

This document is important and requires your immediate attention. If you are in doubt as to the action you should take you should seek advice from your stockbroker, bank manager, advocate, solicitor, tax adviser, accountant or other independent financial adviser authorised under the Financial Services Act 2008 if you are in the Isle of Man or the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom. If you are a resident outside the Isle of Man and the United Kingdom, you should contact an appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Manx Financial Group PLC (the “Company”) prior to the date the Company’s shares were traded “ex-rights”, please immediately forward this document, together with the accompanying Application Form to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately. However, this document and any accompanying documents should not be sent or transmitted in or into any jurisdiction where to do so might constitute a violation of local security laws or restrictions, including, but not limited to, the United States, Canada, Japan, Australia, the Republic of Ireland or the Republic of South Africa.

The Company and the Directors whose names appear on page 7 of this document accept responsibility both collectively and individually for the information contained in this document. To the best of the knowledge and belief of the Company and of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

MANX FINANCIAL GROUP PLC

*(Incorporated in the Isle of Man under the Companies Acts 1931-2004 (as amended)
with registered number 116406C and subsequently re-registered as a company incorporated
under the Isle of Man Companies Act 2006 (as amended) with re-registered number 004908V)*

Open Offer of up to 21,138,817 New Ordinary Shares at 9p per share on the basis of

1 New Ordinary Share for every 3 Existing Ordinary Shares

The procedure for application is set out in Part III of this document and in the Application Form which accompanies this document. Completed Application Forms must be returned by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received as soon as possible and in any event by 11.00 am on 4 June 2010. The procedure for applications by Eligible CREST Shareholders (Shareholders who hold shares in CREST) is set out in Part III of this document.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM and trading is expected to commence on 8 June 2010. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. You should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with your own independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

Your attention is drawn to the section titled “Risk Factors” in Part II of this document.

This document is not required to be, and has not been, delivered to the (Isle of Man) Department of Economic Development for registration. This document has not been approved by the (Isle of Man) Department of Economic Development, the (Isle of Man) Financial Supervision Commission or any other regulatory or governmental authority in or of the Isle of Man.

No copy of this document has been delivered to the Financial Services Authority in the UK for registration. This document has not been approved for the purposes of section 21 of FSMA. Accordingly, this document may only be issued or passed on in the UK to persons to whom it may be lawfully communicated pursuant to the Financial Services and Markets Act (Financial Promotion) Order 2005, as amended. In addition the total consideration of the Offer under this document shall be restricted so as not to require the publication of a prospectus under FSMA.

Beaumont Cornish Limited, which is authorised and regulated in the United Kingdom in the conduct of business by the Financial Services Authority and is a member of the London Stock Exchange, is the Company's Nominated Adviser in connection with the matters referred to in this document for the purposes of the AIM Rules and is acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Beaumont Cornish Limited or for advising any other person on the arrangements described in this document or any matter referred to herein. The responsibilities of Beaumont Cornish Limited, as Nominated Adviser, are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person in respect of their decision to acquire New Ordinary Shares in reliance on any part of this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised.

Overseas Shareholders

This document does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Offer Shares in any jurisdiction where such an offer or solicitation is unlawful (“Restricted Jurisdiction”). In particular, this document is not for distribution in or into the United States, Canada, Japan, Australia, the Republic of Ireland, the Republic of South Africa or any other Restricted Jurisdiction. The Offer Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or under any of the relevant securities laws of Canada, Australia, Japan, the Republic of Ireland, the Republic of South Africa or any other Restricted Jurisdiction, nor has any document in relation to the Offer Shares been filed, or registration made, under any securities law of any province or territory of Canada or been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document to a jurisdiction outside the UK or the Isle of Man should seek appropriate advice before taking any action. No action has been taken by the Company or by Beaumont Cornish Limited that would permit a public offer of shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No Application Form will be accepted from any Shareholder who is unable to give the warranty set out in the Application Form or who the Company or its agent has reason to believe is ineligible to apply.

The Company and its agent reserve the right to treat as invalid any application, or purported application, to subscribe for Offer Shares pursuant to the Offer which appears to the Company or its agent to have been executed, effected or despatched in a manner which may involve a breach of the securities legislation of any Restricted Jurisdiction.

