

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

If you have sold or otherwise transferred all of your Shares in F&C Global Smaller Companies PLC (the “Company”), please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

F&C GLOBAL SMALLER COMPANIES PLC

(incorporated in England and Wales with registered no.00028264 and registered as an investment company under section 833 of the Companies Act 2006)

**Proposed issue of
up to £40 million in nominal amount of 3.5 per cent.
Convertible Unsecured Loan Stock (“CULS”)
at 100p per £1 nominal unit**

and

Notice of General Meeting

Notice of the general meeting of the Company to be held at 12.30 p.m. on 24 July 2014 at The Chartered Accountants’ Hall, One Moorgate Place, London EC2R 6EA (the “General Meeting”) is set out at the end of this document. To be valid, the Form of Proxy accompanying this document must be completed and returned, in accordance with the instructions printed on it, so as to be received by the Company’s registrars, Computershare Investor Services PLC, Corporate Actions 3, Bristol BS99 6AR as soon as possible, but in any event not later than 12.30 p.m. on 22 July 2014. Investors holding Shares in the Company through the F&C Savings and Pensions Plans will have received with this document a Form of Direction which must be completed and returned in accordance with the instructions printed on it to Computershare Investor Services PLC not later than 12.30 p.m. on 18 July 2014.

Applications will be made to the UK Listing Authority for the CULS to be admitted to the Official List and to the London Stock Exchange for the CULS to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission of CULS will become effective, and dealings in the CULS will commence, at 8.00 a.m. on 30 July 2014.

Oriel Securities Limited (“Oriel”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Oriel and is not advising any other person in relation to any transaction contemplated in or by this document.

Your attention is drawn to the section headed “Risk Factors” on page 2 of this document. The attention of Shareholders is also drawn to the section headed “Action to be taken” set out on page 4 of this document and the section headed “Recommendation” set out on page 14.

25 June 2014

RISK FACTORS

The risk factors referred to below are a summary of the risks which are considered by the Company and the Directors to be material as at the date of this document but are not the only risks relating to the Company or CULS. Additional risks and uncertainties relating to the Company or the CULS that are not currently known to the Company or the Directors or that the Directors or the Company do not currently consider to be material may also have a material adverse effect on the Company. Potential investors should review these carefully and consult with their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before acquiring any CULS.

Risks relating to the Company

The value of an investment in the Company, and the income derived from it, may go down as well as up and may not always reflect the Net Asset Value per Share.

Changes in economic or political conditions and other factors can substantially and adversely affect the value of investments and therefore the Company's performance and prospects.

The past performance of the Company and of investments managed by the Investment Manager, are not necessarily indicative of future performance. The departure of key skilled professionals from the Investment Manager could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has been approved as an investment trust under section 1158 of the Tax Act and conducts its business so as to continue to satisfy the conditions for approval. Such approval exempts the Company from United Kingdom taxation on its capital gains. Breach of the tests that a company must meet to obtain approval as an investment trust company could lead to the Company being subject to tax on capital gains and, as a result, could materially adversely affect the Company's results and performance.

Any change in the Company's tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders.

The Company makes investments in predominantly listed smaller companies worldwide and third party collective smaller company funds. Individual smaller companies can be expected, in comparison to larger companies, to have less mature businesses, less depth of management and a higher risk profile. As a result they may find it difficult to access finance and/or overcome periods of economic slowdown. As they are less likely to have the financial resources of larger companies they may find it more difficult to retain key skilled individuals. These events may have a material adverse effect on the performance of that smaller company and may lead them to reduce their dividends which could put pressure on the Company's own ability to pay dividends. Furthermore, smaller company share prices can be more volatile than those of larger companies, particularly at times of economic stress.

Risks specific to the CULS

The market price of the CULS will be influenced by a number of factors, including the supply of, and demand for, CULS; the price, Net Asset Value per Share and dividend yield of the Ordinary Shares; prevailing interest rates; market conditions; and general investor sentiment. There can be no guarantee that the market price of the CULS will fully reflect any value inherent in their convertibility into Ordinary Shares.

On a winding-up of the Company, the nominal amount of the CULS will rank ahead of the Ordinary Shares but will be subordinated to the Company's borrowings and creditors.

The rate of conversion of the CULS is set at a 15 per cent. premium to the unaudited Net Asset Value per Ordinary Share at close of business on the date of Admission. When any CULS convert into Ordinary Shares at a time when the Net Asset Value per Ordinary Share is greater than the Conversion Price, there will be a dilution of the Net Asset Value per Ordinary Share for Ordinary Shareholders. This potential dilution is likely to impact on the market price of Ordinary Shares.

Securities of the Company are designed to be held over the long-term and may not be suitable as short-term investments. There can be no guarantee that any appreciation in the value of the Company's investments will occur, and investors may not get back the full value of their investment in CULS or in Ordinary Shares.

The CULS will be unsecured and will be subordinate to any creditors of the Company. In the event that the Company puts in place additional gearing such gearing would rank ahead of the CULS.

The Company borrows funds for the purpose of purchasing securities. Such borrowings include the CULS. This may provide an opportunity for greater growth in the net assets of the Company and greater capital appreciation in the value of the Ordinary Shares, but at the same time it increases the exposure of the Company and Ordinary Shareholders to the risk of capital loss.

Although the CULS and the Ordinary Shares resulting from any conversion of CULS will be listed on the Official List and traded on the Main Market, it is possible that there may not be a liquid market in the CULS or the Ordinary Shares. Accordingly CULS holders or Shareholders may be unable to realise their CULS or Ordinary Shares at the quoted market price or at all.

ACTION TO BE TAKEN

Applications for CULS can only be made on the basis of the Prospectus which will be published shortly and will be available from the Company's website, www.fandcglobalsmallers.com.

