strategic review were to "*evaluate alternative opportunities to maximise value for the Company's shareholders and to build on Pinewood's successes to date*". In assessing the future prospect of the Company, the Board has been particularly concerned to address funding for future growth.

Rothschild also assisted with a broader review of the Company's overall capital base and structure. As part of the Strategic Review process, the Company engaged in discussions with a wide range of interested parties, some of whom, including Bidco, put forward proposals to acquire the Company.

Whilst the Pinewood Board continues to believe in the prospects for the business as a standalone company, the Board also recognises that the Offer represents an attractive valuation and premium to the undisturbed share price. The Offer also provides all shareholders with an opportunity to realise their investment which is not otherwise available to them given the relatively illiquid market for the Company's shares on AIM. Accordingly, the Board intends to unanimously recommend the Offer to Pinewood Shareholders.

5. Current Trading and Prospects

Since the publication of the results for the financial year ended 31 March 2016, the Company has continued to experience strong demand for its facilities and services.

6. Irrevocable undertakings

Bidco has received irrevocable undertakings to vote (or procure the vote) in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or if the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of such Contractual Offer) from each of the Directors of the Company who hold Pinewood Shares and each of Goodweather Investment Management Limited, Warren James Holdings Limited and the Aviva Investors, who together hold 45,867,661 Pinewood Shares in aggregate, representing approximately 79.9 per cent. of Pinewood's ordinary share capital in issue on 22 August 2016 (being the latest practicable date prior to publication of this document).

Further details of these irrevocable undertakings are set out in Part VII of this document.

7. Information on Bidco and PW Fund III

Bidco is a company incorporated under the laws of England and Wales for the purposes of the Offer and is owned indirectly by PW Fund III. Bidco has not traded since its date of incorporation, or entered into any obligations, other than in connection with the Offer and the financing of the Offer.

PW Fund III is one of a series of funds advised by Aermont. PW Fund III has committed partnership capital of EUR 1.5 billion and no capital has been called to date. PW Fund III acts by its general partner PW Fund III GP. Léon Bressler is the controlling shareholder of PW Fund III GP. Any investment decisions of PW Fund III GP are taken by a five member board of directors, of which four are independent directors.

The PW Funds invest in real estate and real estate related opportunities, including operating companies with a real estate component, in the UK and Europe, focusing on long-term value creation projects for assets and businesses. Collectively, the PW Funds have received equity commitments of around EUR 4 billion made by investors that include prominent public and private pension plans and other institutions in Europe, the United States, Asia and the Middle East.

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Aermont is a London-based independent asset management business that serves as investment advisor to each of the PW Funds and is managed by a five member Management Committee (including four partners). Léon Bressler is the Managing Partner of, and controls, Aermont.

Further details on the directors of Bidco and PW Fund III GP can be found in paragraph 2 of Part VII of this document.

8. Information on Pinewood

Pinewood is a leading provider of studio and related services to the global screen-based industries. The Company's services include film production, filmed television and studio television recording, digital content services and the provision of facilities to media related business.

The Pinewood Group's unique selling point is the breadth of production related facilities and services available 'on-the-lot' which provides clients with a full service offering. The Company currently has two reporting segments—Media Services, which provides studio and related services to the screen-based industries; and Media Investment, which provides investment funding and production services to the screen-based industries.

The Media Services segment has principally three complementary operating streams—Film; Television; and Media Hub. Within Film and Television, operations includes stage and ancillary and digital content services, which includes picture and sound post production, media storage and management and distribution for original English language and internationally re-versioned content.

The Media Hub is currently home to 241 independent businesses representing and providing expertise, equipment and support to the film, television, games, advertising and photographic industries. These companies come together to form a unique cluster and centre of excellence for the entire creative industry.

The Media Investment segment (trading as "Pinewood Pictures") includes an agreement to source and advise on film, high-end television and video game investment opportunities for two media development funds. In addition, the segment involves identification and investment by the Company in British qualifying film and high-end television productions.

International operations, which leverage the Pinewood brand, include providing international sales, marketing, studio development and consultancy services in Canada, the Dominican Republic, Malaysia and China plus a joint venture in the United States.

The audited consolidated accounts of Pinewood for the financial years ended 31 March 2015 and 31 March 2016 have been published on <http://www.pinewoodgroup.com/about-us/investor-relations> and are incorporated into this document by reference to such website in accordance with Rule 24.15 of the Code.

9. Management, employees and locations

Bidco recognises and respects the capabilities and experience of Pinewood's existing management and employees. Bidco intends to discuss with the senior management of Pinewood their continuing involvement in the Enlarged Group. Given the importance which Bidco places on their ongoing participation, Bidco intends to put in place certain incentivisation arrangements with senior management. No material discussions have yet taken place between Bidco and Pinewood in relation to the terms or allocation of those arrangements.

Bidco currently has no specific plans to make any changes as regards the continuing employment of employees and management, however, Bidco has confirmed to the Pinewood Board that, following the Scheme becoming Effective, the existing employment rights of all the employees of the Pinewood Group will continue to be safeguarded and their accrued rights to pensions benefits protected. Bidco's current plans do not involve any material change to the conditions of employment of Pinewood's employees, management and those of its subsidiaries.

Bidco does not currently intend to change the principal locations of Pinewood's places of business, or redeploy any fixed assets of Pinewood, and intends to continue operating Pinewood as an independent and iconic British business, by working with its management to further enhance its position as a global leader in the operation and provision of professional production facilities and related services.

The Pinewood Board welcomes Bidco's intentions with respect to the future operations of the business, in particular, the intentions to safeguard the existing employment rights of Pinewood employees on the

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Scheme becoming Effective and keeping the business as an iconic British business with no change to its principal locations.

Long Term Incentive Plan

Pinewood operates a Long Term Incentive Plan ("LTIP") under which awards have been made to senior management in respect of the year ended 31 March 2016. These LTIP awards entitle participants to receive a cash payment in accordance with the terms of the LTIP on the Scheme becoming Effective. Any cash payments to be made to senior management under the LTIP as a result of the Scheme becoming Effective will be paid to them in the next available payroll following the Effective Date.

10. Delisting of Pinewood Shares and re-registration

The attention of Pinewood Shareholders is drawn to paragraph 14 of the Explanatory Statement set out in Part II of this document in relation to Bidco's intentions with regard to the delisting of Pinewood Shares and the re-registration of Pinewood as a private company.

11. United Kingdom taxation

A summary of relevant UK taxation, which is intended as a general guide only, is set out in Part VI of this document. If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriately qualified independent professional adviser immediately.

12. Action to be taken

The Scheme and the Offer are subject to the satisfaction or, where applicable, waiver of the Conditions referred to in Part II of this document and set out in full in Part V of this document. In order to become Effective, the Scheme must be approved by a majority in number of those Scheme Shareholders who are present and vote either in person or by proxy at the Court Meeting (or any adjournment thereof) and who represent 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders. Implementation of the Scheme will also require the passing of the Special Resolution by Pinewood Shareholders at the General Meeting. The Court Meeting and the General Meeting will both be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL. The Court Meeting will be held at 9.00 a.m. on 19 September 2016 and the General Meeting will be held at 9.15 a.m. on the same date (or, if later, as soon thereafter as the Court Meeting has concluded or adjourned). Under the Companies Act, the Scheme is also subject to the sanction of the Court. **Bidco, which currently does not hold any Pinewood Shares, may not exercise its voting rights at the Court Meeting if it becomes a holder of any such shares before the Voting Record Time. If the Scheme becomes effective, it will be binding on all Scheme Shareholders, including those who did not vote or who voted against it, at either one or both of the Meetings.**

You will find enclosed with this document:

- a blue Form of Proxy for use in respect of the Court Meeting; and
- a white Form of Proxy for use in respect of the General Meeting.

Whether or not you plan to attend both or either of the Meetings, please complete and sign the enclosed Forms of Proxy and return them in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by post or, during normal business hours, by hand to Pinewood's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA by 9.00 a.m. on 15 September 2016 in the case of the Court Meeting and by 9.15 a.m. on 15 September 2016 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting (excluding any day that is not a Business Day)). The Forms of Proxy have a pre-paid address for your convenience for use in the UK only. Forms of Proxy sent by fax only will not be valid.

If the blue Form of Proxy for use at the Court Meeting is not lodged by the above time, it may be handed to the Chairman of the Court Meeting before the taking of the poll and will still be valid. However, in the case of the General Meeting, unless the white Form of Proxy is returned by the time noted above, it will be invalid.

Alternatively, you can submit your proxy electronically at www.sharevote.co.uk by following the instructions set out on the enclosed Forms of Proxy. You will need to input the Voting ID, Task ID and

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Shareholder Reference as set out in the enclosed Forms of Proxy. Electronic Proxy appointments must be received by 9.00 a.m. on 15 September 2016 in the case of the Court Meeting and by 9.15 a.m. on 15 September 2016 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set out for the adjourned meeting (excluding any day that is not a Business Day)).

If you hold your Pinewood Shares in CREST you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the Notice of Court Meeting and the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST participant RA19) must be received by Pinewood's Registrar, Equiniti, not later than 9.00 a.m. on 15 September 2016 in the case of the Court Meeting and by 9.15 a.m. on 15 September 2016 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting (excluding any day that is not a Business Day)).

The completion and return of the Forms of Proxy or the appointment of a proxy or proxies electronically will not prevent you from attending and voting in person at either of the Meetings, or any adjournment thereof, should you wish to do so.

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 Pinewood Shareholder opinion. You are therefore strongly urged to sign and return your Forms of Proxy, or appoint a proxy electronically, as soon as possible.

If you have any questions relating to completion and return of the Forms of Proxy, please call Pinewood's Registrar, Equiniti, on 0371 384 2672 or (+44 (0) 121 415 7047 if calling from outside the UK) between 8.30 a.m. and 5.30 p.m., Monday to Friday (except English and Welsh public holidays). Please note that for legal reasons, Pinewood's Registrar cannot give you any advice on the merits of the Offer or provide any personal financial, legal, investment or taxation advice in connection with the Offer. Calls outside the UK will be charged at the applicable international rate. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Overseas Shareholders should refer to paragraph 13 of the Explanatory Statement set out in Part II of this document. Details relating to settlement are included in paragraph 15 of the Explanatory Statement set out in Part II of this document.

Notices convening the Court Meeting and the General Meeting are set out at the end of this document.

13. Further information

Your attention is drawn to the letter from Rothschild set out in Part II of this document (being the Explanatory Statement pursuant to section 897 of the Companies Act). The terms of the Scheme are set out in full in Part III of this document. Your attention is also drawn to the further information contained in this document and, in particular, to the Conditions in Part V, the information on UK taxation in Part VI and the additional information set out in Part VII of this document.

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

14. Recommendation

The Board of Pinewood, which has been so advised by Rothschild as to the financial terms of the Offer, considers the terms of the Offer to be fair and reasonable. In providing its advice to the Board of Pinewood, Rothschild has taken into account the Board's commercial assessments. Rothschild is providing independent financial advice to Pinewood Directors for the purposes of Rule 3 of the Code.

Peel Hunt in its role as corporate broker and nominated adviser to the Company has advised the Pinewood Directors on the merits of the Offer and the recommendation to Pinewood Shareholders.

The Board considers that the Offer is in the best interests of Pinewood Shareholders as a whole and accordingly recommends unanimously that all Pinewood Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting, as those Pinewood Directors who hold Pinewood Shares have irrevocably undertaken to do (or procure the registered holders to do) in respect of their own beneficial shareholdings of 323,267 Pinewood Shares, which represent, in aggregate,


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approximately 0.56 per cent. of Pinewood's issued share capital on 22 August 2016, being the latest practicable date prior to publication of this document.

Yours faithfully



Lord Grade of Yarmouth
Pinewood Group plc

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PART II

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act)



N M Rothschild & Sons Limited
New Court, St Swithin's Lane
London EC4N 8AL
24 August 2016

To Pinewood Shareholders and persons with information rights

Dear Pinewood Shareholder,

Recommended cash acquisition of Pinewood by Bidco

1. Introduction

On 12 August 2016, the Pinewood Board and Bidco Board announced that they had reached agreement on the terms of a recommended cash acquisition by Bidco of all the issued ordinary share capital of Pinewood.

It was also announced that the Offer is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

Bidco is a new company incorporated in England and Wales that has been formed for the purpose of implementing the Offer and is indirectly owned by PW Fund III. Further information relating to Bidco and PW Fund III is set out in paragraph 5 of this Part II.

The Scheme requires, amongst other things, the approval of the Scheme Shareholders and the sanction of the Court.

Your attention is drawn to the letter from the Chairman of Pinewood set out in Part I of this document, which forms part of this Explanatory Statement and which contains the background to and reasons for the Board's recommendation and which states that the Board, which has been so advised by Rothschild as to the financial terms of the Offer, considers the terms of the Offer to be fair and reasonable. Rothschild is providing independent financial advice to Pinewood Directors for the purposes of Rule 3 of the Code. In providing its advice to the Board, Rothschild has taken into account the Board's commercial assessment of the Offer. The Board unanimously recommends that all Pinewood Shareholders vote in favour of the resolutions to be proposed at the Meetings, as those Pinewood Directors who hold Pinewood Shares have irrevocably undertaken to do (or procure the registered holders to do) in respect of their own beneficial shareholdings of 323,267 Pinewood Shares, which represent, in aggregate, approximately 0.56 per cent. of Pinewood's issued share capital.

We have been authorised by the Pinewood Board to write to you to explain the Scheme and the Offer and to provide you with other relevant information. The terms of the Scheme are set out in full in Part III of this document. Your attention is also drawn to the further information set out in Parts IV and VI to IX of this document which are deemed to form part of this Explanatory Statement.

2. The Offer

The Offer is intended 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 Pinewood will be held by Bidco. The Offer is subject to the Conditions and further terms set out in Part V of this document. Under the terms of the Scheme, Scheme Shares will be transferred to Bidco and each Pinewood Shareholder will be entitled to receive up to 563.2 pence per Pinewood Share on the following basis:

- for each Scheme Share held at the Scheme Record Time, 560 pence in cash; and
- for Pinewood Shareholders who are on the register of members of Pinewood at the close of business on 2 September 2016, the Agreed Dividend of 3.2 pence per Pinewood Share which, subject to shareholder approval at the Pinewood AGM, will be paid on 3 October 2016 without any reduction to the Offer Price payable by Bidco under the terms of the Offer.

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The Offer (including the payment of the Agreed Dividend) values the entire issued ordinary share capital of Pinewood at approximately £323.3 million and the price per Pinewood Share which Scheme Shareholders would receive under the Offer (including the Agreed Dividend) represents:

- a premium of approximately 31.0 per cent. to the average Closing Price of 430 pence per Pinewood Share for the 20 Business Days ending on 9 February 2016, being the last Business Day prior to the announcement of the Strategic Review; and
- a premium of approximately 50.2 per cent. to the 375 pence per share price of the share placing by Pinewood which completed on 17 April 2015.

3. Structure of the Offer

(a) Introduction

The Offer is to be effected by a means of a scheme of arrangement between Pinewood and the Scheme Shareholders under Part 26 of the Companies Act, the provisions of which are set out in full in Part III of this document. The purpose of the Scheme is to provide for Bidco to become the owner of the whole of the issued share capital of Pinewood. This is to be achieved by the transfer of the Scheme Shares to Bidco in consideration for which the Scheme Shareholders will receive cash consideration on the basis set out in paragraph 2 above.