It is the responsibility of any person receiving a copy of this document or an Application Form and wishing to make an application to subscribe for Offer Shares to satisfy himself/herself as to the full observance of the laws and regulatory requirements of any relevant territory, including the obtaining of all necessary governmental or other consents which may be required or observing any other formalities needing to be observed in such territory and the payment of any taxes due in such jurisdiction.

This document is available on the Company's website at www.mfg.im free of charge in accordance with the requirements of the AIM Rules.

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Definitions

“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the rules published by the London Stock Exchange governing admission to, and the operation of, AIM
“Application Form”	the application form for use by Eligible non-CREST Shareholders in connection with the Offer which accompanies this document
“Bank” or “Conister Bank”	Conister Bank Limited, a wholly-owned subsidiary of the Company
“Beaumont Cornish” or “Nominated Adviser”	Beaumont Cornish Limited, authorised and regulated by the FSA, which is the Nominated Adviser to the Company in connection with matters referred to in this document for the purposes of the AIM Rules
“Board” or “Directors”	the board of directors of the Company (or any duly authorised committee thereof) from time to time
“CCS” or “Conister Card Services”	Conister Card Services Limited, formerly TransSend (IOM) Limited, a wholly-owned subsidiary of the Company which issues prepaid cards
“Closing Date”	the date on which the Offer closes being 4 June 2010 at 11.00 am , or such later date or time as the Board in its discretion shall determine, being not later than 8 June 2010
“Company”	Manx Financial Group PLC
“CREST”	the computerised settlement system operated by Euroclear to facilitate the transfer of title to shares in uncertificated form. The Relevant System (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001
“Eligible CREST Shareholders”	the Eligible Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in un-certificated form

Definitions

“Eligible non-CREST Shareholders”	the Eligible Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form
“Eligible Shareholders”	the holders of Existing Ordinary Shares at the Record Date with addresses for service which are not in a Restricted Jurisdiction
“Euroclear”	Euroclear UK & Ireland Limited
“Existing Ordinary Shares”	the Ordinary Shares in issue on the Record Date
“FSA” or “Financial Services Authority”	the Financial Services Authority of the UK
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiaries from time to time
“London Stock Exchange”	the London Stock Exchange plc
“Marsh”	Marsh Finance Limited, a UK-based lender that specialises in hire purchase credit agreements on motor vehicles for customers based in the UK
“Marsh Lending Opportunity”	the agreement reached with Marsh whereby, under a strict service level agreement, the Bank has outsourced its lending operations (with the exception of the final underwriting decision) to Marsh in respect of any new qualifying business introduced to the Bank through Marsh’s already established distribution channels
“Offer” or “Open Offer”	the open offer to Eligible Shareholders to subscribe for New Ordinary Shares on the terms and subject to the conditions set out in this document
“Offer Costs”	all fees, expenses and commissions (including professional, advisory and legal fees) paid or payable by the Company in relation to the Offer (including VAT, where applicable)
“Offer Period”	the period starting on 14 May 2010 and ending on the Closing Date
“Offer Price”	9p per New Ordinary Share
“Offer Shares” or “New Ordinary Shares”	up to 21,138,817 New Ordinary Shares which are to be made available to Eligible Shareholders under the Offer on the basis of 1 Offer Share for every 3 Existing Ordinary Shares held on the Record Date
“Official List”	the Official List of the UK Listing Authority
“Open Offer Entitlement”	the basic <i>pro rata</i> entitlement to subscribe for Offer Shares of each Eligible Shareholder under the Offer
“Ordinary Shares”	the ordinary shares of no par value in the capital of the Company
“Overseas Shareholders”	Shareholders who are citizen, national or resident outside the UK or the Isle of Man or a custodian, nominee or trustee for a citizen, national or resident of a jurisdiction outside the UK or the Isle of Man
“Receiving Agent”	Computershare Investor Services PLC
“Record Date”	the close of business on 10 May 2010
“Restricted Jurisdiction”	any jurisdiction where an offer or solicitation of the Offer Shares is unlawful
“Shareholders”	the holders of Ordinary Shares in the Company
“UK” or “United Kingdom”	the United Kingdom of England, Scotland, Wales and Northern Ireland
“UKLA” or “UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“US” or “USA” or “United States”	the United States of America, each state thereof (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction
“VAT”	value added tax