If you do not wish to apply for CULS, do not complete or return an Application Form or a Subscription Form. However, you are still requested to vote at the General Meeting and may do so by attending the General Meeting in person or by returning the Form of Proxy or Form of Direction.

Shareholders	<p><i>To vote at the General Meeting</i></p> <p>Complete the accompanying reply-paid Form of Proxy in accordance with the instructions printed on it and return it to the Company's registrar at the address set out on it so as to arrive as soon as possible and, in any event, not later than 12.30 p.m. on 22 July 2014 and/or attend and vote at the General Meeting at 12.30 p.m. on 24 July 2014.</p> <p><i>To Apply for CULS under the Offer for Subscription</i></p> <p>Complete the Subscription Form, which will be attached to the Prospectus in accordance with the instructions set out in the Subscription Form and return it by post to Computershare Corporate Actions 3, Bristol BS99 6AR or by hand only to Computershare Investor Services PLC, The Pavillions, Bridgwater Road, Bristol BS13 8AE so as to be received by Computershare by no later than 11 a.m. on 23 July 2014. Individual applications must be for CULS with a minimum value at the Issue Price of £1,000 and applications in excess of that amount should be made in multiples of £100.</p>
Qualifying Shareholders (as defined on page 7 of this document)	<p><i>To Apply for CULS under the Open Offer and the Excess Application Facility</i></p> <p>Complete the Open Offer Application Form, which will be sent to you shortly, in accordance with the instructions set out in the Open Offer Application Form and return it by post to Computershare Corporate Actions 3, Bristol BS99 6AR or by hand only to Computershare Investor Services PLC, The Pavillions, Bridgwater Road, Bristol BS13 8AE so as to be received by Computershare by no later than 11 a.m. on 22 July 2014.</p> <p><i>To Apply for additional CULS under the Offer for Subscription</i></p> <p>Complete the Subscription Form, which will be attached to the Prospectus in accordance with the instructions set out in the Subscription Form and return it by post to Computershare Corporate Actions 3, Bristol BS99 6AR or by hand only to Computershare Investor Services PLC, The Pavillions, Bridgwater Road, Bristol BS13 8AE so as to be received by Computershare by no later than 11 a.m. on 23 July 2014. Individual applications must be for CULS with a minimum value at the Issue Price of £1,000 and applications in excess of that amount should be made in multiples of £100.</p>
F&C Savings Plan Participants holding their Shares within their F&C Savings and Pensions Plans	<p><i>To vote at the General Meeting</i></p> <p>Complete the accompanying reply-paid letter of direction in accordance with the instructions printed on it and return it to the Company's registrar at the address set out on it so as to arrive as soon as possible and, in any event, not later than 12.30 p.m. on 18 July 2014 and/or attend and vote at the General Meeting at 12.30 p.m. on 24 July 2014.</p> <p><i>To Apply for CULS under the Offer for Subscription</i></p> <p>Complete the Subscription Form, which will be attached to the Prospectus in accordance with the instructions set out in the Subscription Form and return it by post to Computershare Corporate Actions 3, Bristol BS99 6AR or by hand only to Computershare Investor Services PLC, The Pavillions, Bridgwater Road, Bristol BS13 8AE so as to be received by Computershare by no later than 11 a.m. on 23 July 2014. Individual applications must be for CULS with a minimum value at the Issue Price of £1,000 and applications in excess of that amount should be made in multiples of £100.</p>

DEFINITIONS

Act	the Companies Act 2006 (as amended)
Admission	admission of the CULS under the Issue to the standard debt segment of the Official List and to trading on the London Stock Exchange's main market
Application Form or Open Offer Application Form	the personalised application form for Qualifying Shareholders to use in connection with the Open Offer which, where relevant, will be sent out shortly
Articles	the articles of association of the Company (as amended from time to time)
Benchmark Index	30% Numis UK Smaller Companies (excluding investment companies) Index/70% MSCI All Country World ex UK Small Cap Index
Board or Directors	the board of directors of the Company (or any duly authorised committee of the board of directors) from time to time
certificated form	not in uncertificated form
Company	F&C Global Smaller Companies plc, a company incorporated in England and Wales (registered number 00028264), whose registered office is at Exchange House, Primrose Street, London EC2A 2NY
Conversion Price	the nominal amount of CULS required for conversion into one Ordinary Share from time to time
Conversion Rights	the right of each CULS Holder (and where applicable, the Trustee on his behalf) to convert the whole or such part (being an integral multiple of £1 nominal) of his CULS as he may specify into fully paid Ordinary Shares in accordance with the provisions of this document and the Trust Deed
CREST	the paperless settlement system operated by Euroclear governed by the CREST Regulations and any successor system or operator for the purposes of those Regulations
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
CULS	3.5 per cent. Convertible Unsecured Loan Stock of the Company, with the rights described in the Appendix to this document
CULS Holder	a holder of CULS
Debenture Stock	the £10 million 11.5% debenture stock 2014 of the Company
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Excess Application Facility	the arrangement under which each Qualifying Shareholder may apply for CULS up to a maximum amount equal to 125 per cent. of their Open Offer Entitlement provided they have agreed to take up their

	Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
FCA	the Financial Conduct Authority
Financial Year	the financial year of the Company from time to time, currently being the 12 month period ending on 30 April
Form of Direction	the form of direction which accompanies this document for use by investors holding Shares through the F&C Savings and Pension Plans
Form of Proxy	the form of proxy which accompanies this document for use by Shareholders at the General Meeting
FSMA	the Financial Services and Markets Act 2000
General Meeting	the general meeting of the Company convened for 12.30 p.m. on 24 July 2014 or any adjournment
ISA	an individual savings account
Issue	the issue of CULS by the Company under the Open Offer, the Placing and the Offer for Subscription
Issue Price	100p per £1 nominal unit of CULS
Listing Condition	(i) the UKLA having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the CULS arising under the issue to the Official List with a standard listing has been approved and will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied; (ii) the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgement not having been withdrawn) that the CULS will be admitted to trading; and (iii) Admission occurring on or before 8.00 a.m. on 30 July 2014 or such time and/or date as the Company and Oriel may agree, being not later than 29 August 2014
London Stock Exchange	London Stock Exchange plc
Manager or Investment Manager	F&C Management Limited, a company incorporated in England and Wales with registered number 00517895, whose registered office is at Exchange House, Primrose Street, London EC2A 2NY
Minimum Issue Proceeds	the minimum gross proceeds of the Issue being £25 million or such lower amount as the Company, the Manager and Oriel may agree in writing
Net Asset Value	the prevailing net asset value per Share from time to time, calculated in accordance with the Company's normal accounting policies which include measuring the Company's debt at par and including current period income
Offer for Subscription	the offer for subscription of CULS at the Issue Price as described in this document
Official List	the Official List of the UK Listing Authority

Open Offer	the open offer to Qualifying Shareholders for subscription of CULS on and subject to the terms and conditions set out in this document (and, where applicable, the Application Form)
Open Offer Entitlement	the entitlement of a Qualifying Shareholder to apply for 0.7765 CULS for each Ordinary Share held by him or her on the Record Date, on and subject to the terms of the Open Offer but excluding, for the avoidance of doubt, CULS under the Excess Application Facility
Ordinary Shareholders or Shareholders	holders of Ordinary Shares who have their name entered on the register of members of the Company
Ordinary Shares or Shares	ordinary shares of 25p each in the capital of the Company
Oriel	Oriel Securities Limited, a company incorporated in England and Wales with registered number 04373759, whose registered office is at 150 Cheapside, London EC2V 6ET
Overseas Shareholders	Ordinary Shareholders with registered addresses in or who are resident or ordinarily resident in, or citizens of jurisdictions outside, the United Kingdom
Placees	any persons who have conditionally agreed or shall agree to subscribe for CULS under the Placing
Placing	the placing of CULS by Oriel on behalf of the Company, in accordance with the Placing Agreement
Placing Agreement	the agreement dated on or around 25 June 2014 between the Company, the Investment Manager and Oriel relating to the Placing
Prospectus	the prospectus to be published by the Company shortly in relation to the Issue on or around the date of this document
Qualifying CREST Shareholders	Qualifying Shareholders holding Ordinary Shares in uncertificated form in CREST
Qualifying non-CREST Shareholders	Qualifying Shareholders holding Ordinary Shares in certificated form
Qualifying Shareholders	holders of Ordinary Shares who have their name entered on the register of members of the Company at the Record Date and whose Open Offer Entitlement will entitle them to a minimum of £1,000 of CULS in nominal value. For the avoidance of doubt Overseas Shareholders and investors holding Shares in the Company through the F&C Savings and Pensions Plans are not Qualifying Shareholders
Record Date	6.00 p.m. on 17 June 2014
Resolution	the special resolution to be proposed at the General Meeting which will, if passed, grant the Directors the authority to issue, on a non pre-emptive basis, Shares and grant rights to convert any security into Shares of the Company in connection with the Issue

RIS	a Regulatory Information Service approved by the FCA and on the list of regulatory information services maintained by the FCA
Securities Act	the United States Securities Act of 1933, as amended
Subscription Form	the application form in connection with the Offer for Subscription which will be attached to the Prospectus
Tax Act	the Corporation Tax Act 2010
Trust Deed	the trust deed proposed to be entered into between the Company and the Trustee constituting the CULS
Trustee	the trustee from time to time of the CULS, which on the issue of the CULS will be The Law Debenture Trust Corporation p.l.c.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the FCA acting in its capacity as competent authority for the purposes of Part VI of FSMA
uncertificated or in uncertificated form	recorded in the Company's register of members as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
United States or US	the United States of America, its territories, its possessions including the States, the District of Columbia and other areas subject to its jurisdiction
US Person	any "US Person" as such term is defined in Regulation S under the Securities Act
VAT	value added tax

F&C GLOBAL SMALLER COMPANIES PLC

(Incorporated in England and Wales with registered number 00028264 and registered as an investment company under section 833 of the Companies Act 2006)

Directors:

Anthony Townsend (*Chairman*)
Andrew Adcock
Les Cullen
Dr Franz Leibenfrost
Jane Tozer
Mark White

Registered Office:

Exchange House
Primrose Street
London
EC2A 2NY

25 June 2014

Dear Shareholder,

**Issue of up to £40 million in nominal amount of 3.5 per cent.
Convertible Unsecured Loan Stock (“CULS”)**

Background to and details of the Open Offer, Placing and Offer for Subscription

The Company has in issue £10 million 11.5% debenture stock, which matures in December 2014. As the maturity date approaches, the Directors of the Company have been reviewing whether to replace the structural gearing which the Debenture Stock has offered and has been carefully considering the form of any replacement borrowings. The Board announced on 30 April 2014 that the Company and its advisers were exploring a number of options including the possibility of an issue of CULS.

The Board has today announced that the Company is proposing to raise up to £40 million through an Open Offer, Placing and Offer for Subscription of CULS which will be listed (by way of a standard listing) on the main market of the London Stock Exchange. The Board believes that regular or structural gearing through the investment cycle is appropriate to enhance Shareholder returns. The Issue of CULS is subject to Shareholder approval. The purpose of this document is therefore to provide you with further details of the proposed Issue of CULS and to convene a General Meeting for 12.30 p.m. on 24 July 2014 to approve the Issue. The net proceeds of the issue of CULS will be invested by the Manager in accordance with the Company's investment policy.

