

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your ordinary shares in Charles Stanley Group PLC please pass this document and the accompanying mandate form to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

CHARLES STANLEY GROUP PLC

Registered in England No. 48796. Registered office: 25 Luke Street, London, EC2A 4AR

28 June 2010

Dear Shareholder,

Scrip Dividend Scheme

The Directors are recommending a final dividend of 2.25p per ordinary share in the Company for the year ended 31 March 2010 (the "Final Dividend"). The Directors are offering you the opportunity to elect to participate in a Scrip Dividend Scheme ("Scrip") and thereby receive the Final Dividend, and any and all future Dividends, in new, fully paid, Ordinary Shares in the Company ("New Shares") instead of in cash.

The Scrip enables you to increase your shareholding in the Company in a simple manner without paying any dealing costs or stamp duty. However, you should bear in mind that the price of the Company's Shares can go down as well as up, and whether you elect to participate in the Scrip is a matter for your own decision depending on your individual circumstances. If you are in any doubt as to the action you should take, you are advised to consult your appropriate professional adviser.

If you wish to receive the Final Dividend in cash, you need not take any further action in relation to the Scrip Mandate Form ("Mandate Form") which accompanies this document. If you wish to elect to participate in the Scrip and receive the Final Dividend, and any and all future Dividends, in New Shares, you should read this document carefully and elect to participate in the Scrip in accordance with the procedures set out in paragraph 5 of Appendix 1 to this document. If you choose to elect to participate in the Scrip whether electronically, via CREST, or by completing the Mandate Form, your election must be received by the Company's Registrar or CREST (as relevant) no later than 5.00 p.m. on 16 July 2010 in order to participate in the Scrip in relation to the Final Dividend.

An expected timetable of events in relation to the Final Dividend is set out on page 3. The terms and conditions of the Scrip are set out in Appendix 1 to this document and a summary of the United Kingdom taxation consequences of electing to participate in the Scrip is set out in Appendix 2 to this document.

If you are not resident in the United Kingdom, your attention is drawn to the information contained in paragraph 4 of Appendix 1 to this document.

If all of the Company's eligible Shareholders as at 18 June 2010 were to elect to participate in the Scrip in respect of their entire registered shareholdings as at such date, based on the price of a New Share equal to the average of the middle market quotations of the Company's Shares as derived from the London Stock Exchange Daily Official List for the five consecutive dealing days commencing on 16 June 2010, the Company would issue 514,406 New Shares pursuant to the

Scrip in respect of the Final Dividend, representing 1.15% of the Company's issued Ordinary Share Capital (excluding Treasury Shares) as at the date of this document. If none of the Company's Shareholders as at 18 June 2010 were to elect to participate in the Scrip in respect of any part of their Registered Shareholdings as at such date, the Company would pay a total cash dividend of an amount equal to £1,002,319 in respect of the Final Dividend (with a UK tax credit of an amount equal to £111,369 calculated on the assumption that all of the Company's Shareholders would be entitled to a full UK tax credit in respect of it). The actual basis of entitlement under the Scrip for the Final Dividend will be determined in due course in accordance with paragraph 8 of Appendix 1 to this document.

If, having read this document, you have any questions in relation to the Scrip, please contact the Registrar at the address or telephone number set out in paragraph 19 of Appendix 1.

Further copies of this document and duplicate Mandate Forms can be obtained from the Company's Registrar from (and including) the date of receipt of this document to (and including) 16 July (although elections to participate in the Scrip in relation to the Final Dividend must be received by the Registrar no later than 5.00 p.m. on that date).

Yours sincerely,

Sir David H.S. Howard Bt.

The Scrip Dividend price will be 194.85p.

Please note that the offer of a Scrip Dividend alternative is subject to the condition that, if on 16 July 2010 (the final day for return of the Form of Election Mandate) the ordinary share price is equal to or less than 155.88p (being a price which is approximately 20 per cent below 194.85p), the Scrip Dividend offer will automatically be cancelled and a cash Dividend paid as if the offer and any election pursuant to it had not been made.