On the Effective Date, share certificates in respect of Pinewood Shares will cease to be valid and entitlements to Scheme Shares held within the CREST system will be cancelled.

Pinewood Shareholders whose names appear on the register of Pinewood 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 560 pence in cash for each Scheme Share held by them.

To become Effective, the Scheme requires the approval of a majority in number of those Scheme Shareholders (other than the Excluded Shareholders) who are present and vote (and are entitled to vote) either in person or by proxy at the Court Meeting and who represent 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders. The Scheme also requires the sanction of the Court and the passing of the Special Resolution to be proposed at the General Meeting, as well as satisfaction or waiver (where applicable) of the other Conditions set out in Part V of this document. As the Pinewood Group includes an FCA-authorized subsidiary, Pinewood Film Advisors Limited, the Offer will be conditional upon FCA consent to any change of control of Pinewood Film Advisors Limited for the purposes of the controllers regime under Part XII of the Financial Services and Markets Act 2000 (as amended). **Upon the Scheme becoming Effective, it will be binding on all Pinewood Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.**

(b) The Meetings

Notices of the Court Meeting and the General Meeting are set out at the end of this document. Entitlements to attend and vote at the Meetings and the number of votes which may be cast at them will be determined by reference to holdings of Pinewood Shares as shown in the register of members of Pinewood at the time specified in the notice of the relevant Meeting.

The Court Meeting

You will find set out at the end of this document at Part X, notice of the meeting of the Scheme Shareholders which has been convened by order of the Court for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

The Court Meeting, which has been convened for 9.00 a.m. on 19 September 2016, is being held at the direction of the Court to seek the approval of the Scheme Shareholders to the Scheme. At the Court Meeting, voting will be by way of poll and each Scheme Shareholder (other than the Excluded Shareholders) present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders who are present and entitled to vote, either in person or by proxy, and who represent 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders.

Scheme Shareholders have the right to raise any objections they may have to the Scheme at the Court Meeting.

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It is important that as many votes as possible are cast (whether in person or by proxy) at the Court Meeting 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 and return the blue Form of Proxy for the Court Meeting as soon as possible and, in any event, so as to be received by 9.00 a.m. on 15 September 2016. A Form of Proxy for the Court Meeting not lodged at the relevant time may be handed to the Chairman of the Court Meeting before the taking of the poll and will still be valid.

The General Meeting

In addition to the Court Meeting, the General Meeting has been convened for 9.15 a.m. on 19 September 2016, or as soon thereafter as the Court Meeting has concluded or been adjourned, for the holders of Pinewood Shares to consider and, if thought fit, pass the Special Resolution (which requires votes in favour representing at least 75 per cent. of the votes cast) to approve:

- (i) the Scheme and authorise the Pinewood Directors to take all actions as they may consider necessary or appropriate to give effect to the Scheme; and
- (ii) reregistration of Pinewood as a private company under the Companies Act subject to the Scheme becoming Effective.

You will find the notice of the General Meeting set out at Part XI of this document.

At the General Meeting, voting on the Special Resolution will be on a show of hands unless a poll is demanded. The Chairman reserves the right to demand a poll and, in such event, each Pinewood Shareholder present in person or by proxy will be entitled to one vote for every Pinewood Share held.

All Pinewood Shareholders will be entitled to vote on the Special Resolution.

(c) Modifications to the Scheme

The Scheme contains a provision for Pinewood and Bidco jointly to consent on behalf of all concerned to any modifications, additions or conditions to the Scheme which the Court may think fit to approve (if required) or impose. The Court would be unlikely to approve or impose any modifications, additions or conditions to the Scheme which might be material 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. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Pinewood Directors, is of such a nature or importance as to require the consent of Scheme Shareholders at a further meeting, the Pinewood Directors will not take the necessary steps to enable the Scheme to become Effective unless and until such consent is obtained.

(d) Alternative means of implementing the Offer

Bidco reserves the right to elect (subject to the consent of the Panel) to implement the Offer by way of a Contractual Offer in accordance with the Code (as an alternative to the Scheme) as it may determine in its absolute discretion. In such event, the Offer will be implemented by Bidco 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 Bidco may determine) of the Pinewood Shares to which such an offer would relate. If Bidco does elect to implement the Offer by way of a Contractual Offer, and if sufficient acceptances of such Offer are received and/or sufficient Pinewood Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of sections 979 - 982 (inclusive) of the Companies Act to acquire compulsorily any outstanding Pinewood Shares to which such Offer relates.

(e) Conditions to the Offer

The Conditions to the Offer are set out in full in Part V of this document. The Scheme is conditional, *inter alia*, upon:

- (i) the Scheme becoming Effective, subject to the Code, by not later than the Long Stop Date;
- (ii) approval of the Scheme by a majority in number of those Pinewood Shareholders (other than the Excluded Shareholders) who are present and vote either in person or by proxy at the Court Meeting

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- and at any separate class meeting which may be required, or any adjournment of that meeting, and who represent 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders;
- (iii) the Special Resolution set out in the notice of the General Meeting at the end of this document being duly passed by the requisite majority at the General Meeting, or any adjournment of that meeting;
 - (iv) the sanction (with or without modification but subject to any modifications being on terms acceptable to Pinewood and Bidco) of the Scheme by the Court and the delivery of a copy of the Scheme Court Order for registration to the Registrar of Companies; and
 - (v) the FCA having notified in writing, and not withdrawn, any required consent in accordance with Part XII of the FSMA to the acquisition of control of Pinewood Film Advisers Limited by Bidco and any controllers of Bidco in the manner contemplated by the Scheme, such consent being either (i) unconditional in all respects (save as to the period within which the change of control must occur); or (ii) subject to conditions (other than as to timing) reasonably satisfactory to Bidco and, insofar as such conditions relate to a Pinewood Group Company or otherwise affect a Pinewood Group Company, reasonably satisfactory to Pinewood and such conditions having been, to the extent relevant, satisfied; or the FCA being treated as having given such approval and notice thereof in accordance with Part XII of the FSMA (the "FCA Condition").

(f) Sanction of the Scheme by the Court

Under the Companies Act, the Scheme also requires the sanction of the Court. The hearing by the Court to sanction the Scheme is expected to be held on 27 September 2016, subject to satisfaction or waiver (where applicable) of the Conditions. If the FCA Condition is not satisfied by the date set down for the hearing to sanction the Scheme, the hearing will be postponed until it is satisfied. Bidco has confirmed that it will be represented by counsel at such hearings so as to consent to the Scheme and to undertake to the Court to be bound thereby.

The Scheme will become Effective in accordance with its terms on delivery of a copy of the Court Order to the Registrar of Companies.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted in favour of the Scheme at the Court Meeting or in favour of the Special Resolution proposed at the General Meeting. If the Scheme does not become Effective by the Long Stop Date the Scheme will not become Effective and the Offer will not proceed.

4. Background to and reasons for recommending the Offer

The details of the background to and reasons for recommending the Offer are set out in full in the letter from the Chairman of the Company in paragraph 4 of Part I of this document.

5. Information on Bidco and PW Fund III

Bidco is a company incorporated under the laws of England and Wales for the purposes of the Offer and is owned indirectly by PW Fund III. Bidco has not traded since its date of incorporation, and Bidco has not entered into any obligations, other than in connection with the Offer and the financing of the Offer.

PW Fund III is one of a series of funds advised by Aermont. PW Fund III has committed partnership capital of EUR 1.5 billion and no capital has been called to date. PW Fund III acts by its general partner PW Fund III GP. Léon Bressler is the controlling shareholder of PW Fund III GP. Any investment decisions of PW Fund III GP are taken by a five member board of directors, of which four are independent directors.

The PW Funds invest in real estate and real estate related opportunities, including operating companies with a real estate component, in the UK and Europe, focusing on long-term value creation projects for assets and businesses. Collectively, the PW Funds have received equity commitments of around EUR 4 billion made by investors that include prominent public and private pension plans and other institutions in Europe, the United States, Asia and the Middle East.

Aermont is a London-based independent asset management business that serves as investment advisor to each of the PW Funds and is managed by a five member Management Committee (including four partners). Léon Bressler is the Managing Partner of, and controls, Aermont.

Further details on the directors of Bidco and PW Fund III GP can be found in paragraph 2 of Part VII.

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6. Information on Pinewood and current trading

Pinewood is a leading provider of studio and related services to the global screen-based industries. The Company's services include film production, filmed television and studio television recording, digital content services and the provision of facilities to media related business.

The Pinewood Group's unique selling point is the breadth of production related facilities and services available 'on-the-lot' which provides clients with a full service offering. The Company currently has two reporting segments—Media Services, which provides studio and related services to the screen-based industries; and Media Investment, which provides investment funding and production services to the screen-based industries.

The Media Services segment has principally three complementary operating streams—Film; Television; and Media Hub. Within Film and Television, operations includes stage and ancillary and digital content services, which includes, picture and sound post production, media storage and management and distribution for original English language and internationally re-versioned content.

The Media Hub is currently home to 241 independent businesses representing and providing expertise, equipment and support to the film, television, games, advertising and photographic industries. These companies come together to form a unique cluster and centre of excellence for the entire creative industry.

The Media Investment segment (trading as "Pinewood Pictures") includes an agreement to source and advise on film, high-end television and video game investment opportunities for two media development funds. In addition, the segment involves identification and investment by the Company in British qualifying film and high-end television productions.

International operations, which leverage the Pinewood brand, include providing international sales, marketing, studio development and consultancy services in Canada, the Dominican Republic, Malaysia and China plus a joint venture in the United States.

The audited consolidated accounts of Pinewood for the financial years ended 31 March 2015 and 31 March 2016 have been published on <http://www.pinewoodgroup.com/about-us/investor-relations> and are incorporated into this document by reference to such website in accordance with Rule 24.15 of the Code.

The Pinewood Directors are not aware of any current ratings or outlooks publicly accorded to Pinewood by ratings agencies.

Since the publication of the results for the financial year ended 31 March 2016, the Company has continued to experience strong demand for its facilities and services.

7. Reasons for the Offer and future plans for Pinewood

Bidco believes that Pinewood represents a compelling opportunity to invest in a well-established and growing business led by an experienced management team. The Board of Bidco believes that Pinewood's attractions include among others, (i) its well-recognised and iconic brand; (ii) its world class facilities and market leading position; (iii) its highly regarded and experienced professionals; and (iv) various long-term growth opportunities.

Bidco intends to focus on and invest in Pinewood's core business of providing world class facilities for the production and post-production of screen content both in the UK and internationally. Further, Bidco intends to work with management to evaluate and develop growth opportunities within the business.

Aermont (formerly, PW Real Assets LLP), serves as investment advisor to PW Fund III and has a strong track record in operating companies with a real estate component. Bidco intends to provide strategic guidance, financial capital and operational expertise to support the continued growth of the Company.

Bidco is positive about the opportunity to grow the Pinewood business and intends to work with its management to further enhance the Company's position as a global leader in the operation and provision of professional production facilities and related services. Bidco plans to continue to operate Pinewood as an independent British business.

8. Management, employees and locations

Bidco recognises and respects the capabilities and experience of Pinewood's existing management and employees. Bidco intends to discuss with the senior management of Pinewood their continuing involvement in the Enlarged Group. Given the importance which Bidco places on their ongoing

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participation, Bidco intends to put in place certain incentivisation arrangements with senior management. No material discussions have yet taken place between Bidco and Pinewood in relation to the terms or allocation of those arrangements.

Bidco currently has no specific plans to make any changes as regards the continuing employment of employees and management, however, Bidco has confirmed to the Pinewood Board that, following the Scheme becoming Effective, the existing employment rights of all the employees of the Pinewood Group will continue to be safeguarded and their accrued rights to pensions benefits protected. Bidco's current plans do not involve any material change to the conditions of employment of Pinewood's employees, management and those of its subsidiaries.

Bidco does not currently intend to change the principal locations of Pinewood's places of business, or redeploy any fixed assets of Pinewood, and intends to continue operating Pinewood as an independent and iconic British business, by working with its management to further enhance its position as a global leader in the operation and provision of professional production facilities and related services.

9. Financing the Offer and cash confirmation

The consideration payable under the terms of the Offer will be funded partially by the Facility further details of which are set out in paragraph 11 of Part VII of this document. The balance of the cash consideration will be funded through financing provided by PW Fund III.

PwC is satisfied that the necessary financial resources are available to Bidco to satisfy the cash consideration in full. Full implementation of the Offer would result in cash consideration of approximately £321.5 million in aggregate being payable by Bidco to Pinewood Shareholders.

10. LTIP

Pinewood operates a Long Term Incentive Plan ("LTIP") under which awards have been made to senior management in respect of the year ended 31 March 2016. These LTIP awards entitle participants to receive a cash payment in accordance with the terms of the LTIP on the Scheme becoming Effective. Any cash payments to be made to senior management under the LTIP as a result of the Scheme becoming Effective will be paid to them in the next available payroll following the Effective Date.

11. The Pinewood Directors and the effect of the Scheme on their interests

The Pinewood Directors and the details of their interests (for the purposes of Part X of the Companies Act) in the share capital of Pinewood are set out in paragraph 3 of Part VII to this document. A number of the Pinewood Directors are participants in the LTIP and paragraph 10 above will apply to their interests in such scheme in the same manner as in the case of other participants in the LTIP.

As outlined in paragraph 6 of Part I of this document and paragraph 3 of this Part II, the Pinewood Directors have undertaken to vote (or procure the vote) in favour of the resolution to be proposed at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting in respect of their entire beneficial holdings (or shareholdings they control) of Pinewood Shares. Further details of these irrevocable commitments are set out in paragraph 4 of Part VII of this document.

Particulars of the service contracts (including severance packages) and letters of appointment of the Pinewood Directors are set out in paragraph 8 of Part VII of this document.

12. United Kingdom taxation

A summary of relevant UK taxation, which is intended as a general guide only, is set out in Part VI of this document. If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriately qualified independent professional adviser immediately.

13. Overseas Shareholders

The implications of the Scheme and the Offer for Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with

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other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This document has been prepared for the purposes of complying with English law, the Code and the AIM Rules and the information disclosed in this document may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any other jurisdiction.

14. Delisting of Pinewood Shares and re-registration

The last day of dealings in, and for registration of transfers of, Pinewood Shares is expected to be 28 September 2016, following which the Pinewood Shares will be suspended from trading on the London Stock Exchange's AIM market. No transfers of Pinewood Shares will be registered after this date.

Prior to the Scheme becoming Effective, an application will be made to the London Stock Exchange for the cancellation of admission to trading on the London Stock Exchange's AIM market of the Pinewood Shares. The cancellation will take place on the day following the Effective Date.

On the Effective Date, share certificates in respect of the Scheme Shares will cease to be valid. In addition, on the Effective Date, entitlements to Scheme Shares held within the CREST system will be cancelled.

It is proposed that, following the Scheme becoming Effective, and after the Pinewood Shares have been delisted, Pinewood will be re-registered as a private company.