Up to £40 million in nominal value of CULS is available under the Issue at an issue price of 100p per nominal unit. The interest rate on the CULS will be fixed at 3.5 per cent. per annum, payable semi-annually with the first interest period ending on 31 January 2015. CULS Holders will be able to convert their CULS into Ordinary Shares twice annually throughout the life of the CULS commencing on 31 January 2015 and all outstanding CULS will be repayable at par on 31 July 2019. The rate of conversion will be set at a premium of 15 per cent. to the (unaudited) Net Asset Value per Ordinary Share on Admission, rounded up to the nearest penny. The Company will announce the initial Conversion Price to a RIS as soon as practicable following its calculation. Further details in relation to the CULS are set out in the Appendix to this document.

The Open Offer

The Board has been keen throughout the process of considering a CULS issue that Shareholders should as far as possible be able to apply for an entitlement of CULS on a pre-emptive basis and therefore an Open Offer is being proposed. It is however recognised that, for Shareholders with modest shareholdings, their entitlement under pre-emption (being a pro rata share of the £40 million of CULS to be issued under the Issue) would be small from a monetary point of view. In the light of the uneconomic costs of registering and administering such small holdings of CULS the Board is proposing a minimum application requirement of £1,000 in nominal value of CULS. Accordingly only Qualifying Shareholders (being, for the avoidance of doubt, Shareholders, other than Overseas Shareholders, who have their name entered on the register of members of the Company on the Record Date and whose Open Offer Entitlement will entitle them to a minimum of £1,000 of CULS in nominal value) will be able to apply for CULS under the Open Offer. Therefore Shareholders with small holdings in the

Company will not be Qualifying Shareholders and will not receive an Open Offer Entitlement under the Open Offer. Furthermore, due to unavoidable administrative reasons investors holding Shares in the Company through the F&C Savings and Pension Plans will not be Qualifying Shareholders and they will not receive an Open Offer Entitlement under the Open Offer. If such smaller Shareholders or investors in the F&C Savings and Pension Plans wish to participate in the Issue they are welcome to apply through the Offer for Subscription. Applications under the Offer for Subscription must be for CULS with a minimum nominal value of at least £1,000.

Qualifying Shareholders who take up all of their Open Offer Entitlement will also be able to apply for up to a maximum amount equal to 125 per cent. of their Open Offer Entitlement under the Excess Application Facility. The Excess Application Facility will apply to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlements in full.

Placing and Offer for Subscription

To the extent that Qualifying Shareholders do not take up their entitlement under the Open Offer and the Excess Application Facility, CULS will be available to Ordinary Shareholders and to new investors under the Placing and the Offer for Subscription. It is therefore likely that the number of investors with a material interest in the Company will increase. On any conversion of the CULS, such investors will become investors in the Ordinary Shares which the Board believes will result in a broader investor base in the Company and a larger number of Shares in issue. This should over time, enhance the liquidity of the Shares in the market.

Oriel has in accordance with the terms of the Placing Agreement agreed to use reasonable endeavours as part of the Placing to procure commitments for investment in the CULS. Investors (save for certain overseas investors but including small Shareholders and investors holding Shares through the F&C Savings and Pension Plans) may also apply for CULS through the Offer for Subscription. Individual applications under the Offer for Subscription must be for CULS with a minimum aggregate value at the Issue Price of £1,000. Any such commitments under the Placing or applications under the Offer for Subscription may be subject to scaling back to the extent Qualifying Shareholders take up their rights under the Open Offer.

If Qualifying Shareholders wish to subscribe for CULS in excess of their Open Offer Entitlement and the Excess Application Facility, they may do so either (i) if they have appropriate arrangements with an intermediary through the Placing (in which case they should contact such intermediary); or (ii) by direct application themselves under the Offer for Subscription as further described later in this letter.

The Issue is not being underwritten by Oriel and if applications are not received (whether under the Open Offer, the Placing or the Offer for Subscription) for a minimum of £25 million or such lower amount as the Company, the Manager and Oriel may agree in writing the Issue will not proceed.

Benefits of the Open Offer, Placing and Offer for Subscription

The Directors believe that the Issue will have the following advantages for the Company:

- given the attractions of the Company's investment mandate, the Board believes that regular or structural gearing through the investment cycle is appropriate to enhance shareholder returns;
- the fixed cost of servicing the coupon of 3.5 per cent. per annum on the CULS is competitive against other forms of gearing that the Company could currently employ;
- any conversion of the CULS should lead to a broader investor base in the Company and a larger number of Shares in issue. This should enhance the liquidity for the Company's Ordinary Shares in the market; and
- on any conversion of the CULS, the capital base of the Company would increase, allowing fixed operating costs to be spread across a larger number of Ordinary Shares, thereby reducing the ongoing charges per Share.

Investment outlook

The strong recent performance of equities and specifically smaller company equities means that the headline valuation metrics in a number of the main world stock markets are now standing at a premium to long term averages, although emerging market valuation multiples are currently below more recent levels. The financial market consequences of the winding down of the US quantitative easing

programme and eventually similar moves elsewhere remain uncertain at present, and near term equities could remain volatile.

However, growth in the global economy is continuing and most developed economies are now back in growth mode.

The Board believes, in the long term, there is potential for the smaller company investment universe to continue to deliver good returns.

Investment performance

The Company's investment portfolio has delivered strong returns over the long term as illustrated in the table below.

Returns over the financial periods of the Company to 30 April 2014

	<i>1 Year</i>	<i>3 years</i>	<i>5 years</i>	<i>10 years</i>
Net Asset Value total return	12.3%	42.7%	143.9%	235.2%
Share Price total return	10.8%	48.0%	172.3%	324.7%
Benchmark Index total return	12.4%	32.0%	125.5%	185.7%

This good long term performance has been achieved predominantly as a result of the strong stock selection of attractively growing smaller company stocks in the UK, US and European markets and the Company's strategy of using third party managed collective smaller company funds to provide exposure to other parts of the world has also been successful.