EXPECTED TIMETABLE OF EVENTS FINAL DIVIDEND

Event	Date
Shares in the Company quoted ex-Dividend	16 June 2010
Dealing days for calculating the price of the New Shares to be offered pursuant to the Scrip	16 June – 22 June 2010
Record date for Final Dividend	18 June 2010
Final date for receipt of the Mandate Forms, electronic elections or CREST elections (as defined in Appendix 1 to this document)	16 July 2010
AGM	29 July 2010
Dividend payment date. First day of dealing in the New Shares	5 August 2010

**APPENDIX 1 TERMS AND CONDITIONS OF THE
CHARLES STANLEY GROUP PLC SCRIP DIVIDEND SCHEME**

1. Definitions

'Company'	Charles Stanley Group PLC.
'Dividends'	Interim or Final Dividends declared and/or paid by the Company in respect of the Shares and 'Dividend' will be construed accordingly.
'LSE'	the London Stock Exchange PLC.
'Mandate Form'	the Scrip Mandate Form provided by the Company or its Registrar to the Shareholders either on request or otherwise pursuant to which a Shareholder can elect to participate in the Scrip and 'Mandate Forms' will be construed accordingly.
'New Shares'	new, fully paid, Ordinary Shares of 25p each in the capital of the Company.
'Participant'	a Shareholder that has validly elected to participate in the Scrip and 'Participants' will be construed accordingly.
'Record Date'	in respect of any Dividend, the date notified by the Company to Shareholders as the date upon which the Company will determine the Shareholders entitled, and those Shareholders' entitlements, to that Dividend.
'Registrar'	Capita Registrars, a trading name of Capita Registrars Limited.
'Return Date'	in respect of any Dividend, the date notified by the Company to Shareholders as the date by which the Mandate Form, electronic election or CREST election must be received by the Registrar or CREST (as relevant) in order for it to be effective in respect of that Dividend.
'Scrip'	the Company's Scrip Dividend scheme comprising these terms and conditions (as may be modified or amended from time to time).
'Shareholders'	the holders of Shares in the Company and 'Shareholder' will be construed accordingly.
'Shares'	Ordinary Shares of 25p each in the capital of the Company and 'Share' will be construed accordingly.
'UK'	the United Kingdom.

2. Introduction to the Scrip

This Appendix 1 forms the terms and conditions of the Scrip.

Subject to the fulfilment of the terms and conditions set out in paragraph 3 below, if you validly elect to participate in the Scrip you will receive New Shares instead of cash in respect of the whole (but not part) of any and all future Dividends unless and until you cancel your election to participate in the Scrip (please see paragraph 14 below) or the Company suspends or terminates the Scrip (please see paragraph 15 below). However, see paragraphs 5 and 12 below for CREST account holders. If you do not elect to participate in the Scrip, you will receive Dividends in cash.

3. Conditions to the Scrip

The allotment and issue of New Shares pursuant to the Scrip is, at all times, conditional upon:

- all authorities in respect thereof being in full force and effect, including the passing of any resolution of the Company required by law, regulations or the Company's Articles of Association; and
- the admission to the Official List of the United Kingdom Listing Authority and to trading on the main market of the LSE of such New Shares.

If, for any reason, these conditions have not been satisfied such that the Company cannot allot and issue New Shares pursuant to the Scrip in respect of any Dividend, participants will receive cash (as opposed to New Shares) in respect of that Dividend.

4. Can I elect to participate in the Scrip?

If you are resident in the UK you can elect to participate in the Scrip. If you are not resident in the UK you can only elect to participate in the Scrip if the Scrip can be lawfully offered to, and be accepted by, you under the laws of the relevant jurisdiction and, in both cases, without further obligation on the part of the Company. If you are not resident in the UK and wish to elect to participate in the Scrip, you are responsible for ensuring the full observance of the laws of the relevant jurisdiction, including complying with any relevant regulatory or legal procedures, obtaining any relevant government or other consent and observing any and all other necessary formalities.

5. How do I elect to participate in the Scrip?

Sending in your Mandate Form

You may elect to participate in the Scrip by completing the Mandate Form and returning it in the enclosed reply paid envelope, or to Capita Registrars, New Issues Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 5 p.m. on the relevant Return Date. No acknowledgement of receipt of the Mandate Form will be given. Any Mandate Form that is received by the Registrar after 5 p.m. on the relevant Return Date will only be effective from (and including) the next following Dividend (if any) in respect of which the Scrip is offered for which the relevant Return Date has not passed. If you have not been provided with a Mandate Form from the Company or the Registrar but wish to elect to participate in the Scrip by completing a Mandate Form, please contact the Registrar at the address or on the telephone number set out in paragraph 19 below.