15. Settlement

Subject to the Scheme becoming Effective, settlement of the cash consideration to which any holder of Scheme Shares is entitled thereunder will be effected within 14 days of the Effective Date in the manner set out below.

Except with the consent of the Panel, settlement of cash 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 Bidco may otherwise be, or claim to be, entitled against such Scheme Shareholder.

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

(a) Cash consideration where Scheme Shares are held in uncertificated form (that is, in CREST)

On the Effective Date, Scheme Shares held within CREST will be cancelled. Pinewood Shareholders who hold Scheme Shares in uncertificated form will receive any cash consideration to which they are entitled through CREST by Bidco procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Pinewood Shareholder holds such uncertificated shares in respect of the cash consideration due to that shareholder.

As from the Effective Date, each holding of Pinewood Shares credited to any stock account in CREST will be disabled and all Pinewood Shares will be removed from CREST in due course thereafter.

Bidco reserves the right to pay all or any part of the cash consideration referred to above to all or any Pinewood Shareholder(s) who holds Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in paragraph (b) below if, for any reason, it wishes to do so.

(b) Cash consideration where Scheme Shares are held in certificated form

On the Effective Date, Scheme Shares held in certificated form will be cancelled and share certificates for such Scheme Shares will cease to be valid and should be destroyed.

Settlement of cash consideration due under the Scheme in respect of Scheme Shares held in certificated form will be despatched:

- (i) by first class post, by cheque drawn on a branch of a UK clearing bank; or
- (ii) 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 concerned or, in the case of joint holders, to the holder whose name stands first in the register of members of Pinewood in respect of the joint holding concerned. Cheques will be despatched as

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soon as practicable after the Effective Date and in any event within 14 days of the Effective Date. The encashment of any such cheque as is referred to in this paragraph shall be a complete discharge for the moneys represented by it.

All deliveries of cheques required to be made pursuant to the Scheme shall be effected by posting them by first class post in pre-paid envelopes addressed to the persons entitled to them at their respective addresses as appearing on the register of members of Pinewood at the Scheme Record Time (or, in the case of joint holders, at the address of that one of the joint holders whose names stands first in the register in respect of such joint holding at such time) and neither Pinewood nor Bidco shall be responsible for any loss or delay in the transmission of cheques sent in this way.

16. Action to be taken

Your attention is drawn to paragraph 12 of the letter from the Chairman set out in Part I of this document which explains the actions you should take in relation to the Scheme.

17. Further information

The terms of the Scheme are set out in full in Part III of this document. Your attention is also drawn to the further information contained in this document all of which forms part of this Explanatory Statement and, in particular, to the Conditions and further terms in Part V, the information on UK taxation in Part VI and the additional information set out in Part VII of this document.

Yours faithfully

Alex Midgen

for and on behalf of

N M Rothschild & Sons Limited

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**PART III
THE SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION**

COMPANIES COURT

No. 4612 of 2016

IN THE MATTER OF PINWOOD GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

BETWEEN

PINWOOD GROUP PLC

and

THE SCHEME SHAREHOLDERS

(as hereinafter defined)

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PRELIMINARY

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

Agreed Dividend	the proposed final dividend of 3.2 pence price per Pinewood Share in respect of the year ended 31 March 2016 announced in the full year results for the year ended 31 March 2016, on 11 July 2016 and payable to Pinewood Shareholders on the register at the close of business on 2 September 2016.
Bidco	Picture Holdco Limited (incorporated in England and Wales under registered number 10296277 with its registered office at 18 St Swithin's Lane, 4 th Floor, London, United Kingdom, EC4N 8AD)
Bidco Group	Bidco, PW Real Estate Fund III LP, PW Real Estate Fund III GP Limited, PWREF III Holding S.à r.l, Venus Grafton S.à r.l, Earth Grafton S.à r.l and Mars Grafton S.à r.l
Business Day	a day, other than a Saturday, Sunday or public holiday in the UK, on which banks are open for non-automated business in the City of London
certificated or in certificated form .	a share or other security which is not in uncertificated form (that is, not in CREST)
Circular	the document dated 24 August 2016 sent by Pinewood to the holders of its ordinary shares of which this Scheme forms part
Code	the City Code on Takeovers and Mergers
Companies Act	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time
Company or Pinewood	Pinewood Group plc registered in England and Wales with company number 03889552 with its registered office at Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH
connected person	has the meaning given to it in sections 252 to 255 of the Companies Act
Court	the High Court of Justice in England and Wales
Court Meeting	the meeting of the Scheme Shareholders convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, approve (with or without modification) this Scheme, notice of which is set out in Part X of this document, including any adjournment thereof
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations
CREST Manual	the CREST Manual issued by Euroclear dated June 2016 and available via www.euroclear.com
Effective Date	the date on which this Scheme becomes effective in accordance with its terms
Euroclear	Euroclear UK and Ireland Limited, a limited company incorporated in England and Wales with registered number 02878738
Excluded Shareholder	a holder of Excluded Shares
Excluded Shares	any Pinewood Shares of which Bidco or any members of the Bidco Group is the holder or in which Bidco is beneficially interested

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holder	a registered holder
Long Stop Date	12 December 2016, or such later date (if any) as Bidco and Pinewood may agree and (if required) the Panel and the Court may allow
members	members of the Company on the register of members at any relevant date
Panel	the Panel on Takeovers and Mergers
Pinewood AGM	the annual general meeting of Pinewood to be held on 26 September 2016
Pinewood Articles	the articles of association of Pinewood as at the date of the Scheme
Pinewood Share(s)	the existing unconditionally allotted or issued and fully paid ordinary shares of 10 pence each in the capital of Pinewood
Pinewood's Registrar	Equiniti of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
Registrar of Companies	the Registrar of Companies in England and Wales
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
Restricted Jurisdictions	any jurisdictions where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any regulation filing or other formality which Bidco or Pinewood regards as unduly onerous
Scheme	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Pinewood and Bidco
Scheme Court Hearing	the hearing by the Court to sanction the Scheme
Scheme Court Order	the order of the Court to sanction the Scheme
Scheme Record Time	6.00 p.m. on the Business Day immediately after the date of the Scheme Court Hearing
Scheme Shareholders	registered holders of Scheme Shares
Scheme Shares	the Pinewood Shares which are: (i) in issue at the date of this document; (ii) (if any) issued after the date of this document and before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders of such shares are to be bound by the Scheme or in respect of which their holders are, or shall have agreed in writing to be, bound by the Scheme, and remaining in issue at the Scheme Record Time but excluding the Excluded Shares (if any)
Securities Act	the United States Securities Act of 1933 (as amended)
Shareholders	means a Scheme Shareholder including any Scheme Shareholder who is a citizen, resident or national of any of the Restricted Jurisdictions

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- uncertificated or in uncertificated form** recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
- US or United States** the United States of America, its territories and possessions, any state of the United States of America, any other areas subject to its jurisdiction and the District of Columbia
- US Person** a US Person as defined in Regulation S under the Securities Act
- Voting Record Time** 6.30 p.m. on the day which is two Business Days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two days before the date fixed for the adjourned meeting (excluding any day that is not a Business Day)
- (B) The issued share capital of the Company as at the close of business on 22 August 2016 (being the latest practicable date prior to the publication of the Scheme Document) is £5,740,992.60 divided into 57,409,926 ordinary shares of 10 pence each, all of which are credited as fully paid. Pinewood does not hold any Pinewood Shares in treasury at the date of this document.
- (C) As at 22 August 2016 (being the latest practicable date prior to publication of the Circular), no member of the Bidco Group is the registered holder of or beneficially owns any Pinewood Shares.
- (D) Bidco has agreed to appear by counsel on the hearing to sanction this Scheme and to consent thereto 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 or things as may be necessary to give effect to this Scheme.

1. Transfer of Scheme Shares

- 1.1** On the Effective Date, Bidco (or such of its nominee(s) as Bidco shall determine) shall acquire all of the Scheme Shares, fully paid-up with full title guarantee, and free from all liens, equities, charges, options, encumbrances, rights of pre-emption and other interests.
- 1.2** For the purposes of such acquisition, the Scheme Shares shall be transferred to Bidco (or such of its nominee(s) as it shall determine) and to give effect to such transfers any person may be appointed by Bidco 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.
- 1.3** With effect from the Effective Date and pending the registration of Bidco (or its nominee(s)) as the holder of the Scheme Shares pursuant to clauses 1.1 and 1.2 of this Scheme each Scheme Shareholder irrevocably:
- 1.3.1** appoints Bidco (or its nominee(s)) as its attorney to exercise any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares;
- 1.3.2** appoints Bidco or its nominee(s)) as its attorney to sign any consent to short notice of any general or separate class meeting of Pinewood and on their behalf to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by Bidco to attend general and separate class meetings of Pinewood; and
- 1.3.3** authorises Pinewood to send to Bidco any notice, circular, warrant or other document or communication which Pinewood sends to its shareholders or any class thereof.
- 1.4** The Scheme Shares will be transferred to Bidco 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 12 August 2016, save for the Agreed Dividend.

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2. Consideration for the transfer of Scheme Shares

2.1 In consideration for the transfer of the Scheme Shares to Bidco, Bidco (and/or its nominee(s)) 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 the Company at the Scheme Record Time:

for each Scheme Share: **560 pence in cash**

2.2 In addition, Pinewood Shareholders who are on the register of members of Pinewood at close of business on 2 September 2016 will be entitled to receive the Agreed Dividend which, subject to shareholder approval at the Pinewood AGM, will be paid on 3 October 2016 without any reduction to the 560 pence cash per Scheme Share payable by Bidco under the terms of the Offer.

2.3 If any dividend or distribution and/or return of capital is authorised, declared, made or paid by Pinewood in respect of a Pinewood Share (other than the Agreed Dividend), Bidco shall be entitled to (without prejudice to any right of Bidco, with the consent of the Panel, to invoke Condition 3.4(b) set out in Part V of the Circular) reduce the amount of consideration payable by an amount equal to such dividend or distribution or excess or return of capital (excluding associated tax credit) as long as Scheme Shareholders will be entitled to retain that dividend, other distribution, excess or return of capital as the case may be.

3. Despatch of Consideration

3.1 As soon as practicable after the Effective Date, and in any event no more than 14 days thereafter (or such later date as may be approved by the Panel), Bidco shall:

3.1.1 in the case of cash consideration payable by Bidco for Scheme Shares which at the Scheme Record Time are in certificated form, despatch or procure the despatch to the persons entitled thereto, in accordance with the provisions of sub-clause 3.2, cheques for the sums payable to them respectively in accordance with clause 2; and

3.1.2 in the case of cash consideration payable by Bidco for Scheme Shares which at the Scheme Record Time are in uncertificated form, ensure that an assured payment obligation is created in respect of the sums payable in accordance with the CREST assured payment arrangements provided that Bidco reserves the right to make payment of the said consideration by cheque as aforesaid in sub-clause 3.1.1 if, for any reason, it wishes to do so.

3.2 All deliveries of cheques shall be effected by Bidco by duly posting the same by first-class post in prepaid envelopes addressed to the persons respectively entitled thereto at their respective addresses as appearing in the register of members of the Company or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register (except, in either case, as otherwise directed in writing) at the Scheme Record Time.

3.3 Neither Bidco nor Pinewood shall be responsible for any loss or delay in the despatch of the cheques posted in accordance with clauses 3.1 or 3.2 which shall be posted at the risk of the addressee.

3.4 All cheques shall be in pounds Sterling and made payable to the person to whom in accordance with the foregoing provisions of this clause 3 the envelope containing the same is addressed (save that in the case of joint holders, Bidco reserves the right to make the cheque payable to all joint-holders or the first-named joint holder) and the encashment of any such cheque or the creation of any such assured payment obligation as is referred to in clause 3.1.2 shall be a complete discharge of Bidco's obligations under this Scheme to pay the monies represented thereby.

3.5 In respect of payments made through CREST, Bidco 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 Bidco's obligation under this Scheme with reference to the payments made through CREST.

3.6 The provisions of this clause 3 shall be subject to any prohibition or condition imposed by law.

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4. Share Certificates and cancellations

4.1 With effect from and including the Effective Date:

4.1.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the shares comprised therein and every holder thereof shall be bound at the request of the Company to deliver up the same to the Company for cancellation, or as it may direct, to destroy the same; and

4.1.2 in respect of those holders of Scheme Shares holding their shares in uncertificated form, Euroclear shall be instructed to cancel the entitlements to such Scheme Shares.

4.2 On the Effective Date, appropriate entries will be made in the register of members of Pinewood to reflect the transfer of the Scheme Shares to Bidco 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.

4.3 The preceding paragraphs of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

5. Dividend mandates

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

6. Operation of this Scheme

6.1 This Scheme shall become effective upon a copy of the Scheme Court Order being delivered to the Registrar of Companies in England and Wales.

6.2 Unless this Scheme has become effective on or before the Long Stop Date, this Scheme shall not become effective.

6.3 Pinewood and Bidco 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.

7. 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: 24 August 2016

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**PART IV
FINANCIAL INFORMATION**

1. Pinewood financial information

The following sets out financial information in respect of Pinewood as required by Rule 24.3 of the Code. The documents referred to below (or parts thereof), 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 City Code.

<u>Information incorporated by reference</u>	<u>Hyperlinks</u>	<u>Page numbers</u>
Audited Consolidated Accounts for Year End 31 March 2016	http://www.pinewoodgroup.com/sites/default/files/ps-pdfs/20056_pinewood_ar16_web.pdf	45 - 94
Audited Consolidated Accounts for Year End 31 March 2016	http://www.pinewoodgroup.com/sites/default/files/ps-pdfs/pinewood_ar15_proof3_3july.pdf	40 - 89

2. Bidco financial information

As Bidco was incorporated on 26 July 2016 for the purpose of making the Offer, no financial information is available or has been published in respect of Bidco.

Bidco has no material assets or liabilities, in each case other than those described in this document in connection with the Offer and the financing of the Offer. With effect from the Effective Date, the earnings, assets and liabilities of the Enlarged Group will therefore comprise the consolidated earnings, assets and liabilities of the Pinewood Group on the Effective Date.

3. Hard copies

These documents are available free of charge on Pinewood's website at <http://www.pinewoodgroup.com/about-us/investor-relations>. A person who has received this document may request a hard copy of any documents or information incorporated by reference into this document. A copy of any such documents or information incorporated by reference into this document will not be provided unless requested in writing from Equiniti, Aspect House, Spencer Road, Lancing, West Sussex or by telephone 0371 384 2672 or +44 (0)121 415 7047 if calling from outside the UK.