As at 23 June 2014 (the latest practicable date prior to the publication of this document) the Company's unaudited net assets were £443.3 million, as compared with the audited net assets at 30 April 2014 (the Company's most recent financial year-end) of £431.1 million. The net assets of the Company have increased by 2.8 per cent. over the period from 30 April 2014 to 23 June 2014.

The Company pays dividends based on the net income received during the year. In the last three financial years of the Company, the dividends per Ordinary Share have been 5.63 pence in 2012, 6.50 pence in 2013 and 8.00 pence in 2014.

Further information about the past performance of the Company and the Ordinary Shares can be obtained from the Company's website, www.fandcglobalsmallers.com. Neither the Company's website nor the content of any website accessible from hyperlinks on that website or any other website is or is deemed to be incorporated into or forms or is deemed to form any part of this document.

Dividend policy

The Company follows a progressive dividend policy and aims to continue to do so. Dividends are paid in January and August of each year.

The Shares issued following conversion of the CULS will rank *pari passu* in all respects with the Shares, including as to dividends.

The Company has increased its dividend annually over the past 44 years. However, there is no guarantee that the Company will be able to pay progressive or any dividends in the future.

Borrowings

The Company has the power under its Articles to borrow up to 100 per cent. of Shareholders' realised reserves. The Company's investment policy provides that effective gearing is limited to a maximum of 20 per cent. of Shareholders' funds.

The Board intends to keep the Company's use of gearing and gearing level under review. On the assumption that the Issue is fully subscribed and the proceeds fully invested, the Company's effective gearing level would be approximately 7.4 per cent. (including Debenture Stock at par value) at 23 June 2014. Notwithstanding the fact that the Company has no current intention to introduce additional gearing should the Issue be fully subscribed, in the event the Company does, in the future, put in place additional gearing, such gearing would rank ahead of the CULS.

Details of the Issue

The Issue, which is not underwritten, is conditional upon:

- (a) the passing of the Resolution at the General Meeting;
- (b) the Placing Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms;
- (c) the Listing Condition being satisfied; and
- (d) the Minimum Issue Proceeds being equal to or exceeding £25 million or such lower amount as the Company, the Manager and Oriel may agree in writing.

If these conditions are not satisfied, the Issue will not proceed and any applications made by Qualifying Shareholders under the Open Offer, any commitments received under the Placing and any applications made under the Offer for Subscription will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

Applications for the Issue must be for CULS with a minimum nominal value of £1,000.

The Prospectus will be published shortly and will be available on www.fandcglobalsmallers.com and a hard copy is available during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) at Exchange House, Primrose Street, London EC2A 2NY.

Applications under the Open Offer, the Placing and the Offer for Subscription may only be made on and subject to the relevant terms and conditions which will be set out in the Prospectus.

The Open Offer

The Open Offer provides Qualifying Shareholders with the opportunity to participate in the Issue by subscribing for their Open Offer Entitlements on a pre-emptive basis and to make excess applications under the Excess Application Facility, if they wish to do so, up to a maximum amount equal to 125 per cent. of their Open Offer Entitlement, subject to CULS being available once all of the applications for *pro-rata* entitlements under the Open Offer have been taken into account.

Qualifying Shareholders should note that, as a result of the cost of administering the holdings of CULS, a minimum of £1,000 in nominal amount of CULS must be applied for under the Open Offer.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying non-CREST Shareholders is 6 p.m. on 17 June 2014. The Open Offer Application Form for Qualifying non-CREST Shareholders which will be sent out shortly, where relevant. The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11 a.m. on 22 July 2014 with Admission and commencement of dealings in CULS expected to take place at 8.00 a.m. on 30 July 2014.

The Prospectus and, for Qualifying non-CREST Shareholders, the Open Offer Application Form will contain the formal terms and conditions of the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to 8 a.m. on 30 July 2014 is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for CULS under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

The Placing

The Company has entered into the Placing Agreement under which Oriel has agreed to use reasonable endeavours to procure commitments for investment in the CULS. Such Placees are to comprise of institutional and other investors (including certain Shareholders).

Any such commitments under the Placing will be subject to scaling back to the extent Qualifying Shareholders take up their rights under the Open Offer and Excess Application Facility. Accordingly,

applicants for CULS under the Placing may, in certain circumstances, not be allotted the number of CULS for which they have applied.

The obligations of Oriel under the Placing Agreement are conditional, *inter alia*, on the passing of the Resolution at the General Meeting. Oriel is not making the Open Offer nor the Offer for Subscription.

The Offer for Subscription

Investors, including Shareholders and investors holding Shares in the Company through the F&C Savings and Pension Plans (save for certain overseas investors) may apply for CULS through the Offer for Subscription.

The aggregate subscription price is payable in full on application. Applications under the Offer for Subscription must specify a fixed sum in pounds sterling, being the aggregate subscription price for the CULS for which they wish to apply at the Issue Price. Individual applications must be for CULS with a minimum aggregate value at the Issue Price of £1,000 and applications in excess of that amount should be made in multiples of £100.

The CULS will be a qualifying investment for the stocks and shares component of an ISA, provided they are acquired by an ISA plan manager under the Offer for Subscription.

Applications made under the Offer for Subscription may be subject to scaling back to the extent Qualifying Shareholders take up their rights under the Open Offer. Accordingly applicants for CULS under the Offer for Subscription may, in certain circumstances, not be allotted the number of CULS for which they have applied.

The procedure for, and the terms and conditions of, application under the Offer for Subscription will be set out at the end of the Prospectus and an application form for use under the Offer for Subscription will be attached to the Prospectus. These terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisers if they are in any doubt.