CREST

If your shareholding is in uncertificated form in CREST (and was in uncertificated form as at the relevant Record Date), you can only elect to receive your Dividend in the form of New Shares by means of the CREST procedure to effect such an election. **No other form of election will be permitted under the Scrip and, if received, will be rejected and returned to the CREST Shareholder who has lodged such instructions.** If you are a CREST Personal Member, or other CREST Sponsored Member, you should consult your CREST sponsor, who will be able to take appropriate action on your behalf. All elections made via the CREST system should be submitted using the Dividend Election Input Message in accordance with the procedures as stated in the CREST Reference Manual. The Dividend Election Input Message submitted must contain the number of Shares on which the election is being made. If the relevant field is left blank or completed with zero the election will be rejected. If you enter a number of Shares greater than your holding in CREST on the relevant Record Date, the election will be applied to your total holding held as at the relevant Record Date for the Dividend. Evergreen elections will not be permitted. If you wish to receive New Shares instead of cash in respect of future Dividends for which a Scrip Dividend is offered, you must complete a Dividend Election Input Message on each occasion otherwise you

will receive your Dividend in cash. Elections via CREST should be received by CREST no later than 5 p.m. on the relevant Return Date.

6. What should I do if I do not wish to elect to participate in the Scrip?

If you do not wish to elect to participate in the Scrip you need not take any further action and may disregard this document. Your Dividends will be paid to you in cash in the usual way.

7. What happens if I have more than one shareholding?

If you have more than one shareholding you should complete a separate Mandate Form in respect of each Shareholding in relation to which you wish to elect to participate in the Scrip. If you wish to consolidate your Shareholdings, please contact the Registrar at the address or on the telephone number set out in paragraph 19 below.

8. If I am a Participant, how many New Shares will I receive and what will the Company do with any cash balance?

The number of New Shares that you will receive pursuant to the Scrip in respect of any Dividend will be equal to X in the following formula:

$$X = \frac{(A \times B) + C}{D}$$

where,

- A equals the number of Shares registered in your name as at the relevant Record Date;
- B equals the cash amount of that Dividend, in pounds and pence;
- C equals the amount of your cash balance, in pounds and pence, remaining from previous Dividends which were insufficient to permit a whole new share to be allotted pursuant to the Scrip (if any); and
- D equals the relevant price of a New Share, in pounds and pence.

The relevant price of a New Share will be calculated using the average of the middle market quotations of the Shares as derived from the LSE Daily Official List for the five consecutive dealing days commencing on the day on which the Shares are first quoted ex the relevant Dividend. The relevant price of a New Share will be notified on the Company's website at www.charlesstanleyplc.co.uk. Shareholders may approve a different pricing basis in the future.

A fraction of a New Share will not be allotted and issued. Instead, the cash balance ('C' in the above formula) will be carried forward, in a non interest bearing account, and added to the amount of the next following Dividend (if any) for the purposes of calculating the number of New Shares that you will receive in respect of that Dividend. If:

- you cancel your election to participate in the Scrip;
- the Company suspends or terminates the Scrip;
- you hold your shares in uncertificated form via CREST;
- you sell or otherwise transfer your Shares; or
- you (presuming you are a sole Shareholder) die, suffer from a mental incapacity, become bankrupt or, if you are a Corporate Shareholder, go into liquidation,

the Company will pay to you your cash balance (if any) at the next Dividend payment date (or, if you hold your shares in uncertificated form via CREST, at the same time as the relevant Dividend).

The value of your entitlement will be subject to rounding to ensure that it is, as nearly as possible, equal to but not greater than the cash amount of the cash Dividend (disregarding any tax credit).

Where you are a Participant in the Scrip and you hold fewer than the minimum number of Shares required for you to receive at least one New Share by way of Scrip dividend, an amount representing your fractional entitlement will be accumulated, without interest, for your benefit. These funds will be added to the cash amount of any subsequent Dividends (in respect of which a Scrip alternative is made available) and applied in calculating your entitlement under that Scrip dividend alternative if you remain a participant in the Scrip.