Forward-Looking Statements

This document contains forward-looking statements. These statements relate to the Group's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this document. The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Group are specifically described in Part II of this document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Group's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, you should not place any reliance on forward-looking statements. These forward-looking statements speak only as at the date of this document. Neither the Board nor the Company undertakes any obligation to update forward-looking statements or the risk factors described in Part II of this document other than as required by the AIM Rules or by the rules of any relevant securities regulatory authority, whether as a result of new information, future events or otherwise.

Overseas Shareholders

As stated at the front of this document, this document does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Offer Shares in any jurisdiction where such an offer or solicitation is unlawful ("Restricted Jurisdiction"). In particular, this document is not for distribution in or into the United States, Canada, Japan, Australia, the Republic of Ireland, the Republic of South Africa or any other Restricted Jurisdiction. The Offer Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or under any of the relevant securities laws of Canada, Australia, Japan, the Republic of Ireland, the Republic of South Africa or any other Restricted Jurisdiction, nor has any document in relation to the Offer Shares been filed, or registration made, under any securities law of any province or territory of Canada or been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document to a jurisdiction outside the UK or the Isle of Man should seek appropriate advice before taking any action. No action has been taken by the Company or by Beaumont Cornish that would permit a public offer of shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No Application Form will be accepted from any Shareholder who is unable to give the warranty set out in the Application Form or who the Company or its agent has reason to believe is ineligible to apply.

The Company and its agent reserve the right to treat as invalid any application, or purported application, to subscribe for Offer Shares pursuant to the Offer which appears to the Company or its agent to have been executed, effected or despatched in a manner which may involve a breach of the securities legislation of any Restricted Jurisdiction.

It is the responsibility of any person receiving a copy of this document or an Application Form and wishing to make an application to subscribe for Offer Shares to satisfy himself/herself as to the full observance of the laws and regulatory requirements of any relevant territory, including the obtaining of all necessary governmental or other consents which may be required or observing any other formalities needing to be observed in such territory and the payment of any taxes due in such jurisdiction.

Expected Timetable

<i>Event</i>	<i>Expected time / date</i>
Record Date	Close of business on 10 May 2010
Publication of this document	14 May 2010
Shares marked ex-entitlement to participate in the Offer	14 May 2010
Open Offer Entitlements (and any excess to the Open Offer Entitlements) credited to stock accounts in CREST of Eligible CREST Shareholders	17 May 2010
Recommended latest time for requesting withdrawal of Open Offer Entitlements (and any excess to the Open Offer Entitlements) from CREST	4.30 pm on 28 May 2010
Latest time and date for depositing Open Offer Entitlements (and any excess to the Open Offer Entitlements) into CREST	11.00 am on 1 June 2010
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3.00 pm on 2 June 2010
Latest time and date for the settlement of relevant CREST instructions and payment in full under the Open Offer	11.00 am on 4 June 2010
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer	11.00 am on 4 June 2010
Admission effective and dealings commence on AIM	8.00 am on 8 June 2010
Crediting of Offer Shares to CREST accounts	By 8.00 am on 8 June 2010
Despatch of definitive certificates for Offer Shares	On or around 15 June 2010

The dates set out in the timetable of principal events above and mentioned throughout this document and in the Application Form may be adjusted by the Company, in which event the details will be notified to a regulatory information service operated by the London Stock Exchange, posted on the Company's website at www.mfg.im, and where appropriate, notified to Shareholders.

In order to subscribe for Offer Shares under the Offer, Eligible Shareholders will need to follow the procedure set out in Part III of this document and, where relevant, complete the accompanying Application Form. If Eligible Shareholders have any queries on the procedure for acceptance and payment, or to receive another Application Form, they should contact the Receiving Agent on 0870 707 4011 or, if calling from outside the UK, on +44 870 707 4011. Calls to the Receiving Agent's 0870 number are charged at up to 10 pence per minute (including VAT) plus any of your service provider's additional network charges. Calls to the Receiving Agent's + 44 870 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. The Receiving Agent cannot provide advice on the merits of the proposals in this document nor give any financial, legal or tax advice.