Fractions

Fractions of CULS will not be issued. To the extent that (other than on a scaling back) the fixed sum specified in relation to any applications for CULS exceeds the aggregate value, at the Issue Price, of the CULS issued under such application, the balance of such sum (which will never exceed the Issue Price per £1 nominal value of CULS) will be retained for the benefit of the Company.

Resolution to be voted on at the General Meeting

Implementation of the Issue requires Shareholders to approve the Resolution to be proposed as a special resolution which requires the approval of 75 per cent. or more of the Shareholders at the General Meeting. If passed the Resolution will:

- (i) authorise the Directors to allot the CULS under the Issue and Ordinary Shares by the exercise of the Conversion Rights up to a maximum nominal amount of £40 million of CULS; and
- (ii) authorise the Directors to allot, on a non pre-emptive basis, CULS under the Issue and Ordinary Shares by the exercise of Conversion Rights up to a maximum nominal amount of £40 million of CULS.

As at 23 June 2014 (the latest practicable date prior to the publication of this document) the Company did not hold any Ordinary Shares in treasury.

On the assumption that the Issue is fully subscribed and that £40 million in nominal value of CULS is issued, the costs and expenses of the Issue are estimated to be approximately £820,000, representing 0.18 per cent. of the Company's Net Asset Value as at 23 June 2014, the latest practicable date prior to the printing of this document.

Consent

Oriel, which is authorised and regulated by the FCA, has given and has not withdrawn its consent to the inclusion herein of its name and the reference to it in the form and context in which they appear.

Actions to be taken

Voting at the General Meeting

Shareholders

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you wish to subscribe for CULS under the Issue and regardless of whether you propose to attend the General Meeting in person, it is important that you complete and sign the enclosed Form of Proxy in accordance with the instructions provided on the Form of Proxy and return it to Computershare Investor Services PLC, Corporate Actions 3, Bristol BS99 6AR, as soon as possible and, in any event, Forms of Proxy must be received not later than 12.30 p.m. on 22 July 2014. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person, if you so wish.

If you hold Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrar so that it is received by no later than 12.30 p.m. on 22 July 2014.

Alternatively, the Form of Proxy may be submitted electronically at www.eproxyappointment.com by no later than 12.30 p.m. on 22 July 2014. The completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting in person at the General Meeting.

Investors in the F&C Savings and Pensions Plans

You will find enclosed with this document a Form of Direction. Whether or not you wish to subscribe for CULS under the Offer for Subscription and regardless of whether you propose to attend the General Meeting in person, it is important that you complete and sign the enclosed Form of Direction in accordance with the Instructions printed thereon and return it to Computershare Investor Services PLC, Corporate Actions 3, Bristol BS99 6AR.

To be valid the Form of Direction must be returned to Computershare Investor Services PLC so as to arrive not later than 12.30 p.m. on 18 July 2014.

Recommendation

Your Board, which has been advised by Oriel, believes that the passing of the Resolution is in the best interests of the Company and the Shareholders as a whole. In providing its advice, Oriel has taken into account the Board's commercial assessments of the Issue.

Accordingly, the Board unanimously recommends you to vote in favour of the Resolution to be proposed at the General Meeting irrespective of whether or not you qualify or wish to subscribe for CULS under the Issue. The Directors, who in aggregate have an interest in 56,722 Ordinary Shares (being approximately 0.11 per cent. of the issued shares), intend to vote their entire beneficial holdings in favour of the Resolution.

The Directors cannot, and do not, offer any advice or recommendation to Shareholders as to whether to subscribe for CULS under the Issue. If you need advice, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 without delay.

Yours faithfully

Anthony Townsend
Chairman

APPENDIX

The Application Process

Applying under the Open Offer

Qualifying non-CREST Shareholders (i.e. holders of Ordinary Shares who hold their Ordinary Shares in certificated form)

If you are a Qualifying non-CREST Shareholder you will receive an Application Form which gives details of your Open Offer Entitlements (as shown by the number of Open Offer Entitlements set out in Box 2). If you wish to apply for CULS under the Open Offer, you should complete the Application Form in accordance with the procedure for application set out in the Application Form itself. Completed Application Forms, accompanied by full payment, should be posted in the accompanying pre-paid envelope or returned by post to Computershare, Corporate Actions 3, Bristol BS99 6AR or delivered by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to arrive as soon as possible and in any event so as to be received by no later than 11 a.m. on 22 July 2014. If you do not wish to apply for any CULS under the Open Offer, you should not complete or return the Application Form.

Qualifying CREST Shareholders

If you are a Qualifying CREST Shareholder no Application Form will be sent to you and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements. You must give the relevant CREST instructions to settle in accordance with the instructions which will be set out in Part 4 of the Prospectus by no later than 11 a.m. on 22 July 2014. You should refer to the procedure for application which will be set out in Part 4 of the Prospectus.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document, the Prospectus and the Open Offer.

If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from an independent professional adviser authorised under FSMA, if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

Applying under the Offer for Subscription

The procedure for, and the terms and conditions of, application under the Offer for Subscription which will be set out at the end of the Prospectus and an application form for use under the Offer for Subscription which will be attached to the Prospectus. These terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisers if they are in any doubt.

Completed application forms in relation to the Offer for Subscription must be posted to Computershare, Corporate Actions 3, Bristol BS99 6AR or delivered by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by 11 a.m. on 23 July 2014.