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PART V

CONDITIONS TO THE IMPLEMENTATION OF THE OFFER

Part A: Conditions of the Scheme

1. The Offer is conditional upon the Scheme becoming unconditional and Effective, subject to the Code, by no later than the Long Stop Date.
2. The Scheme will be subject to the following conditions:
 - 2.1 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 at any separate class meeting which may be required (or any adjournment thereof) and who represent 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders who are on the register of members of Pinewood at the Voting Record Time;
 - 2.2 such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting (or such later date as may be agreed by Bidco and Pinewood);
 - 2.3 the Special Resolution required to approve and implement the Scheme being duly passed by those Pinewood Shareholders who are present and voting, whether in person or by proxy representing 75 per cent. or more of votes cast at the General Meeting who are on the register of members of Pinewood at the Voting Record Time;
 - 2.4 such General Meeting being held on or before the 22nd day after the expected date of the General Meeting (or such later date as may be agreed by Bidco and Pinewood);
 - 2.5 the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Pinewood and Bidco) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies;
 - 2.6 the Scheme Court Hearing being held on or before the later of:
 - (a) the 22nd day after the expected date of the Scheme Court Hearing; and
 - (b) the 22nd day after the date that the FCA consent is received in satisfaction of condition 2.7; (or such later date as may be agreed by Bidco and Pinewood); and
 - 2.7 the FCA having notified in writing, and not withdrawn, any required consent in accordance with Part XII of the FSMA to the acquisition of control of Pinewood Film Advisers Limited by Bidco and any controllers of Bidco in the manner contemplated by the Scheme, such consent being either (i) unconditional in all respects (save as to the period within which the change of control must occur); or (ii) subject to conditions (other than as to timing) reasonably satisfactory to Bidco and, insofar as such conditions relate to a Pinewood Group Company or otherwise affect a Pinewood Group Company, reasonably satisfactory to Pinewood and such conditions having been, to the extent relevant, satisfied; or the FCA being treated as having given such approval and notice thereof in accordance with Part XII of the FSMA.
3. In addition, subject as stated in Part B below and to the requirements of the Code, the Offer will be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

Notifications, waiting periods and Authorisations

- 3.1 all mandatory notifications, filings or applications having been made in connection with the Offer 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 Offer and all Authorisations necessary in any jurisdiction for or in respect of the Offer 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, Pinewood or any other member of the Wider Pinewood Group by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any

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member of the Wider Pinewood Group or the Wider Bidco Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider Pinewood Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes Effective or otherwise wholly unconditional and there being no notice of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations and all such necessary statutory or regulatory obligations in any jurisdiction having been complied with;

General regulatory

- 3.2 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 or proposed to enact or make 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:
- (a) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider Pinewood 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);
 - (b) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Bidco Group or the Wider Pinewood 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 Pinewood Group or any asset owned by any third party (other than in the implementation of the Offer);
 - (c) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco 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 or loans to Bidco or on the ability of any member of the Wider Pinewood Group or any member of the Wider Bidco 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 Pinewood Group;
 - (d) otherwise materially adversely affect any or all of the business, assets, prospects or profits of any member of the Wider Pinewood Group;
 - (e) result in any member of the Wider Pinewood 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 Pinewood Group taken as a whole or material in the context of the Offer (as the case may be);
 - (f) make the Offer, its implementation or the acquisition of any shares or other securities in, or control or management of, Pinewood by any member of the Wider Bidco 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 additional materially adverse conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Offer or the acquisition of any shares or other securities in, or control or management of, Pinewood by any member of the Wider Bidco Group;
 - (g) require, prevent or materially delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Pinewood Group;
 - (h) impose any limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Pinewood 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 Bidco Group and/or the Wider Pinewood Group in a manner which is materially adverse to the Wider Pinewood Group taken as a whole or the Wider Bidco Group taken as a whole or in the context of the Offer (as the case may be),

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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 Offer or the acquisition of any Pinewood Shares or of management or voting control of Pinewood or any member of the Wider Pinewood Group or otherwise intervene having expired, lapsed or been terminated;

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

- 3.3 except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, permit or other instrument to which any member of the Wider Pinewood 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 Offer or the acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in Pinewood or because of a change in the control or management of any member of the Wider Pinewood 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 Pinewood Group taken as a whole or material in the context of the Offer:
- (a) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Pinewood 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;
 - (b) 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 Pinewood Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable or being enforced;
 - (c) any assets of any such member being disposed of or charged, or any right arising under which any asset could be required to be disposed of or charged, other than in the ordinary course of business;
 - (d) any obligation to obtain or acquire any licence, permission, approval, clearance, permit, notice, consent, authorisation, waiver, grant, concession, agreement, certificate, exemption order or registration from any Third Party;
 - (e) any such arrangement, agreement, lease, licence, permit or other instrument being terminated or becoming capable of being terminated or adversely modified or the rights, liabilities, obligations or interests of any member of the Wider Pinewood Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
 - (f) any liability of any member of the Wider Pinewood Group to make any severance, termination, bonus or other payment to any of its directors or other officers;
 - (g) the rights, liabilities, obligations, interests or business of any member of the Wider Pinewood Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Pinewood Group or any member of the Wider Bidco 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;
 - (h) any member of the Wider Pinewood Group ceasing to be able to carry on business under any name under which it presently carries on business;
 - (i) the value of, or the financial or trading position of, any member of the Wider Pinewood Group being prejudiced or adversely affected; or
 - (j) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Pinewood Group or for which any such member may be responsible other than trade creditors or other liabilities incurred in the ordinary course of business,

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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 Pinewood 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 3.3(a) to (j);

Certain events occurring since 31 March 2016

3.4 except as Disclosed, no member of the Wider Pinewood Group having since 31 March 2016:

- (a) 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 of Pinewood Shares (except, where relevant, as between Pinewood and wholly owned subsidiaries of Pinewood or between the wholly owned subsidiaries of Pinewood) or redeemed, purchased or reduced any part of its share capital;
- (b) recommended, declared, paid or made, or proposed to 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 Pinewood to Pinewood or any of its wholly owned subsidiaries and excluding, for the avoidance of doubt, the Agreed Dividend;
- (c) save as between Pinewood and its wholly-owned subsidiaries, effected, authorised, proposed or announced its intention to propose any change in its share or loan capital;
- (d) save as between Pinewood and its wholly-owned subsidiaries and other than pursuant to the Offer, effected, authorised, proposed or announced its intention to propose any merger, demerger, reconstruction, arrangement, amalgamation, commitment or scheme or any material acquisition or disposal or transfer of assets or shares (other than in the ordinary course of business) or any right, title or interest in any assets or shares or other transaction or arrangement in respect of itself or another member of the Wider Pinewood Group;
- (e) acquired or disposed of or transferred (other than in the ordinary course of business) or mortgaged, charged or encumbered any assets or shares or any right, title or interest in any assets or shares (other than in the ordinary course of business) or authorised the same or entered into, varied or terminated or authorised, proposed or announced its intention to enter into, vary, terminate or authorise any agreement, arrangement, contract, transaction or commitment (other than in the ordinary course of business and whether in respect of capital expenditure or otherwise) which is of a loss-making, long-term or unusual or onerous nature or magnitude, or which involves or could involve an obligation of such a nature or magnitude, in each case which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer (whether in respect of capital expenditure or otherwise);
- (f) entered into any agreement, contract, transaction, arrangement or commitment or terminated or varied the terms of any agreement or arrangement (other than in the ordinary course of business) which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (g) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Pinewood Group or which is or could involve obligations which would or might reasonably be expected to be so restrictive;
- (h) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing agreement, partnership or merger of business or corporate entities which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (i) exercised any pre-emption rights, or any similar rights that allow any member of the Wider Pinewood Group to subscribe for, or acquire, shares in any other person which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (j) issued, authorised or proposed the issue of or made any change in or to any debentures, or (other than in the ordinary course of business) incurred or increased any indebtedness or liability, actual or contingent, which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;

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- (k) been unable or admitted that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business or proposed or entered into any composition or voluntary arrangement with its creditors (or any class of them) or the filing at court of documentation in order to obtain a moratorium prior to a voluntary arrangement or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (l) made, or announced any proposal to make, any material change or addition to any retirement, death or disability benefit or any other employment-related benefit (including, but not limited to, bonuses, retention arrangements or share incentive schemes or other benefit relating to the employment or termination of employment of any employee of the Wider Pinewood Group) of or in respect of any of its directors, employees, former directors or former employees;
- (m) save as between Pinewood and its wholly-owned subsidiaries, granted any lease or third party rights in respect of any of the leasehold or freehold property owned or occupied by it or transferred or otherwise disposed of any such property which in each case would be material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (n) entered into or varied or made any offer (which remains open for acceptance) to enter into or vary the terms of any service agreement, commitment or arrangement with any director of the Pinewood Group;
- (o) taken any action (other than any action taken with the consent of Bidco in connection with the Offer) which results in the creation or acceleration of any material tax liability of any member of the Wider Pinewood Group or a material adverse effect on the tax position of any such member which in each case would be material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (p) taken or proposed any corporate action or had any steps taken or had any legal proceedings started or threatened against it for its winding-up (voluntary or otherwise), dissolution, striking-off or reorganisation or for the appointment of a receiver, administrator (including the filing of any administration application, notice of intention to appoint an administrator or notice of appointment of an administrator), administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction;
- (q) made any amendment to its memorandum or articles of association;
- (r) waived or compromised any claim or authorised any such waiver or compromise, save in the ordinary course of business, which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (s) taken, entered into or had started or threatened against it in a jurisdiction outside England and Wales any form of insolvency proceeding or event similar or analogous to any of the events referred to in Conditions 3.4(k) and (p) above; or
- (t) agreed to enter into or entered into an agreement or arrangement or commitment or passed any resolution or announced any intention or made any offer (which remains open to acceptance) with respect to any of the transactions, matters or events referred to in Conditions 3.4(a) to (l);

No adverse change, litigation, regulatory enquiry or similar

3.5 except as Disclosed, since 31 March 2016 there having been:

- (a) 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 Pinewood Group which is material in the context of the Wider Pinewood Group taken as a whole or is material in the context of the Offer;
- (b) 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 Pinewood Group or to which any member of the Wider Pinewood

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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 Pinewood Group, in each case which is or might reasonably be expected to be material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;

- (c) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Pinewood Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Pinewood Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Pinewood Group or the Wider Bidco Group taken as a whole or is material in the context of the Offer;
- (d) 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 Pinewood Group to an extent which is material in the context of the Wider Pinewood Group taken as a whole or in the context of the Offer;
- (e) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Pinewood Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Pinewood Group taken as a whole or is material in the context of the Offer;

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

3.6 except as Disclosed, Bidco not having discovered:

- (a) that any financial, business or other information concerning the Wider Pinewood Group publicly announced by Pinewood or a member of the Wider Pinewood Group prior to the Announcement Date or disclosed at any time to any member of the Wider Bidco Group by or on behalf of any member of the Wider Pinewood 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;
- (b) any member of the Pinewood Group is subject to any liability, contingent or otherwise, which is not disclosed in the annual reports and accounts of Pinewood for the financial year ended 31 March 2016 which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (c) that any member of the Wider Pinewood Group or any partnership, company or other entity in which any member of the Wider Pinewood Group has a significant economic interest and which is not a subsidiary undertaking of Pinewood is subject to any liability, contingent or otherwise which is material in the context of the Wider Pinewood Group taken as a whole or material in the context of the Offer;
- (d) that any member of the Wider Pinewood Group or any company who was a member of the Wider Pinewood Group in the 6 years prior to the Announcement Date but which is no longer a member, has not complied 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 liability, including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Pinewood Group which in each case would be material in the context of the Wider Pinewood Group or material in the context of the Offer;
- (e) that there has been a 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

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regulation), would be likely to give rise to any liability on the part of any member of the Wider Pinewood Group, in each case to an extent which is material in the context of the Wider Pinewood Group or material in the context of the Offer;

- (f) that there is or is reasonably likely to be any 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 Pinewood 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, which in each case would be material in the context of the Wider Pinewood Group or material in the context of the Offer; or
- (g) that circumstances exist (whether as a result of making the Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Pinewood Group would be likely to be required to institute) an environmental audit or take any steps which 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 Pinewood Group (or on its behalf) or by any person for which a member of the Wider Pinewood 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 Pinewood Group taken as a whole or material in the context of the Offer;

Anti-corruption and criminal property

3.7 except as Disclosed, Bidco not having discovered:

- (a) any member of the Wider Pinewood 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
- (b) any present member of the Wider Pinewood Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governments or supranational body or authority in any jurisdiction; or
- (c) any asset of any member of the Wider Pinewood 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 Offer

1. Subject to the requirements of the Panel, Bidco reserves the right to waive:

- (a) any of the Conditions set out in the above condition 2 for the timing of the Court Meeting, the General Meeting and the Scheme Court Hearing. If any such deadline is not met, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant condition or agreed with Pinewood to extend the deadline in relation to the relevant condition; and
 - (b) in whole or in part, all or any of the above Conditions 3.1 to 3.7 inclusive.
2. If Bidco is required by the Panel to make an offer for Pinewood Shares under the provisions of Rule 9 of the Code, Bidco may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.
3. The Offer will lapse if:
- (a) insofar as the Offer or any matter arising from or relating to the Offer constitutes a concentration with a Community dimension within the scope of the EU Merger Regulation, the European

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Commission either initiates proceedings under Article 6(1)(c) of the EU Merger Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the EU Merger Regulation and there is then a CMA Phase 2 Reference in respect of the Offer;

- (b) in so far as the Offer or any matter arising from the Offer does not constitute a concentration with a Community dimension within the scope of the EU Merger Regulation, the European Commission decides to examine the Offer or any matter arising from it pursuant to Article 22(3) of the EU Merger Regulation and the European Commission initiates proceedings under Article 6(1)(c) of the EU Merger Regulation in respect of the Offer; or
- (c) the Competition and Markets Authority launches a merger inquiry and makes a CMA Phase 2 Reference in respect of the Offer,

in each case, before the date of the Court Meeting or the General Meeting.

4. Under Rule 13.5 of the Code, Bidco may not invoke a condition of the Scheme so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to Bidco in the context of the Offer. Whether or not such condition can be invoked would be determined by the Panel. The conditions contained in Conditions 1 and 2 are not subject to this provision of the Code.
5. Bidco shall not be under any obligation to waive (if capable of waiver), to determine, to be or remain satisfied or to treat as fulfilled any of the Conditions in 2 or 3 (to the extent capable of waiver), by a date earlier than the latest date for the fulfilment of that condition notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of fulfilment.
6. The Scheme Shares to be acquired under the Offer 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 Agreed Dividend.
7. If, prior to the Scheme Court Hearing, any dividend and/or distribution and/or return of capital is authorised, declared, made or paid in respect of Pinewood Shares, other than the Agreed Dividend, or in excess of the Agreed Dividend, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke Condition 3.4(b) above) to reduce the consideration payable under the Offer in respect of a Pinewood Share by the aggregate amount of such dividend and/or distribution and/or return of capital, or by the excess above the Agreed Dividend (excluding associated tax credit) as long as Pinewood Shareholders will be entitled to receive and retain that dividend or other distribution.
8. If any such dividend and/or distribution and/or return of capital, or excess above the Agreed Dividend, is authorised, declared, made or paid before the Scheme Court Hearing, if Bidco exercises its rights described in paragraphs 7 to 10, any reference in this document to the consideration payable under the Scheme or the Offer shall be deemed to be a reference to the consideration as so reduced.
9. To the extent that such a dividend and/or distribution and/or return of capital has been authorised or declared but not paid or made prior to the Scheme Court Hearing and such dividend and/or distribution and/or return of capital is cancelled, then the consideration payable under the Offer shall not be subject to change in accordance with paragraphs 7 to 10.
10. Any exercise by Bidco of its rights referred to in paragraphs 7 to 10 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer.
11. If the Scheme becomes Effective before the Pinewood AGM, the consideration payable under the Scheme shall be increased by the amount of the Agreed Dividend.
12. If Bidco switches the Offer to a Contractual Offer which becomes Effective:
 - (a) before the Record Date, the consideration payable under the Offer shall be increased by an amount equal to the Agreed Dividend in lieu of the Agreed Dividend;

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- (b) after the Record Date but before the Pinewood AGM, Bidco shall procure that the Company pays the Agreed Dividend or an amount equal to the Agreed Dividend (in lieu of the Agreed Dividend) to Pinewood Shareholders who are on the register of members on the Record Date.
13. Bidco reserves the right to elect (with the consent of the Panel) to implement the Offer by way of a Contractual Offer, in its absolute discretion. In such event, the Offer will be implemented 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 Bidco may decide) of the Pinewood Shares to which such offer relates.
 14. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
 15. The Offer 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.
 16. The Offer is governed by the law of England and is subject to the jurisdiction of the English courts and to the Conditions. The Offer will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.
 17. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

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PART VI

UNITED KINGDOM TAXATION

The following paragraphs, which are intended as a general guide only, are based on current UK tax legislation and HM Revenue & Customs published practice, and summarise certain limited aspects of the UK tax treatment of the Scheme becoming Effective. They relate only to the position of Scheme Shareholders who hold their Pinewood Shares beneficially as an investment (other than under a personal equity plan or an individual savings account or as employment-related securities for UK tax purposes) and (except insofar as express reference is made to the treatment of non-UK residents) who are resident or, in the case of individuals, resident and domiciled in the UK for tax purposes. If you are in any doubt as to your taxation position or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriate professional adviser immediately.