An example, for illustrative purposes only, of how the Company will calculate the amount of New Shares that will be allotted and issued to a Participant pursuant to the Scrip in respect of any Dividend is as follows:

Facts

1,000 Shares are registered in your name as at the Record Date ('A' in the above formula). The amount of the Dividend is 10p per Share ('B' in the above formula.). You have a cash balance of an amount equal to zero ('C' in the above formula). The relevant price of a New Share is £2.60 ('D' in the above formula).

Calculation

The amount of the cash Dividend to which you will be entitled is: $(1,000 \times 10p) + 0p = £100$

The number of New Shares to which you will be entitled is: $£100/£2.60 = 38.46$ New Shares, rounded down to 38 New Shares

The value of New Shares to which you will be entitled is: $38 \times £2.60 = £98.80$

The amount of your cash balance carried forward will be: £1.20

9. If I am a Participant, how will I know how many New Shares I have received?

On each and any Dividend payment date, you will receive a statement detailing the amount of New Shares that you have received pursuant to the Scrip in respect of the relevant Dividend. This statement will also detail the cash equivalent of the New Shares, the cash balance carried forward (if any) and the notional tax credit in respect of the New Shares which you will require for your tax return. If you wish to know the amount of New Shares that you will receive before this, please contact the Registrar at least three business days after the relevant Record Date at the address or on the telephone number set out in paragraph 19 below.

10. Will the New Shares be admitted to listing and trading and how will the New Shares rank?

Applications will be made for the New Shares to be admitted to the Official List of the UK Listing Authority and to trading on the main market of the LSE. Subject to these applications being successful, the New Shares are expected to be allotted and issued and admitted to listing and trading on the relevant Dividend payment date. Dealings in the New Shares are also expected to commence on the Dividend payment date. Share certificates in respect of the New Shares will be sent to Participants that held Shares in certificated form as at the relevant Record Date on, or around, the same day as Dividend warrants are posted to Shareholders that have not elected to participate in the Scrip. Participants that held Shares in uncertificated form in CREST as at the

relevant Record Date will have their CREST accounts credited in respect of the New Shares on the relevant Dividend payment date.

All documents, including Share certificates, that are sent to or by any Participant will be sent at that Participant's own risk.

The New Shares that are allotted and issued pursuant to the Scrip will rank equally in all respects (including as to voting rights) with the existing issued Shares (save as regards participation in the relevant Dividend) and will rank equally for all future Dividends.

11. Does the Scrip apply to Shares in joint names?

Yes, but each joint Shareholder must sign any required Mandate Form for the election to participate in the Scrip to be effective.

12. Can I elect to participate in the Scrip in respect of part of my Shareholding?

No. You can only elect to participate in the Scrip in respect of the whole of your Shareholding. If you complete your Mandate Form and return it to the Registrar, or elect electronically, you will be deemed to have elected to participate in the Scrip in respect of the total number of Shares registered in your name as at the relevant Record Date.

Notwithstanding this, the Company may, at its discretion, permit a Shareholder to complete a Mandate Form, elect electronically or make a CREST election (as relevant) in respect of a lesser number of Shares than its full Shareholding where that Shareholder is a Corporate Shareholder, holds their Shares in uncertificated form via CREST, or is acting on behalf of more than one beneficial owner i.e. a nominee Shareholder. Any such completion in respect of part of a Shareholding shall be effective only in respect of the relevant Dividend. A cash Dividend will automatically be paid in respect of any Shares that are not specified in the Mandate Form, electronic election or CREST election.

13. What happens if I buy or sell Shares after I have elected to participate in the Scrip?

If you buy or sell some (but not all) of your Shares after you have elected to participate in the Scrip, you will be deemed to have elected to participate in the Scrip in respect of your increased or decreased Shareholding, provided that such increase or decrease is reflected in the Company's Register of Shareholders as at the relevant Record Date.

If you sell all of your Shares after you have elected to participate in the Scrip, your participation in the Scrip will cease, provided that such sale is reflected in the Company's Register of Shareholders as at the relevant Record Date.

If you buy or sell some or all of your Shares and such increase, decrease or sale is not reflected in the Company's Register of Shareholders as at the relevant Record Date, you will be deemed to have elected to participate in the Scrip in respect of your original Shareholding (i.e. the number of Shares you held prior to you buying more or selling some or all of your Shares) and will therefore receive New Shares in respect of your original Shareholding.