Details of the CULS

This is a summary of the details of the CULS, the definitive details will be set out in the Prospectus which will be published shortly. The 3.5 per cent. CULS of the Company in a nominal amount of £1 will be created by a resolution of the Board of the Company (or a duly authorised committee of the Board) and will be constituted as an unsecured subordinated obligation of the Company by the Trust Deed between the Company and The Law Debenture Trust Corporation p.l.c., whose registered office is at 100 Wood Street, London EC2V 7EX, as trustee for the CULS Holders. Copies of the Trust Deed, when executed, will be available for inspection by CULS Holders at the registered office for the time being of the Company, being at the date of publication of this document Exchange House, Primrose Street, London EC2A 2NY.

The Issue of CULS will give the Company long-term structural gearing at a fixed cost. The net proceeds of the Issue will be invested in accordance with the Company's investment objective and policy, which will increase the Company's ability to make new investments of the kind that have contributed significantly to its performance in the past. To the extent that CULS are converted, the Company will in due course have additional permanent equity capital.

The interest rate on the CULS will be fixed at 3.5 per cent. per annum, payable semi-annually in equal instalments, in arrears on 31 January and 31 July in each year, with the first interest period ending on 31 January 2015, in respect of the period from and including the date of Admission of the CULS (anticipated to be 30 July 2014) to but excluding the date of final repayment of the CULS (anticipated to be 31 July 2019).

CULS Holders will be entitled to convert their CULS into Ordinary Shares every six months from 31 January 2015 to 31 July 2019. The initial Conversion Price will be set at a 15 per cent. premium to the unaudited Net Asset Value per Ordinary Share at close of business on the date of Admission of the CULS (anticipated to be 30 July 2014). The Company will announce the initial Conversion Price to a RIS as soon as practicable following its calculation.

By way of illustration, had the Conversion Price been set by reference to the unaudited Net Asset Value per Ordinary Share at 23 June 2014 (the latest practicable date prior to the publication of this document) of 860.1500 pence, the Conversion Price would have been 989.170025 pence and a holder of £1,000 nominal of CULS would have been entitled to 101 Ordinary Shares on conversion of his/her CULS. The exercise of the CULS in full (assuming £40 million is raised under the Issue) would at the above illustrative Conversion Price result in 4,043,784 Ordinary Shares being issued, giving an increase of 7.9 per cent. in the Company's current issued Ordinary Share capital. Under the terms of the Trust Deed, the Conversion Price will be subject to subsequent adjustment on the occurrence of certain events.

If, at any time after 31 July 2017, the middle market price of the Ordinary Shares is 20 per cent. or more above the Conversion Price for at least 20 dealing days during a period of 30 consecutive dealing days, the Company will be able to require CULS Holders to redeem their CULS at par. In such event, CULS Holders would be given a final opportunity to convert their outstanding CULS into Ordinary Shares.

Following conversion of 80 per cent. or more of the nominal amount of the CULS issued and on any subsequent conversion date, the Company will be entitled to require remaining CULS Holders to convert their outstanding CULS into Ordinary Shares after they have been given an opportunity to have their CULS redeemed.

If, at any time after 31 July 2017, the nominal amount of the CULS (which expression for the purpose of this paragraph shall include the whole of the original nominal amount of the CULS issued but exclude any of the CULS purchased by the Company or any subsidiary of the Company and cancelled) outstanding shall represent 25 per cent. or more of the Company's net assets calculated by reference to the aggregate of the Company's assets less its liabilities and expenses in accordance with its published accounting policies for at least 20 business days during any period of 30 consecutive business days ending on or at any time after 31 July 2017, the Company shall no later than 30 days after such period be entitled to serve notice (in a form previously approved in writing by the Trustee) (a "**Compulsory Redemption Notice**") on the CULS Holders pursuant to this paragraph that all outstanding CULS will be redeemed on the redemption date specified in the notice (which shall be a date falling not less than four weeks nor more than six weeks following the Compulsory Redemption Notice) at its nominal amount, together with interest accrued up to (but excluding) the date of redemption, on the redemption date specified in the Compulsory Redemption Notice. For the purpose of this paragraph, a certificate signed by two Directors as to the value of the Company's net assets (determined as aforesaid) may be relied on by the Trustee as sufficient evidence and, if so relied on, shall (in the absence of manifest error) be binding on all parties.

On a winding-up of the Company, the nominal amount of the CULS will rank ahead of the Ordinary Shares, but be subordinated to the Company's other borrowings and creditors.

The Trust Deed constituting the CULS will not contain any additional restrictions on borrowings (including borrowings ranking ahead of the CULS), the disposal of assets or the creation of charges by, or changes in the nature of the business of, the Company or any subsidiary of the Company.

Any CULS not redeemed, purchased or converted will be repaid by the Company on 31 July 2019 at its nominal amount.

The interest paid on the CULS will be a finance cost currently charged 75 per cent. to the capital account and 25 per cent. to the revenue account in accordance with the Company's existing policies.

CULS issued under the Issue will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that definitive certificates for the CULS will, where requested or required by law, be despatched during the week commencing 4 August 2014. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the Company's register of members. The Issue cannot be revoked after dealings have commenced on 30 July 2014. The ISIN for the CULS is GB00BNH7RK38, the ISIN number for the Open Offer Entitlement is GB00BNHKWJ64 and the ISIN number for the Excess Application Facility is GB00BNHKWK79.

Overseas investors

The CULS have not been, nor will be, registered under the Securities Act or under the securities legislation of any state or other political subdivision of the United States and the relevant clearances have not been and will not be, obtained from the securities commission of any province or territory of Canada, Australia or Japan and they may not, subject to certain exceptions, be offered or sold directly or indirectly in, into or within the United States, Canada, Australia or Japan or to, or for the account or benefit of, a US Person (as defined in the Securities Act) or any national, citizen or resident of the United States, Canada, Australia or Japan. This document does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, CULS in any jurisdiction in which such offer or solicitation is unlawful.