(a) Tax on chargeable gains as a result of the Scheme

Cash consideration

Liability to UK tax on chargeable gains will depend on the individual circumstances of each Scheme Shareholder. The receipt by a Scheme Shareholder of cash under the Scheme will be treated as consideration for a disposal, or part disposal, of his Scheme Shares which may, depending on the Shareholder's individual circumstances (including the availability of exemptions or allowable losses), give rise to a liability to UK tax on chargeable gains.

There are various reliefs which could apply to reduce or eliminate any chargeable gain which arises, including for Scheme Shareholders within the charge to corporation tax, an indexation allowance which may apply to reduce any chargeable gain (but not increase any allowable loss) arising on the disposal of the Scheme Shares.

General

Subject to available allowances and reliefs, a gain arising on the disposal of Scheme Shares by an individual Scheme Shareholder will be taxed at the rate of 10 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 band (£32,000 for the tax year ending 5 April 2017), in which case it will be taxed at the rate of 20%.

The capital gains tax annual exemption (£11,100 for the tax year ending 5 April 2017) may be available to an individual Scheme Shareholder to offset against chargeable gains realised on the disposal of the Scheme Shareholder's Shares.

For a Scheme Shareholder which is a company, any gain on the disposal of its Scheme Shares will be subject to corporation tax (at 20 per cent for the tax year ending 31 March 2017) (subject to any available exemptions and reliefs).

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

No stamp duty or SDRT will be payable by Pinewood Shareholders as a result of the Scheme becoming Effective.

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PART VII
ADDITIONAL INFORMATION

1. Responsibility Statements

- 1.1 The Pinewood Directors, whose names are set out in paragraph 2.1 of this Part VII, accept responsibility for all the information contained in this document, other than information for which responsibility is taken pursuant to paragraphs 1.2 and 1.3 below. To the best of the knowledge and belief of the Pinewood 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 directors of Bidco, whose names are set out in paragraph 2.2 of this Part VII, accept responsibility for all the information contained in this document in so far as it relates to Bidco, the opinions of Bidco and persons acting in concert with Bidco (excluding PW Fund III GP, the PW Funds, the directors of PW Fund III GP and their respective close relatives and related trusts), and each such director accepts responsibility for the information contained in this document in respect of themselves and their respective close relatives and related trusts. To the best of the knowledge and belief of the directors of Bidco (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.
- 1.3 The directors of PW Fund III GP, whose names are set out in paragraph 2.3 of this Part VII, accept responsibility for all the information contained in this document in so far as it relates to PW Fund III GP, the PW Funds, Bidco, the opinions of Bidco, and persons acting in concert with Bidco, and each such director accepts responsibility for the information contained in this document in respect of themselves and their respective close relatives and related trusts. To the best of the knowledge and belief of the directors of PW Fund III GP (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 of Pinewood, Bidco and PW Fund III GP

2.1 The directors of Pinewood are as follows:

<u>Name</u>	<u>Position</u>
Lord Grade of Yarmouth	Chairman
Ivan Dunleavy	Chief Executive
Chris Naisby	Finance Director
Ruth Prior	Non-Executive Director
Mary-Teresa Rainey	Non-Executive Director
Andrew M. Smith	Corporate Affairs Director
Nicholas Smith	Commercial Director
Steven Underwood	Non-Executive Director

2.2 The directors of Bidco are as follows:

<u>Name</u>	<u>Position</u>
Paul Golding	Director
Luis Moner	Director
Davinia Smith	Director

Paul Golding joined Aermont in 2010. He is a Partner of Aermont and is a member of its management committee. Paul was previously the Head of Real Estate Asset Strategies at Norges Bank Investment Management and prior to that, the Head of Real Estate Investment Banking in Europe and the Middle East for Merrill Lynch.

Luis Moner joined Aermont in 2015. He is a Principal on the acquisitions and asset management team at Aermont. Prior to joining Aermont, Luis was a Senior Investment Manager at Norges Bank Investment Management in London.

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Davinia Smith is a country executive of Alter Domus, a leading European provider of fund and corporate services, with 20 years of experience in financial services. Prior to joining Alter Domus, Davinia was the Head of Lloyds Banking Group's Corporate Trustee Services business.

2.3 The directors of PW Fund III GP are as follows:

<u>Name</u>	<u>Position</u>
Léon Bressler	Director
Terry Meguid	Director
Rupert Walker	Director
John Wetherall	Director
Stephen Linney	Director

Léon Bressler has been the Managing Partner of Aermont since its inception in 2007 and is a member of its management committee. Prior to joining Aermont, Léon served as Chairman and Chief Executive Officer of Unibail (now Unibail-Rodamco), a publicly-listed European property investment company, for 14 years.

Terry Meguid is a Founding Partner and Co-Head of Asset Management of Perella Weinberg Partners. Prior to joining Perella Weinberg Partners in 2006, Terry was the Head of Worldwide Investment Banking at Morgan Stanley and a member of its management committee.

Rupert Walker is an English solicitor with over 25 years of experience with funds and structured finance and in the managing director of Saltgate. Rupert previously spent six years with Mourant Ozannes where he was the CEO of the international fund and corporate administration business prior to which he was a partner at Shearman & Sterling.

John Wetherall was the Jersey Chief Executive Officer of James Capel Channel Islands (now HSBC Investments International) between 1992 and 2007. From 1985 to 1991 he was the Jersey CEO of Charterhouse Bank (now Capital House International after an acquisition by Royal Bank of Scotland) and served on the RBS Trust Company Board.

Stephen Linney was responsible for the employee benefits business at the Royal Bank of Canada (Channel Islands) Limited between 2000 and 2004 after it bought Ernst & Young's trust business. From 1983 to 2000, he worked at Ernst & Young in Jersey where he was admitted as a partner in 1984.

3. Persons acting in concert

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

<u>Name</u>	<u>Type</u>	<u>Registered Office</u>	<u>Relationship with Bidco</u>
Aermont Capital LLP	Limited liability partnership	55 St James's Street, London SW1A 1LA	Investment adviser
PricewaterhouseCoopers LLP	Limited liability partnership	1 Embankment Place, London WC2N 6RH	Financial adviser
Brookland Partners LLP	Limited liability partnership	First Floor, 2 - 3 Golden Square, London W1F 9HR	Debt adviser

3.2 The persons who, for the purposes of the Code, are acting in concert with Pinewood in respect of the Offer are:

<u>Name</u>	<u>Type</u>	<u>Registered Office</u>	<u>Relationship with Pinewood</u>
N M Rothschild & Sons Limited	Company	New Court, St. Swithin's Lane, London EC4N 8AL	Financial Adviser

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4. Irrevocable Undertakings

Pinewood Directors Irrevocable Undertakings

- 4.1 Bidco received irrevocable undertakings from each of the Pinewood Directors who are beneficially interested in Pinewood Shares to vote in favour of the Scheme and the associated resolutions relating to the Offer at the Meetings (or in the event that the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of such Contractual Offer) in respect of their own beneficial holdings of 323,267 Pinewood Shares, representing, in aggregate approximately 0.56 per cent. of the ordinary share capital of Pinewood in issue at close of business on the latest practicable date before the publication of this document, as follows:

Name of Pinewood Director	Number of Pinewood Shares in respect of which undertaking is given	Percentage of Pinewood issued share capital
Lord Grade of Yarmouth	17,500	0.03%
Ivan Dunleavy	177,884	0.31%
Nicholas Smith	89,131	0.16%
Andrew M. Smith	19,376	0.03%
Chris Naisby	19,376	0.03%
Total	323,267	0.56%

- 4.2 The Pinewood Directors' irrevocable undertakings will cease to be binding: (i) if the Scheme lapses or is withdrawn or has not become Effective by 5.00 p.m. London time on the Long Stop Date and at or before the time of such lapse or withdrawal or within one Business Day thereafter, Bidco has not publicly confirmed that it intends to implement a Contractual Offer; or (ii) the Offer has not been completed, either by the Scheme becoming Effective, or by the Contractual Offer having become or declared unconditional in all respects, by 5.00 p.m. London time on the date falling 180 days from the Announcement Date; or (iii) the Panel consents to Bidco not proceeding with the Offer and Bidco subsequently withdraws the offer.

Pinewood Shareholders Irrevocable Undertakings

- 4.3 Bidco has also received irrevocable undertakings to vote in favour of the resolutions relating to the Offer at the Meetings (or in the event that the Offer is implemented by way of a Contractual Offer, to accept or procure acceptance of such Contractual Offer) from:

- 4.3.1 Goodweather Investment Management Ltd, in respect of 22,443,396 Pinewood Shares, representing approximately 39.09 per cent. of the ordinary share capital of Pinewood in issue at close of business on the latest practicable date before the publication of this document. This undertaking will cease to be binding: (i) if the Scheme lapses or is withdrawn or has not become Effective by 5.00 p.m. London time on the Long Stop Date and at or before the time of such lapse or withdrawal or within 1 Business Day thereafter, Bidco has not publicly confirmed that it intends to implement a Contractual Offer; or (ii) the Offer has not been completed, either by the Scheme becoming Effective, or by the Contractual Offer having become or declared unconditional in all respects, by 5.00 p.m. London time on the date falling 180 days from the Announcement Date; or (iii) the Panel consents to Bidco not proceeding with the Offer and Bidco subsequently withdraws the offer.

- 4.3.2 Warren James Holdings Ltd, in respect of 14,893,990 Pinewood Shares, representing approximately 26.10 per cent. of the ordinary share capital of Pinewood in issue at close of business on the latest practicable date before the publication of this document. This undertaking will cease to be binding: (i) if the Scheme lapses or is withdrawn or has not become Effective by 5.00 p.m. London time on the Long Stop Date and at or before the time of such lapse or withdrawal or within 1 Business Day thereafter, Bidco has not publicly confirmed that it intends to implement a Contractual Offer; or (ii) the Offer has not been completed, either by the Scheme becoming Effective, or by the Contractual Offer having become or declared unconditional in all respects, by 5.00 p.m. London time on the date falling 180 days from the Announcement Date; or (iii) the Panel consents to Bidco not proceeding with the Offer and Bidco subsequently withdraws the offer.

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4.3.3 Aviva Investors in respect of 8,117,008 Pinewood Shares, representing approximately 14.14 per cent. of the ordinary share capital of Pinewood in issue at close of business on the latest practicable date before the publication of this document. This undertaking will cease to be binding: (i) if the Scheme lapses or is withdrawn or has not become Effective by 5.00pm London time on the Long Stop Date and at or before the time of such lapse or withdrawal or within 1 Business Day thereafter, Bidco has not publicly confirmed that it intends to implement a Contractual Offer; or (ii) the Offer has not been completed, either by the Scheme becoming Effective, or by the Contractual Offer having become or declared unconditional in all respects, by 5.00pm London time on the date falling 180 days from the Announcement Date; or (iii) the Panel consents to Bidco not proceeding with the Offer and Bidco subsequently withdraws the offer; or (iv) an announcement is made in accordance with Rule 2.7 of the Code of a competing offer in cash or with a full cash alternative in respect of Aviva Investors' shares in Pinewood and the cash element of such competing offer represents a value per Pinewood Share at the date and time in London of such announcement of not less than 619.5 pence per share.

5. Disclosure of interests and dealings in shares

Definitions

5.1 For the purposes of this Part VII:

- (a) "acting in concert" has the meaning attributed to it in the Code;
- (b) "arrangement" includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (c) "connected person" has the meaning attributed to it in section 252-255 of the Act;
- (d) "control" means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;
- (e) "dealing" or "dealt" includes the following:
 - (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
 - (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - (iii) subscribing or agreeing to subscribe for relevant securities;
 - (iv) the exercise of conversion of any relevant securities carrying conversion or subscription rights;
 - (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (f) "derivative" includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;
- (g) "disclosure date" means 22 August 2016, being the latest practicable date prior to the posting of this document;
- (h) "disclosure period" means the period commencing on 10 February 2015, being the date 12 months prior to the commencement of the Offer Period, and ending on the disclosure date;

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- (i) **“financial collateral arrangement”** means a security financial collateral arrangement which provides a right for the collateral taken to use and dispose of Pinewood securities as if it were the owner of those securities;
- (j) being **“interested”** in relevant securities includes where a person:
 - (i) owns relevant securities;
 - (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - (iv) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it;
- (a) **“relevant Pinewood securities”** means shares in Pinewood (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (b) **“relevant Bidco securities”** means shares in Bidco (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (c) **“relevant securities”** means relevant Pinewood securities or relevant Bidco securities; and
- (d) **“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

5.2 As at the close of business on the disclosure date:

- (a) none of Bidco, the Bidco directors (and their respective close relatives, related trusts and connected persons), any person acting in concert with Bidco, or any person with whom Bidco or any person acting in concert with Bidco has an arrangement, has any interest in relevant Pinewood Securities;
- (b) the interests of the Pinewood Directors and their respective close relatives, related trusts and connected persons, all of which are beneficial unless otherwise stated, in relevant Pinewood securities were as follows:

<u>Name</u>	<u>Number of Pinewood Shares</u>
Lord Grade of Yarmouth, CBE	17,500
Ivan Dunleavy	177,884
Nicholas Smith	89,131
Andrew M. Smith	19,376
Chris Naisby	19,376
Lara Dunleavy	5,000

Dealings in relevant Pinewood securities

- 5.3** Save as disclosed in this document, during the disclosure period none of Bidco, the Bidco directors or their respective close relatives, related trusts or connected persons, any person acting in concert with Bidco, or any person with whom Bidco or any person acting in concert with Bidco has an arrangement, has any arrangement in relation to relevant Pinewood securities.