14. If I am a Participant, can I cancel my election to participate in the Scrip?

Yes. If you are a certificated Shareholder you can cancel your election to participate in the Scrip by giving written notice to Capita Registrars, New Issues Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. For a cancellation to be effective in relation to any Dividend, notice of that cancellation must be received by the Registrar no later than 5.00 p.m. on the relevant Return Date. If notice of that cancellation is not so received, the cancellation will be effective from (and including) the next following Dividend (if any).

If you are an uncertificated Shareholder (via CREST) you can cancel your election to participate in the Scrip by utilising the CREST procedures for deletions described in the CREST manual. For a cancellation to be effective in relation to any Dividend, your deletion must be received and, in accordance with the CREST procedures, accepted by the Registrar no later than 5.00 p.m. on the relevant Return Date.

15. Can the Company modify, amend, suspend or terminate the Scrip?

Yes. The Scrip can be modified, amended, suspended or terminated at any time at the discretion of the Company's Directors, in which case notice will normally be given to all Participants. In the case of a modification or amendment to the Scrip, a Participant will be deemed to have agreed to such modification or amendment unless and until he cancels his election to participate in the Scrip in accordance with these terms and conditions (see paragraph 14 above). If the Scrip is suspended or terminated, Participants will receive cash (as opposed to New Shares) in respect of any and all future Dividends (during the period of suspension of the Scrip, in the case of a suspension rather than a termination of the Scrip). Where a Scrip alternative is offered and the ordinary share price is equal to or more than 20 per cent below the relevant value on the last date on which the form of election in respect of the Scrip election must be returned to Capita Registrars, the relevant Dividend will be paid in cash.

16. What if I am a Participant and my shareholding is in uncertificated form in CREST?

If your Shareholding is in uncertificated form in CREST (and was in uncertificated form in CREST as at the relevant Record Date), your New Shares will be allotted and issued in uncertificated form and credited to your CREST account on the relevant Dividend payment date.

If some of your Shareholding is in uncertificated form in CREST and some of your Shareholding is in certificated form (and was in such forms as at the relevant Record Date), the Company will be able to treat such Shareholdings as separate Shareholdings pursuant to the Uncertificated Securities Regulations 2001. You should elect to participate in the Scrip, whether electronically, by completing and returning to the Registrar a Mandate Form or by means of the CREST procedures (as relevant), for each of these shareholdings in respect of which you wish to receive New Shares.

17. What is the governing law and jurisdiction of the Scrip?

The Scrip, including any election to participate in the Scrip and any authorisation given by Shareholders, is governed by, and its terms are to be construed in accordance with, English law. Participants agree to submit to the exclusive jurisdiction of the English courts in relation to any matters arising out of, or in connection with, the Scrip.

18. What are the taxation consequences of electing to participate in the Scrip?

The UK tax consequences of electing to participate in the Scrip are briefly set out in Appendix 2 to this document. If, having read Appendix 2 to this document, you have any questions in relation to tax, you are advised to consult your appropriate professional adviser.

19. What do I do if I have any questions in relation to the Scrip?

If, after having read this document, you have any questions in relation to the Scrip, please contact the Registrar by post at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or by telephone on 0871 664 0300 (calls cost 10p per minute plus network extras).

20. Will I receive Scrip for every dividend if I participate?

Investor protection guidelines mean that – if approved by Shareholders – the Scrip can be in force for an initial period of up to five years. The operation of the Scrip is always subject to the directors' right to withdraw the Scrip Dividend alternative.

If the Directors decide not to provide the Scrip Dividend alternative in respect of any particular Dividend, a cash Dividend will be paid to you in the usual way. If the Directors do offer a Scrip Dividend alternative in respect of future Dividends and you are a Participant in accordance with these terms and conditions, you will be provided with a Scrip Dividend on the terms and subject to the conditions of the Scrip.