The making of the Offer for Subscription to overseas investors may be affected by the laws or regulatory requirements of relevant jurisdictions. Potential investors who are in any doubt as to their position in this respect are strongly recommended to consult their own professional advisers as soon as possible.

NOTICE OF GENERAL MEETING

F&C Global Smaller Companies PLC

*(incorporated and registered in England and Wales with registered number 00028264)
(an investment company within the meaning of Section 833 of the Companies Act 2006)*

NOTICE IS HEREBY GIVEN that a general meeting (the “**General Meeting**”) of F&C Global Smaller Companies PLC (the “**Company**”) will be held at 12.30 p.m. at The Chartered Accountants’ Hall, One Moorgate Place, London EC2R 6EA on 24 July 2014 for the purpose of considering and, if thought fit, approving the following resolution which is proposed as a special resolution.

SPECIAL RESOLUTION

“THAT subject to and conditional upon the proposed Issue of up to £40 million, in nominal value, of 3.5 per cent. convertible unsecured loan stock (the “**CULS**”) becoming unconditional in all respects (other than as regards any condition relating to the passing of this resolution):

- (i) in addition to any existing authority granted to the directors of the Company (the “**Directors**”), the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (such shares and rights together being “**Relevant Securities**”) up to a maximum nominal amount of £40 million of CULS for the purposes of the Issue as described in the circular published by the Company on 25 June 2014, provided that such authorisation shall (unless previously revoked) expire on 25 June 2015, save that the Company may before the expiry of such authority make an offer or enter into an agreement which would or might require shares to be allotted or rights to be granted after the expiry of such authority and the Directors are authorised to allot shares or grant such rights in pursuance of such an offer or agreement as if the authority had not expired; and
- (ii) in addition to any existing power and authority granted to the Directors, the Directors be and are hereby empowered in accordance with section 570 and 571 of the Act to grant and allot Relevant Securities for cash, under the authority conferred by sub-paragraph (A) of this Resolution, as if section 561(1) of the Act did not apply to any such grant of rights or allotments, provided that this power and authority shall be limited to the grant or allotment of Relevant Securities up to a maximum nominal amount of £40 million of CULS for the purposes of the Issue each as described in the Circular published by the Company on 25 June 2014 and shall (unless previously revoked) expire on 25 June 2015 save that the Company may at any time prior to the expiry of such power make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors are authorised to allot equity securities in pursuance of such an offer or agreement as if such power had not expired.”

By order of the Board

F&C Management Limited
Company Secretaries

F&C Global Smaller Companies PLC

Registered Office:

Exchange House
Primrose Street
London
EC2A 2NY

Dated: 25 June 2014

Explanatory notes to the Notice of General Meeting:

1. In accordance with regulation 41 of the Uncertificated Securities Regulations 2001, as amended, only those Shareholders registered in the Register at 6.00 p.m. on 22 July 2014 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting (excluding non-working days)) shall be entitled to attend and/or vote at the General Meeting in respect of the number of Shares registered in their name at that time. Changes to entries on the Register after that time on 22 July 2014 shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
2. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him or her, provided that if two or more proxies are appointed, each proxy must be appointed to exercise the rights attaching to different Shares. A proxy need not be a Shareholder of the Company. Completion and return of the Form of Proxy will not preclude Shareholders from attending or voting at the General Meeting, if they so wish. The number of votes cast by proxy for and against the Resolution will be communicated to Shareholders at or following the General Meeting and will be available on request. In the event that a Form of Proxy is returned without an indication as to how the proxy shall vote on the Resolution, the proxy will exercise his discretion as to whether, and if so how, he votes.
3. To be valid, the Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of authority) must be deposited with the Company's agent, for this purpose being, Computershare Investor Services PLC by post, as soon as possible and, in any event, not later than 12.30 p.m. on 22 July 2014 or such later time as the Company's directors may allow. A Form of Proxy is enclosed with this notice. If you have any queries relating to the completion of the Form of Proxy, please contact Computershare Investor Services PLC on 0870 889 4088 or, if telephoning from outside the UK, on (+44 870 889 4088). The helpline is available from 8.30 a.m. to 5.30 p.m. Monday to Friday (except bank holidays). Calls to 0870 889 4088 are charged at 4 pence per minute (including VAT) from a BT landline; other service providers' charges may vary. Please note that, for legal reasons, Computershare Investor Services PLC is only able to provide information contained in this document and information relating to the Company's register of members and is unable to give advice on the merits of the Issue or to provide legal, financial, tax or investment advice.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedure described in the CREST Manual and by logging on to the website www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrars, Computershare Investor Services PLC (ID 3RA50), not later than 12.30 p.m. on 22 July 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. The right to appoint a proxy does not apply to persons whose Shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("Nominated Persons"). Nominated Persons may have a right under an agreement with the member who holds the Shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the Shares as to the exercise of voting rights. The statements of the rights of Shareholders in relation to the appointment of proxies in notes 2 and 3 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by Shareholders of the Company.
9. Where there are joint holders of any Share, any one of such persons may vote at any meeting, and if more than one of such persons is present at any meeting personally or by proxy, the holder whose name stands first in the Register shall alone be entitled to vote.
10. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that they do not do so in relation to the same Shares.

11. As at close of business on 23 June 2014 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 51,511,102 Ordinary Shares of 25p each. The total number of voting rights in the Company as at 23 June 2014 was 51,511,102.
12. Information regarding the General Meeting, including information required by section 311 A of the Companies Act 2006, is available from the Company's website, www.fandcglobalsmallers.com.
13. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the General Meeting put by a member attending the General Meeting unless:
 - (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company on the good order of the meeting that the question be answered.
14. Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in the Notice of General Meeting or in any related documents (including the Form of Proxy) is not to be used for the purposes of sending information or documents on, or otherwise communicating with the Company for any purposes other than those expressly stated.