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5.4 The following dealings in relevant Pinewood securities by the Pinewood Directors have taken place during the period between the start of the Offer Period and the disclosure date:

Name	Date	Nature of Transaction	Number of Pinewood Shares	Price per Pinewood Share (pence)
Ivan Dunleavy	12 August 2015	Acquisition	50,000	440
Ivan Dunleavy	30 April 2015	Transfer to SIPP	35,000	Sold at 472.5 Purchase at 472.6
Ivan Dunleavy	30 April 2015	Acquisition by SIPP	10,000	Sold at 472.5 Purchase at 472.6
Ivan Dunleavy	17 April 2015	Acquisition in Placing	127,884	375
Chris Naisby	17 April 2015	Acquisition in Placing	19,376	375
Andrew M. Smith	17 April 2015	Acquisition in Placing	19,376	375
Nicholas Smith	17 April 2015	Acquisition in Placing	89,131	375

General

5.5 As at the close of business on the disclosure date, save as disclosed in this document:

- (a) Bidco had no interest in or right to subscribe for, or had any short position in relation to, any relevant Pinewood securities, nor had it dealt in any relevant Pinewood securities during the disclosure period;
- (b) none of the Bidco Directors or any of their respective close relatives, connected persons or related trusts had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Pinewood securities, nor had any such person dealt in any relevant Pinewood securities during the disclosure period;
- (c) no person acting in concert with Bidco had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Pinewood securities, nor had any such person dealt in any relevant Pinewood securities during the disclosure period;
- (d) no person with whom Bidco or any person acting in concert with Bidco has an arrangement had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Pinewood securities, nor had any such person dealt in any relevant Pinewood securities during the disclosure period;
- (e) none of the Pinewood Directors or any of their respective close relatives, connected persons or related trusts had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Pinewood securities, nor had any such person dealt in any relevant Pinewood securities during the period between the start of the Offer Period and the disclosure date;
- (f) no person acting in concert with Pinewood had any interest in, or right to subscribe for, or had any short position in relation to, any relevant Pinewood securities, nor had any such person dealt in any relevant Pinewood securities during the period between the start of the Offer Period and the disclosure date;
- (g) no person with whom Pinewood or any person acting in concert with Pinewood has an arrangement had any interest in or right to subscribe for or had any short position in relation to any relevant Pinewood securities nor had any such person dealt in relevant Pinewood securities during the period between the start of the Offer Period and the disclosure date;
- (h) neither Pinewood nor any of the Pinewood Directors (including any members of such directors' respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to, any relevant Bidco securities, nor had any such person dealt in any relevant Bidco securities during the period between the start of the Offer Period and the disclosure date;
- (i) Pinewood had not redeemed or purchased any relevant Pinewood securities during the disclosure period;
- (j) neither Pinewood nor any person acting in concert with Pinewood had borrowed or lent any relevant Pinewood securities (including any financial collateral arrangements), save for any borrowed shares which have either been on-lent or sold;

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- (k) neither Bidco nor any person acting in concert with Bidco had borrowed or lent any relevant Pinewood securities (including any financial collateral arrangements), save for any borrowed shares which have either been on-lent or sold;
- (l) there were no arrangements in relation to dealings which existed between Pinewood or any person acting in concert with Pinewood and any other person; and
- (m) there were no arrangements which existed between Bidco, or any person acting in concert with Bidco, and any other person.

6. Market quotations

The following table shows the closing middle-market quotations of Pinewood Shares, as derived from the AIM Appendix to The Daily Official List on the following dates, unless otherwise indicated:

- (i) the first Business Day of each of the six months immediately before the date of this document;
- (ii) 9 February 2016, being the last dealing day before the commencement of the Offer Period; and
- (iii) 22 August 2016, being the latest practicable date prior to the posting of this document.

<u>Date</u>	<u>Price per Pinewood Share (pence)</u>
1 March 2016	525.0
1 April 2016	557.5
3 May 2016	565.0
1 June 2016	551.5
1 July 2016	545.0
1 August 2016	550.0
9 February 2016	449.5
22 August 2016	555.5

7. Material contracts—Pinewood

7.1 The following contracts have been entered into by members of the Pinewood Group, not being contracts entered into in the ordinary course of business, which are or may be material, during the period beginning 10 February 2014 (being two years before the date of commencement of the Offer Period) and ending on the disclosure date:

7.1.1 Placing Agreement

On 30 March 2015, the Company entered into a placing agreement with Nplus1 Singer Advisory LLP (“N+1 Singer”) pursuant to which N+1 Singer agreed, in accordance with its terms, to use reasonable endeavours to place 8,000,000 new ordinary shares with certain institutional and other investors at a placing price of 375 pence per new ordinary share (the “Placing” and the “Placing Agreement”).

The Placing was conditional, inter alia, on:

- (a) the passing of resolutions of the shareholders required to proceed with Placing;
- (b) the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to admission of the new ordinary shares onto AIM (“Admission”);
- (c) the placing agreements between N+1 Singer and certain shareholders of Pinewood for the placing of 8,266,667 existing ordinary shares becoming wholly unconditional; and
- (d) Admission becoming effective by no later than 8.00 a.m. on 17 April 2015 (or such later time and/or date, being no later than 8.00 a.m. on 17 May 2015, as the Company and N+1 Singer may agree).

The Placing Agreement contained customary warranties given by the Company to N+1 Singer and a customary indemnity given by the Company to N+1 Singer in respect of liabilities arising out of or in connection with the Placing.

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N+1 Singer was entitled to terminate the Placing Agreement in certain circumstances prior to Admission, including circumstances where any of the warranties are found not to be true or accurate or were misleading and which in any such case is material, or the occurrence of certain force majeure events.

The Placing was completed on 17 April 2015.

7.1.2 Existing Facilities Agreement

On 6 March 2015, the Company and certain other members of the Pinewood Group entered into a term and revolving facilities agreement with, amongst others, Lloyds Bank plc, The Royal Bank of Scotland plc, Barclays Bank PLC and HSBC Bank plc as mandated lead arrangers, bookrunners and original lenders (in that capacity, the "Lenders") and Lloyds Bank plc as agent (the "Existing Facilities Agreement") pursuant to which the Lenders agreed to make available the following facilities:

- (a) a revolving credit facility of £35,000,000 (the "RCF"), made available to the Company and any subsidiary of the Company which accedes to the Existing Facilities Agreement in accordance with its terms as a borrower, in order to:
 - (i) refinance certain of the Pinewood Group's existing indebtedness and payment of any associated transaction costs;
 - (ii) fund the general corporate and working capital purposes of the Pinewood Group; and
 - (iii) finance the development of certain land which is adjacent to the main Pinewood Studios site (the "PSDF Land") including, without limitation, any development costs, fit-out costs and fees or interest payable in relation thereto; and
- (b) a term facility of £100,000,000 (the "Term Facility" and, together with the RCF, the "Facilities"), made available to the Company only, in order to:
 - (i) in respect of the first utilisation, refinance certain of the Pinewood Group's existing indebtedness and payment of any associated transaction costs; and
 - (ii) in respect of any further utilisation, finance the development of the PSDF Land including, without limitation, any development costs, fit-out costs and fees or interest payable in relation thereto.

The Term Facility is repayable in instalments of £2,500,000 on each of 30 June 2017 and 31 December 2017 and £5,000,000 on each of 30 June 2018 and 31 December 2018, with the balance repayable in full on the termination date (as to which, see below). Each drawing under the RCF is repayable on the last day of its interest period with any amounts outstanding being repayable in full on the termination date. The Facilities are also subject to certain prepayment and cancellation events including, amongst other things, illegality, change of control, sale of all or substantially all of the Pinewood Group's assets and prepayment (in part) out of the proceeds of certain insurance claims.

The rate of interest payable on each loan made available under the Existing Facilities Agreement is the aggregate of the applicable margin plus LIBOR (being the London interbank offered rate for the appropriate interest period and currency) or, in relation to any loan in euro, EURIBOR (being, the eurobank offered rate for the appropriate interest period). The margin varies between 1.75% and 3.75%, depending on the Pinewood Group's performance against its net leverage financial covenant during the prior 12 month period. Further fees, including arrangement fees, a commitment fee (in an amount equal to 40 per cent. of the applicable margin from time to time on the available amount of the Facilities) and an ongoing agency fee are payable.

Each entity which is a party to the Existing Facilities Agreement as a borrower or a guarantor makes customary representations and warranties and gives customary information undertakings and general undertakings, in each case subject to specified exceptions and materiality / other qualifiers. The Existing Facilities Agreement also contains customary events of default which, if triggered, would entitle the agent (acting on the instructions of the majority lenders) to, amongst other things, demand repayment of the Facilities.

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The Existing Facilities Agreement also includes a suite of typical financial covenants which include cash flow cover, interest cover and net leverage as well as requiring the Pinewood Group to maintain a minimum loan to value and consolidated net worth.

Certain members of the Pinewood Group have given cross-guarantees relating to the obligations of the other members of the Pinewood Group under the Existing Facilities Agreement and related finance documents. In addition, those entities have mortgages and fixed charges over certain of their assets and floating charges over all or substantially all of their assets.

7.1.3 Change of Control Waiver and Supplemental Agreement to the Existing Facilities Agreement

On 2 August 2016, Lloyds Bank plc (as agent), the Lenders and the Company (amongst others) entered into a letter agreement pursuant to which subject to the satisfaction of certain conditions set out therein (including the payment by or on behalf of Bidco of a waiver fee in the agreed amount) the Lenders agreed to consent to the change of control of the Company which will be triggered if Bidco acquires more than 50 per cent. of the voting shares in the Company (a "CoC").

In addition, it was agreed that in the event that a CoC occurs then the Company and Lloyds Bank plc (as agent) will as soon as reasonably practicable and in any event within 5 business days of that CoC enter into a supplemental agreement to the Existing Facilities Agreement pursuant to which a number of amendments will be made to the Existing Facilities Agreement. These include, amongst other things, the following amendments which will be deemed to be made in the event that either the Company is de-listed or becomes wholly-owned by Bidco:

- (a) the termination date of the Facilities will change from (i) the current position of 30 April 2019 to (ii) a revised position of 31 March 2018, meaning that the Facilities will become due for repayment sooner;
- (b) the ability of the Company to pay dividends will be restricted, from (i) the current position of the declaration and payment of dividends being permitted unless a Default under (and as defined in) the Existing Facilities Agreement is continuing or would result from the relevant declaration or payment to (ii) a revised position which incorporates a broader restriction on payments to shareholders and requiring both no Default and delivery of a certificate certifying compliance with certain of the Pinewood Group's financial covenants on a 12 month look-forward basis; and
- (c) the inclusion of an additional event of default, which will be triggered if any of Ivan Dunleavy, Chris Naisby or Nicholas Smith (or any of their respective replacements) has their employment terminated or voluntarily resigned and a suitable qualified replacement is not found within 180 days. In certain circumstances, there is an obligation to consult with Lloyds Bank plc (as agent) as to the identity of the relevant replacement.

7.1.4 PSDF 1 Construction Agreement

Pinewood Studios Limited ("**Employer**") entered into a JCT Design and Build Contract 2011 with bespoke amendments dated 19 May 2015 (the "**Building Contract**") with Sir Robert McAlpine Limited (the "**Contractor**") in respect of the design and construction of Phase I of the works at the PSDF site at Pinewood ("**the Works**") for an original contract sum of £56,950,000. The Works have been procured on a design and build basis meaning that, notwithstanding the fact that the Contractor has sub-contracted certain elements of construction and/or design to its sub-contractors, the Contractor remains fully responsible for all the construction and design carried out under the Building Contract. The agreement contains customary obligations on the Contractor with respect to skill and care, prohibited material and customary warranties.

The Works were completed in 6 sections with a completion date of 31 May 2016. The Works were actually certified as being practically complete on 30 June 2016. Under the contracts, the Company is entitled to liquidated damages for any delay, calculated on a per week basis, capped at £40,000 per week. The Contractor is entitled to relief from paying liquidated damages if it is delayed by reasons out of its control or delays caused by Pinewood (such as late instructions or instructions to vary the Works) (defined in the Building Contract as "**Relevant Events**"). A minimal liquidated damages of £8,000 was payable by the Contractor for the delay in reaching practical completion of section 6.

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The Building Contract has been executed as a deed and therefore has a limitation period of 12 years from the date of practical completion. Pinewood and beneficiaries of collateral warranties may therefore bring claims against the Contractor up to and including 30 June 2028.

7.1.5 Shepperton Joint Venture Acquisition

On 3 December 2014, Pinewood (via its wholly-owned subsidiaries) entered into agreements to acquire the 50% interest in the Shepperton Studios Property Partnership ("SSPP") formerly owned by clients of Aviva Investors ("Aviva") to become the sole owner of SSPP. This involved two agreements: a unit purchase agreement (which effected the transfer of the financial interest in SSPP), and a short form share sale agreement which effected the transfer of shares in the General Partner of the SSPP.

The acquisition comprised a total cash payment to Aviva of £36.8 million, including the full repayment and cancellation of a £24.0 million of drawn debt facility within SSPP provided by Aviva. The transaction was financed from internal resources and an enlarged debt facility of Pinewood and completed on 4 December 2014.

The unit purchase agreement contains customary warranties. The warranty period ends on 3 December 2016.

8. Service contracts and letters of appointment of Pinewood Directors

8.1 The key terms of the service agreements of the Pinewood Directors and Pinewood are set out in paragraph 8.1.1 and 8.1.2 below:

8.1.1 Pinewood Executive Directors

The Executive Directors entered into their service agreements with Pinewood on the following dates: Ivan Dunleavy, on 20 April 2004; Nicholas Smith on 1 July 2005; Andrew M. Smith, on 1 June 2008; and Chris Naisby, on 30 May 2014. Their service agreements are terminable by either the Director or the Company on not less than 12 months' prior written notice. The agreements allow for them to be placed on garden leave for the duration of the notice period and for payment in lieu of notice (a "PILON" clause). Agreements of the Executive Directors (other than for Nicholas Smith) specify the compensation which must be paid to the Executive Director where the Company terminates the agreement either without notice or without cause, which is limited to salary and benefits payable during the Executive Director's notice period (salary only in the case of Andrew M. Smith and Christopher Naisby). The Service Agreement of Nicholas Smith provides that the Company may opt to terminate the agreement with notice or a payment in lieu of notice, and provides for inherent mitigation.

Other than the PILON clause, there are no specific clauses in the agreements which provide for compensation on termination of contract. The salaries of each of the Executive Directors are currently: Ivan Dunleavy, £369,617, Nicholas Smith, £246,069, Andrew M. Smith, £153,793 and, Chris Naisby £180,346, are subject to an upwards only review by the Remuneration Committee.

In addition to each Executive Directors' basic annual salary, the Company may pay to him a bonus from time to time of such amount as the Remuneration Committee shall in its sole discretion determine.

Under their respective service agreements the Company will pay premiums on the Executive Directors' behalf in respect of life assurance, permanent health insurance and private medical insurance. The Company will also pay premiums to a private medical insurance scheme in respect of the Executive Director's spouse and children under the age of 18. The Executive Director's agreements (except for Chris Naisby's) also provide for the provision of a company car/car allowance. Each of the agreements provide for the repayment of all reasonable out-of-pocket expenses. Each of the Executive Directors is also entitled to 25 Business Days' holiday (other than Chris Naisby, who is entitled to 27 Business Days). In the event that they are unable to perform their duties due to incapacity, each of the Executive Directors (other than Chris Naisby who is entitled to receive salary for the entire period during which he is incapacitated) are entitled to receive salary for up to 364 days in any period of 12 consecutive months. Any additional payments for incapacity are at the discretion of the Remuneration Committee of the Company.