APPENDIX 2 UNITED KINGDOM TAXATION OF THE SCRIP

The following statements are intended to apply only as a general guide to current UK tax law and to the current practice of HMRC, both of which are subject to change at any time, possibly with retrospective effect. They are not advice. Except in so far as express reference is made to the treatment of nonUK residents, the following statements are intended to apply only to Shareholders who are resident (or, in the case of an individual, domiciled and resident or ordinarily resident) in the UK for UK tax purposes, who hold Ordinary Shares as investments and who are the absolute beneficial owners of Ordinary Shares. The statements may not apply to certain classes of Shareholders, such as dealers in securities or distributions, brokerdealers, insurance companies, collective investment schemes, persons who hold their shares by virtue of an interest in any partnership and persons who have acquired (or are deemed for tax purposes to have acquired) their shares by reason of office or employment.

Shareholders who are in any doubt as to their tax position or who are resident or domiciled in or subject to tax in a jurisdiction other than the UK should consult their own professional advisers immediately.

The UK tax treatment of cash Dividends received by Shareholders in the Company will not change following the implementation of the Scrip.

Income tax

A Shareholder who is an individual resident (for tax purposes) in the United Kingdom and who elects to receive New Ordinary Shares instead of a cash Dividend from the Company will be subject to tax on the amount (the “**gross amount**”) which is equal to the cash equivalent of those New Ordinary Shares grossed up by income tax at the Dividend ordinary rate (currently 10 per cent). The gross amount will be regarded as the top slice of the individual’s income and the individual will be subject to tax on it as Dividend income.

The individual will also be treated as having paid tax at the Dividend ordinary rate on the gross amount (except to the extent that the individual is not taxable on the gross amount as a result of the availability of a relief or allowance). The tax which the individual will be deemed to have paid will therefore discharge the individual’s liability to tax in respect of the gross amount, unless and except to the extent that the gross amount falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay tax on the gross amount at the Dividend upper rate (currently 32.5 per cent) less the tax that individual will be treated as having paid at the Dividend ordinary rate.

So, for example, an individual receiving New Ordinary Shares with a cash equivalent of £90 will be treated as having paid tax of £10. If the individual is not liable to income tax at the higher rate, that individual’s liability in respect of the Scrip Dividend will be 10 per cent of the gross amount of £100, or £10. Consequently, that individual’s liability will be discharged in full by the tax of £10 which that individual will be treated as having paid and so that individual will have no further liability to tax in respect of the Scrip Dividend. If that individual is liable to income tax at the higher rate, that individual’s tax liability in respect of the Scrip Dividend will be 32.5 per cent of the gross amount of £100, or £32.50. After taking into account the tax of £10 which that individual will be treated as having paid, this will leave a net tax charge of £22.50.

The “cash equivalent” of any New Shares received in lieu of a cash Dividend will be the amount of the cash Dividend forgone unless the difference between that amount and the market value of the new shares received in lieu of the cash Dividend on the first day of dealing on the London Stock Exchange is equal to or greater than 15 per cent of that market value, in which case the cash equivalent will be that market value.

From 6 April 2010, the Government has introduced a new tax rate of 50 per cent for taxable non-savings and savings income above £150,000. On and after the date on which the new rate takes

effect, if and to the extent that the gross amount received by a UK resident individual falls above the threshold for income tax at the new 50 per cent rate, that individual will be subject to tax on the gross amount at the rate of 42.5 per cent.

An individual will be able to set off against part of this liability the tax (at the Dividend ordinary rate) that will be treated as having been paid. Accordingly, to the extent that the gross amount of the Dividend fell above the threshold for the new 50 per cent rate of income tax, such an individual would have to account for additional tax equal to 32.5 per cent of the gross amount.

A UK resident individual Shareholder who is not liable to income tax in respect of the gross Dividend will not be entitled to any payment from HMRC in respect of any part of the tax that is deemed to have been paid.

Capital gains tax

A Shareholder who is an individual resident (for tax purposes) in the United Kingdom and who elects to receive New Shares instead of a cash Dividend from the Company will be treated as having acquired those New Shares for an amount equal to the cash equivalent.

Corporation tax

Where a Company which is resident (for tax purposes) in the United Kingdom elects to receive New Shares instead of a cash Dividend from the Company, the issue of the New Shares should be treated as a bonus issue for which there is no acquisition cost. Consequently, the calculation of any chargeable gain or allowable loss on a future disposal of, or of part of, that company's enlarged holding should fall to be made by reference to the base cost of the original holding only.

Stamp Duty

No stamp duty or stamp duty reserve tax will generally be payable on the allotment and issue of New Shares under the Scrip.