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The agreements contain obligations of confidentiality and a number of restrictive covenants which last 12 months (less any time where the Company requires the Executive Director to be on garden leave during his notice period and save for those relating to Andrew M. Smith and Chris Naishy which last 3 months). These include a non-compete clause, a non-solicitation of employees and/or customers clause and a clause preventing the Executive Director from interfering with the business of the Group.

The Company contributes 12.5 per cent. of annual salary to each of the Executive Directors' pension schemes.

8.1.2 Pinewood Non-Executive Directors

The terms of appointment of each of Lord Grade of Yarmouth dated 19 April 2004, of Ms Prior dated 27 November 2012, Ms Rainey dated 5 May 2015, and of Mr Underwood dated 25 June 2010 are set out below.

The fees for Lord Grade, Ms Prior and Ms Rainey for the period ending 31 March 2016 were £105,000, £42,000 and, £36,667 respectively. Mr Underwood is not entitled to receive a fee for his appointment, however the Company pays £40,000 a year for each Non-Executive Director that is supplied by Peel Holdings Limited. Each of the Non-executive Directors is entitled to have all their reasonable out-of-pocket expenses reimbursed.

In relation to Lord Grade, the Company also pays premiums to a private health insurance scheme (in respect of Lord Grade, his spouse and children under 18), a permanent health insurance scheme and a life assurance scheme, subject to (i) reimbursement by Lord Grade to the Company of all costs associated with the provision of these benefits and (ii) the terms of the scheme.

Each of the Independent Non-Executives (being Ms Prior and Ms Rainey) are appointed for a rolling term of 12 months subject to normal provisions of appointment at the Company's first Annual General Meeting following their appointment and retirement by rotation with immediate right of termination by the Company in specific circumstances including breach of terms and otherwise on one months' written notice from either party.

In relation to Lord Grade, the agreement continues until terminated by either party by six months' notice in writing. Steven Underwood's appointment is ongoing subject to re-election at the Company's annual general meeting and the Company's rights of termination which include material or persistent breach of the terms of his appointment, bankruptcy, disqualification and removal as a director in accordance with the Company's articles of association.

Steven Underwood will resign in the event that Goodweather Investment Management Ltd, ceases to be a Pinewood Shareholder upon the Scheme becoming Effective.

8.2 Save as disclosed above:

- (a) there are no service contracts in force between any director or proposed director of Pinewood;
- (b) none of the service contracts described above were entered into during the six months preceding the date of this document, nor have any amendments been made to any such service contract during that period; and
- (c) there are no service contracts of any director or proposed director of Pinewood or of any of its subsidiaries which do not expire or cannot be terminated by Pinewood or its relevant subsidiary within the next 12 months without payment of compensation (other than statutory compensation) or in respect of which there are provisions for pre-determining compensation on termination of an amount which equals or exceeds 12 months' salary and benefits in kind.

9. Bases of calculations and sources of information

- 9.1 The value attributed to the existing issued ordinary share capital of Pinewood is based upon the 57,409,926 Pinewood Shares in issue on the last Business Day prior to the date of publication of this document.
- 9.2 Unless otherwise stated, the financial information concerning Pinewood has been extracted from the audited annual report and accounts for Pinewood for the year ended 31 March 2016.
- 9.3 Pinewood Share prices have been derived from the AIM Appendix to the Daily Official List.

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- 9.4 References to a percentage of Pinewood Shares are based on the number of Pinewood Shares in issue as set out in paragraph 9.1 above.
- 9.5 Pinewood has no share options, warrants or other convertible securities outstanding.

10. Material Contracts—Bidco

Save as disclosed below, Bidco has not entered into any obligations, other than in connection with the Offer and the financing of the Offer.

11. Financing Arrangements and cash confirmation

- 11.1 On 12 August 2016, Bidco entered into the Facility Agreement. Pursuant to the terms of the Facility Agreement, the Lenders will make a £60,000,000 term loan facility available to Bidco. The proceeds of the Facility are to be applied by Bidco towards financing part of the consideration payable in respect of the Offer and financing (or refinancing) related cash transaction costs.
- 11.2 The following security arrangements have been entered into in connection with the Facility Agreement: (i) Bidco Parent has granted security over all the shares it owns or may own from time to time in Bidco and any loans which it has made or may make to Bidco; and (ii) Bidco has granted a first ranking floating charge and first ranking fixed security over all of its assets. All security is granted in favour of the Agent. Pursuant to the terms of a subordination agreement, any loans made by Bidco Parent to Bidco are subordinate to the obligations owed by Bidco to the finance parties under the Facility Agreement.
- 11.3 Amounts drawn under the Facility Agreement shall be required to be repaid in full by the Termination Date.
- 11.4 The Facility will be cancelled and amounts drawn under the Facility must be prepaid if there is a sale of substantially all of the assets of the Pinewood Group or if there is a change of control in the ownership of the Company following completion of the Offer. The Facility will also be cancelled at the end of the availability period to the extent not then utilised. The Facility Agreement permits, in each case subject to certain conditions, voluntary cancellation of undrawn amounts under the Facility and voluntary prepayment of the Facility.
- 11.5 Pursuant to the Coupon Letter, the coupon payable on the loan made under the Facility is 11 per cent. per annum. Subject to certain limitations, Bidco has the ability to PIK the coupon and pay less than the total coupon due on a particular interest payment date. In such circumstances, the remaining amount of the coupon payable on that interest payment date which is net cash paid is compounded with the principal amount of the Facility and interest then accrues at a rate equal to the coupon.
- 11.6 Bidco gives customary information undertakings and general undertakings (including undertakings with respect to negative pledge, restrictions on incurring financial indebtedness, restrictions on making distributions, restrictions on making disposals and acquisitions and customary acquisition related undertakings) in each case subject to specified exceptions and materiality/other qualifiers. The Facility Agreement also includes customary representations and warranties (including maintaining authorisations, environmental compliance, sanctions and anti-corruption laws) and events of default, in each case, subject to specified exceptions. Such undertakings, representations and events of default are made or given (as applicable), in respect of Bidco and following the Effective Date (or if the Offer is pursued by way of a Contractual Offer, Bidco acquiring at least 90 per cent. of all Pinewood Shares), the Pinewood Group.
- 11.7 The Facility Agreement includes typical financial covenants which include interest cover, leverage and loan to value (based on both market value and vacant possession).
- 11.8 If the term of the Facility is extended, the Facility Agreement also includes two additional financial covenants relating to interest cover and debt service. The financial covenants are subject to customary equity cure provisions in favour of Bidco and the provision for the Lenders to cure a breach of the financial covenants contained in the existing senior facility agreement provided to the Pinewood Group where Bidco and/or the Company has failed to exercise its equity cure rights therein.

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- 11.9** The Facility Agreement includes customary mandatory prepayment provisions requiring a portion of proceeds received from disposals and claims against insurers and report providers to be applied towards mandatory prepayment of the Facility in a prescribed order.
- 11.10** Bidco is required to pay the following fees in connection with the Facility Agreement and the terms of the Fee Letters:
- 11.10.1** under the Agency Fee Letter an annual agency fee and a one-off on-boarding fee to the Agent;
 - 11.10.2** under the Arrangement Fee Letter, an arrangement fee to the Lenders;
 - 11.10.3** under the Prepayment Fee Letter, a prepayment fee payable in the event of a prepayment of the Facility (subject to certain exceptions and payable to the Agent (on behalf of the Lenders)); and
 - 11.10.4** under the Extension Fee Letter, an extension fee in the event that Bidco elects to extend the term of the Facility.

Confidentiality Agreement

- 11.11** Pursuant to the Confidentiality Agreement, Bidco has undertaken to keep confidential certain information relating to Pinewood and not to disclose it to third parties (other than to permitted recipients) unless required by law or regulation

12. Offer related fees and expenses

- 12.1** The aggregate fees and expenses which are expected to be incurred by Bidco in connection with the Offer are estimated to amount to £5.47 million plus applicable VAT. This aggregate number consists of the following categories:
- 12.1.1** financing arrangements: £720,000 plus applicable VAT;
 - 12.1.2** financial and corporate broking advice: £250,000 plus applicable VAT;
 - 12.1.3** legal advice: £2,000,000 plus applicable VAT;
 - 12.1.4** accounting advice: £400,000 plus applicable VAT;
 - 12.1.5** public relations advice: £150,000 plus applicable VAT;
 - 12.1.6** other professional services: £1,800,000 plus applicable VAT; and
 - 12.1.7** other costs and expenses: £150,000 plus applicable VAT.
- 12.2** The aggregate fees and expenses which are expected to be incurred by Pinewood in connection with the Offer are estimated to amount to £4.39 million plus applicable VAT. This aggregate number consists of the following categories:
- 12.2.1** financial and corporate broking advice: £3,483,000 plus applicable VAT;
 - 12.2.2** legal advice: £770,000 plus applicable VAT.
 - 12.2.3** public relations advice: £60,000 plus applicable VAT; and
 - 12.2.4** other professional services: £28,000 plus applicable VAT; and
 - 12.2.5** other costs and expenses: £55,000 plus applicable VAT.

13. No Significant Change

- 13.1** Save as disclosed in this document, there has been no material change in the financial or trading position of the Pinewood Group since 31 March 2016, being the date to which Pinewood's last audited accounts were prepared.
- 13.2** Save as disclosed in this document, there has been no material change in the financial or trading position of Bidco since 26 July 2016, being the date of its incorporation.

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14. Consent

Rothschild, Peel Hunt and PwC have given and not withdrawn their written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

15. Other Information

- 15.1 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Bidco or any person acting in concert with Bidco for the purposes of the Offer and any of the Pinewood Directors or recent directors, shareholders or recent shareholders of Pinewood, or any person interested or recently interested in shares of Pinewood, having any connection with, or dependence upon, the Offer.
- 15.2 Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Pinewood Shares to be acquired by Bidco pursuant to the Offer will be transferred to any other person, save that Bidco reserves the right to transfer any such Pinewood Shares to any member of the Bidco Group (or a nominee).
- 15.3 Save as disclosed in this document, no proposal exists in connection with the Offer that any payment or other benefit shall be made or given by Bidco to any Pinewood Director as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- 15.4 Save for the irrevocable undertakings disclosed in paragraph 4 of this Part VII, no agreement, arrangement or undertaking exists between any person and Pinewood or Bidco or any person acting in concert with Bidco for the purposes of the Offer, in relation to the securities of Bidco or Pinewood, including, in addition to indemnity and option arrangements, any agreement or understanding, formal or informal, or whatever nature, which may be an inducement to deal or refrain from dealing.
- 15.5 Save as disclosed in this document, there are no arrangements of the kind referred to in note 6(b) on Rule 8 of the City Code which exist between Bidco or any person acting, or presumed to be acting, in concert with Bidco, and any other person nor between Pinewood or any associate of Pinewood and any other person.
- 15.6 The financial information on Pinewood contained in this document does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. Statutory accounts of Pinewood for each of the three years ended respectively have been delivered to the Registrar of Companies for England and Wales. The auditors of Pinewood have made reports on each of these statutory accounts which were unqualified as defined by section 495 of the Companies Act and which did not contain any statements made under section 498(2) or (3) of the Companies Act.
- 15.7 Settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Bidco may otherwise be, or claim to be entitled, against such shareholder.
- 15.8 Save as disclosed in this document, Bidco is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer.

16. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire SL0 0NH, during the period up to and including the Effective Date or the date on which the Scheme lapses or is withdrawn whichever is the earlier. In addition, the documents are available for viewing on Pinewood's website www.pinewoodgroup.com/investor-relations and Bidco's website at www.pictureholdcoltd.com:

- 16.1 the articles of association of Bidco;
- 16.2 the articles of association of Pinewood;
- 16.3 the published Pinewood Group audited consolidated accounts for the three years ended 31 March 2014, 31 March 2015 and 31 March 2016;

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- 16.4 the consent letters referred to in paragraph 14 of this Part VII;
 - 16.5 the material contracts referred to in paragraph 7 and 11 of this Part VII (including details of the financing arrangements for the Offer);
 - 16.6 copies of the irrevocable undertakings referred to in Parts I and II of this document; and
 - 16.7 this document and the Forms of Proxy.
- 24 August 2016

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PART VIII

INFORMATION INCORPORATED BY REFERENCE

Save for those documents (or parts thereof) set out in Part IV of this document, no other documents (or parts thereof) are incorporated by reference into this document.

Those documents set out in Part IV of this document are available free of charge on Pinewood's website at <http://www.pinewoodgroup.com/about-us/investor-relations>. A person who has received this document may request a copy of any documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested from Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or by telephone on 0371 384 2672 or +44(0)121 4157047 if calling from outside the UK. If requested, copies will be provided, free of charge, within two Business Days of the request.

No incorporation of website information

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

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PART IX DEFINITIONS

The following definitions apply throughout this document (with the exception of Part III) unless the context requires otherwise:

Aermont	Aermont Capital LLP (formerly PW Real Assets LLP)
Agency Fee Letter	the agency fee letter from the Agent to Bidco dated 12 August 2016
Agent	the agent appointed to act as facility agent and security trustee on behalf of the Lenders under the Facility Agreement
Agreed Dividend	the proposed final dividend of 3.2 pence per Pinewood Share in respect of the year ended 31 March 2016 announced in the full year results for the year ended 31 March 2016 on 11 July 2016 and payable to Pinewood Shareholders on the register at the close of business on the Record Date
AIM	AIM, a market operated by the London Stock Exchange
AIM Rules	the London Stock Exchange AIM Rules for Companies
Announcement	the announcement made in accordance with Rule 2.7 of the Code regarding the recommended cash offer for Pinewood by Bidco released on the Announcement Date
Announcement Date	12 August 2016
Arrangement Fee Letter	the arrangement fee letter from Lenders to Bidco dated 12 August 2016
Authorisations	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
Aviva Investors	Aviva Life and Pensions UK Limited, Aviva Investors UK Fund Services Limited and RBS Collective Investment Funds Limited
Bidco	Picture Holdco Limited (a private limited company incorporated in England and Wales under registered number 10296277 with its registered office at 18 St Swithin's Lane, 4 th Floor, London, United Kingdom, EC4N 8AD)
Bidco Directors	the directors of Bidco at the date of this document
Bidco Group	Bidco, PW Fund III, PW Fund III GP, PWREF III Holding S.à r.l, Venus Grafton S.à r.l, Earth Grafton S.à r.l and Mars Grafton S.à r.l
Board	as the context requires, the board of directors of Pinewood or the board of directors of Bidco and the terms "Pinewood Board" and "Bidco Board" shall be construed accordingly
Business Day	any day, other than a Saturday, Sunday or public holiday in the UK, on which banks are open for non-automated business in the City of London
Canada	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
certificated or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST)
Closing Price	the closing middle market quotation of a Pinewood Share as derived from the AIM Appendix to the Daily Official List

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CMA Phase 2 Reference	a reference of an offer or possible offer 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, modified, consolidated, re-enacted or replaced from time to time
Competition and Markets Authority	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013
Conditions	the terms and conditions to the implementation of the Offer (including the Scheme), which are set out in Part V of this document
Confidentiality Agreement	the confidentiality and standstill agreement entered into between Pinewood and Aermont, in its capacity as investment adviser to Bidco, on 22 March 2016
connected persons	has the meaning given to it in sections 252 to 255 of the Companies Act
Contractual Offer	means a contractual offer within the meaning of Part 28 of the Companies Act
Coupon Letter	the letter from the Agent to Bidco dated 12 August 2016 and specifying the coupon payable in connection with the Facility
Court	the High Court of Justice in England and Wales
Court Meeting	the meeting of the holders of Pinewood Shares (other than the Excluded Shares) convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, approve (with or without modification) the Scheme, notice of which is set out in Part X of this document, and any adjournment thereof
Court Order	the Scheme Court Order
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the Regulations
CREST Manual	The CREST Manual issued by Euroclear UK & Ireland dated June 2016 and as amended from time to time
CREST member	a person who is, in relation to CREST, a system-member (as defined in the Regulations)
CREST participant	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
CREST payment	shall have the meaning given in the CREST Manual
CREST personal member	a person who is, in relation to CREST, a private individual member
CREST sponsor	a person who is, in relation to CREST, a sponsoring system-participant (as defined in the Regulations)
CREST sponsored member	a CREST member admitted to CREST as a sponsored member
Daily Official List	the Daily Official List of the London Stock Exchange
dealing day	a day on which dealings in domestic securities may take place on, and with the authority of the London Stock Exchange
Dealing Disclosure	has the same meaning as in Rule 8 of the Code

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Disclosed	the information fairly disclosed by, or on behalf of Pinewood, (i) in the annual report and accounts of the Pinewood for the financial year ended 31 March 2016 as announced on 11 July 2016; (ii) in any other announcement to a Regulatory Information Service by, or on behalf of Pinewood prior to the publication of the Announcement; (iii) in any of the documents, papers or written information made available in the data room maintained by Merrill Corporation entitled Project Picture by 5.00 p.m. on 11 August 2016
Effective	the Scheme having become effective in accordance with its terms, upon the delivery of the Court Order to the Registrar of Companies
Effective Date	the date on which the Scheme becomes Effective
Enlarged Group	Bidco as enlarged by the acquisition of the Company, subject to the Scheme becoming Effective
Equiniti	Equiniti Limited
EU Merger Regulation	Council Regulation 139/2004/EC of 20 January 2004 on the control of concentrations between undertakings
Euroclear UK & Ireland	Euroclear UK & Ireland Limited
Excluded Shareholder	a holder of Excluded Shares
Excluded Shares	any Pinewood Shares of which Bidco or any members of the Bidco group is the holder or in which Bidco is beneficially interested
Explanatory Statement	the explanatory statement prepared in compliance with section 897 of the Companies Act and contained in Part II of this document
Extension Fee Letter	the extension fee letter from the Agent to Bidco dated 12 August 2016
Facility	the £60,000,000 term loan facility made available to Bidco pursuant to the terms of the Facility Agreement
Facility Agreement	the term loan facility agreement entered into between the Lenders, the Agent and Bidco dated 12 August 2016
FCA	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000
Fee Letters	(i) the Agency Letter; (ii) Arrangement Fee Letter; (iii) Extension Fee Letter; and (iv) Prepayment Fee Letter
Form(s) of Proxy	the blue form of proxy for use at the Court Meeting and the white form of proxy for use at the General Meeting which accompany this document, and "Form of Proxy" means either form as the context requires
FSMA	the Financial Services and Markets Act 2000
General Meeting	the general meeting of Pinewood Shareholders, notice of which is set out in Part XI of this document convened for the purposes of considering and, if thought fit, approving the Scheme and the Special Resolution and any adjournment thereof
holder	a registered holder
Lenders	European Real Estate Debt II S.à r.l and DRC European Real Estate Debt III No. 2 S.à r.l

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London Stock Exchange	London Stock Exchange plc
Long Stop Date	12 December 2016, or such later date (if any) as Bidco and Pinewood may agree and the Panel and the Court may allow
Meetings	the Court Meeting and the General Meeting
member account ID	the identification code or number attached to any member account in CREST
Offer	the proposed offer being made by Bidco to acquire the entire issued share capital of Pinewood to be effected by means of the Scheme (or, if Bidco so elects and with the consent of the Panel, a Contractual Offer) and, where the context admits, any subsequent revision, variation, extension or renewal thereof
Offer Period	the offer period (as defined by the Code) relating to Pinewood, which commenced on 10 February 2016
Opening Position Disclosure	has the same meaning as in Rule 8 of the Code
Overseas Shareholders	Pinewood Shareholders (or nominees, or custodians, trustees of Pinewood Shareholders) who are resident in, or nationals or citizens of jurisdictions outside the UK or who are citizens or residents of countries other than the UK
Panel	the Panel on Takeovers and Mergers
participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
Peel Hunt	Peel Hunt LLP
Pinewood or Company	Pinewood Group plc registered in England and Wales with company number 03889552 with its registered office at Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH
Pinewood AGM	the annual general meeting of Pinewood (to be held on 26 September 2016)
Pinewood Articles	the articles of association of Pinewood from time to time
Pinewood Directors	the directors of Pinewood at the date of this document
Pinewood Group	Pinewood and its subsidiaries and subsidiary undertakings
Pinewood Group Company	Pinewood and any member of its Group (where "Group" has the meaning ascribed to it in section 421 of the Financial Services and Markets Act 2000)
Pinewood's Registrar	Equiniti of Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
Pinewood Shareholders	holders of Pinewood Shares
Pinewood Share(s)	the existing unconditionally allotted or issued and fully paid ordinary shares of 10 pence each in the capital of Pinewood
Pounds or £	UK pounds sterling
Prepayment Fee Letter	the prepayment fee letter from the Agent to Bidco dated 12 August 2016
PwC	PricewaterhouseCoopers LLP
PW Fund III	PW Real Estate Fund III LP, a Jersey limited partnership, whose general partner is PW Fund III GP and whose investment adviser is Aermont
PW Fund III GP	PW Real Estate Fund III GP Limited, a Jersey limited company

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PW Funds	the series of funds and their respective subsidiaries advised by Aermont
Record Date	the close of business on 2 September 2016
Registrar of Companies	the registrar of companies in England and Wales
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
Regulatory Information Service ...	any of the services set out in Appendix III to the UK Listing Authority's Listing Rules
Restricted Jurisdiction	any jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which Bidco or Pinewood regards as unduly onerous
Rothschild	N M Rothschild & Sons Limited
Scheme	the scheme of arrangement proposed to be made under sections 895 to 899 of the Companies Act between Pinewood and the holders of Scheme Shares, set out in Part III of this document, with or subject to any modification, addition or condition approved (if necessary) or imposed by the Court and agreed to by Pinewood and Bidco
Scheme Court Hearing	the hearing by the Court to sanction the Scheme
Scheme Court Order	the order of the Court to sanction the Scheme
Scheme Record Time	6.00 p.m. on the Business Day immediately preceding the Court Hearing or such later time as Bidco and Pinewood may agree
Scheme Shareholders	registered holders of Scheme Shares
Scheme Shares	the Pinewood Shares: (i) in issue at the date of this document; (ii) (if any) issued after the date of this document and before the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders of such shares are to be bound by the Scheme or in respect of which their holders are, or shall have agreed in writing to be, bound by the Scheme, and remaining in issue at the Scheme Record Time but excluding the Excluded Shares (if any)
Securities Act	the United States Securities Act of 1933 (as amended)
Special Resolution	the special resolution to be proposed at the General Meeting in connection with, <i>inter alia</i> , the approval of the Scheme and the re-registration of the Company as a private company
Strategic Review	the strategic review of the Company's capital base and structure as announced on 10 February 2016
subsidiary and subsidiary undertaking	have the meaning given to them in the Companies Act
Termination Date	31 March 2018, as extended in accordance with the terms of the Facility Agreement

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- Third Party** 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 bodies responsible for the review and/or approval of mergers, acquisitions, concentrations, joint ventures or any other similar matter or any other body or person whatsoever in any jurisdiction
- UK or United Kingdom** the United Kingdom of Great Britain and Northern Ireland
- uncertificated or in uncertificated form** recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
- US or United States** the United States of America, its territories and possessions, any state of the United States of America, any other areas subject to its jurisdiction and the District of Columbia
- Voting Record Time** 6.30 p.m. on the day which is two days before the date of the Court Meeting and the General Meeting (excluding any day that is not a Business Day) or, if the Court Meeting are adjourned, 6.30 p.m. on the day which is two days before the date of such adjourned meetings (excluding any day that is not a Business Day)
- Wider Bidco Group** Bidco and its associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and all such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the total voting rights, which in the case of a person or entity with equity share capital, means 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
- Wider Pinewood Group** Pinewood and associated undertakings and any other body corporate, partnership, joint venture or person in which Pinewood and such undertakings (aggregating their interests) have a direct or indirect interest of 20 per cent. or more of the total voting rights, which in the case of a person or entity with equity share capital, means 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

All references to time in this document are to London time.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of legislation shall include any amendment, modification, re-enactment or extension thereof.

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PART X
NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
REGISTRAR BARBER

No. 4612 of 2016

IN THE MATTER OF PINWOOD GROUP PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an order dated 23 August 2016 made in the above matters, the Court has given permission for a meeting to be convened of the Scheme Shareholders (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 pursuant to sections 895 to 899 of the Companies Act 2006 proposed to be made between the Company and the holders of the Scheme Shares (each as defined in the said scheme of arrangement) and that such meeting will be held at the offices of Travers Smith LLP, 10 Snow Hill London EC1A 2AL on 19 September 2016, at 9.00 a.m. at which place and time all holders of the Scheme Shares are requested to attend.

A copy of the said Scheme of Arrangement and a copy of the explanatory 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.

Shareholders entitled to attend and vote at the meeting may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend, speak and vote in their place. A proxy need not be a member of the Company. A holder of Scheme Shares may appoint more than one proxy in relation to the Court Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that holder. A blue form of proxy for use at the Court Meeting is enclosed with this notice. Completion and return of this form of proxy will not prevent a holder of ordinary shares from attending and voting at the Court Meeting or any adjournment thereof in person if he wishes to do so.

In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether in person or by proxy, at the Court Meeting, however, 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 be (together with any power of attorney or other authority under which they are signed, or a notarially certified copy of such authority) lodged by post or, during normal business hours only, by hand with Pinewood's Registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not less than 48 hours before the time appointed for the Court Meeting (excluding any day that is not a Business Day), but if forms are not so lodged they may be handed to the Chairman at the meeting before the taking of the poll. Alternatively, you can submit your proxy electronically at www.sharevote.co.uk. You will need to input voting ID, Task ID and Shareholder Reference Number as set out in the enclosed blue form of proxy. Electronic proxy appointments must be received not later than 9.00 a.m. on 15 September 2016 (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date fixed for such adjourned meeting (excluding any day that is not a Business Day)).

Proxies submitted using the CREST proxy voting service must be transmitted so as to be received by Pinewood's Registrar (under CREST participant ID RA19) not later than 9.00 a.m. on 15 September 2016 or (as the case may be) no later than 48 hours prior to the time and date fixed for such adjourned meeting (excluding any day that is not a Business Day). The time of receipt will be taken to be the time from which Pinewood's Registrar are able to retrieve the message by enquiry to CREST.

Entitlement to attend and vote at the Court Meeting, or any adjournment thereof, and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6.30 p.m. on the day which is two days immediately before the date of the Court Meeting or adjourned

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meeting (as the case may be) (excluding any day that is not a Business Day). In each case, changes to the register of members of the Company after such time will be disregarded.

Voting at the Court Meeting will be conducted on a poll and not a show of hands.

By the said Order, the Court has appointed Lord Grade of Yarmouth or, failing him, Ruth Prior or, failing her, any other Director of Pinewood (other than Steven Underwood) to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

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

Dated 24 August 2016

TRAVERS SMITH LLP
10 Snow Hill
London
EC1A 2AL

Solicitors for the Company

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.

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PART XI
NOTICE OF GENERAL MEETING
PINEWOOD GROUP PLC

(Registered in England and Wales No. 03889552)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of the Company will be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL on 19 September 2016 at 9.15 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) shall have been concluded or 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 dated 24 August 2016 between the Company and the holders of its Scheme Shares (each as defined in the said scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman thereof in its original form or subject to such modification, addition or condition approved or imposed by the Court (the "Scheme"):

- (1) the Scheme be approved in its original form or subject to such modification, addition or condition agreed between the Company and Bideo and the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (2) the Company be re-registered as a private company, subject to the Scheme becoming Effective.

By order of the Board

Andrew M. Smith
Company Secretary
24 August 2016
Pinewood Studios,
Pinewood Road,
Iver Heath,
Buckinghamshire SL0 ONH

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.
2. A white form of proxy is enclosed with this notice. Instructions for use are shown on the form. Lodging a white form of proxy will not prevent the member from attending and voting in person.
3. To be valid, the white form of proxy, together with any power of attorney or other authority under which it is signed, or a duly certified copy thereof, must be received at the offices of Pinewood's Registrar, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, not later than 48 hours (excluding any day that is not a Business Day) before the time of the meeting or, as the case may be, the adjourned meeting. Completion and return of a proxy form will not prevent a member from attending and voting at the General Meeting, or any adjournment thereof, in person if he wishes to do so. Alternatively, you can submit your proxy electronically at www.sharevote.co.uk. You will need to input the Voting ID, Task ID and Shareholder Reference Number as set out in the enclosed forms of proxy. Electronic proxy appointments must be received not later than 9.15 a.m. on 15 September 2016 (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date fixed for such adjournment meeting (excluding any day that is not a Business Day)).
4. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that entitlement to attend and vote at the General Meeting or any adjournment thereof, and the number of votes which may be cast thereat, will be determined by reference to the register of

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members of the Company not less than 48 hours before the time of such meeting or adjourned meeting (excluding any day that is not a Business Day). Changes to the register of members after 6.30 p.m. on 15 September 2016 or, if the General Meeting is adjourned, after 6.30 p.m. on the day prior to the day immediately before the day fixed for the adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the General Meeting.

5. If you submit your proxy electronically through CREST, to be valid the appropriate CREST message (regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Pinewood's Registrar (under CREST participant RA19), by no later than 9.15 a.m. on 15 September 2016 (or, in the case of an adjourned meeting, not less than 48 hours before the time of the adjourned meeting (excluding any day that is not a Business Day)). The time of receipt will be taken to be the time from which Pinewood's Registrar is able to retrieve the message by enquiry to CREST.
6. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages and the normal system timings and limitations apply to the input CREST proxy instructions.
8. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.
9. Copies of the Company's existing articles of association are available for inspection at the offices of Travers Smith LLP, 10 Snow Hill, London, EC1A 2AL, and at the Company's registered office Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire SL0 0NH, until opening of business on the day on which the meeting is held and will also be available for inspection at the place of the General Meeting for at least 15 minutes prior to and during the General Meeting.

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Merrill Corporation Ltd, London
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