Offer Statistics

Number of Existing Ordinary Shares prior to the Offer	63,416,450
Offer Price	9p
Number of New Ordinary Shares being offered under the Offer*	up to 21,138,817
Number of Ordinary Shares in issue immediately following the Closing Date*	84,555,267
Gross proceeds of the Offer*	up to approx. £1.9 million
Estimated net proceeds of the Offer*	up to approx £1.8 million
Percentage of the enlarged share capital represented by the Offer Shares*	25%

* Assuming full take-up of entitlements under the Offer

Part I

MANX FINANCIAL GROUP PLC

*(Incorporated in the Isle of Man under the Companies Acts 1931-2004 (as amended)
with registered number 116406C and subsequently re-registered as a company incorporated
under the Isle of Man Companies Act 2006 (as amended) with re-registered number 004908V)*

Letter from the Chairman

Directors:

James Mellon (Chairman)
Denham Eke (Chief Executive Officer)
Arron Banks (Non-Executive Director)
Alan Clarke (Non-Executive Director)
David Gibson (Non-Executive Director)
Douglas Grant (Group Finance Director)
Simon Hull (Executive Director)
Ilyas Khan (Non-Executive Director)
Donald McCrickard (Non-Executive Director)
Nick Sheard (Head of Group Risk and Compliance)

Registered Office:

Conister House
Isle of Man Business Park
Cooil Road
Braddan
Isle of Man
IM2 2QZ

14 May 2010

To the Shareholders, and for information only, to the holders of options over Ordinary Shares

Dear Shareholder,

Open Offer of up to 21,138,817 New Ordinary Shares at 9 pence per New Ordinary Share on the basis of 1 New Ordinary Share for every 3 Existing Ordinary Shares held on the Record Date

1. Introduction

In my recent letter to Shareholders, I indicated that the Company would consider providing existing Shareholders as a whole the opportunity to subscribe for New Ordinary Shares. I am now pleased to confirm that the Company has today announced that it is proposing to issue up to 21,138,817 New Ordinary Shares on the basis of 1 New Ordinary Share for every 3 Existing Ordinary Shares held on the Record Date by means of an Open Offer to existing Shareholders. The Company is hoping to raise up to approximately £1.9 million (before Offer Costs) through the Offer.

This Open Offer is made in accordance with the Company's articles of association and is in accordance with applicable laws. Although the Company's articles of association impose restrictions on the issuing of 20% or more shares in issue at any calendar year, as this Open Offer is made available to all Shareholders on a pre-emptive basis, such restrictions do not apply. The purpose of this document is to provide Shareholders with details of the Offer. If you wish to increase your investment in the Company, you can do so by applying for New Ordinary Shares under the Offer. The procedure for application is set out in Part III of this document and in the Application Form which accompanies this document.

2. Background to, Reasons for and Use of Proceeds of the Offer

Whilst Conister Bank has performed credibly in the recent difficult markets and as a consequence, has no shortage of liquidity, the Group now finds itself in the position of having insufficient regulatory capital to maximise the utilisation of that liquidity to fund the Group's current business plan, centred on augmenting the traditional lending business of the Bank.

Following the Company's successful extraordinary general meeting on 14 January 2010, the Directors, in recognising the need to raise additional regulatory capital to meet the requirements of the Group's business plan, considered which option would be the most expeditious, especially in considering the best interests of the Group and all its Shareholders. It was recognised that whilst the Bank was adequately capitalised for its current business, additional regulatory capital would be required to support incremental lending and other opportunities which in turn would generate sufficient revenues to return the Group back into profit.

The Group's business plan details an intended path back to profitability by the end of 2010 requiring the injection of up to £2.5 million of new regulatory capital within the year. Profitability is sensitive to the timing of the introduction of the new regulatory capital and with various lending opportunities being developed it was soon evident that the regulatory capital would need to be raised in two tranches.

In considering that a market placing or a rights issue/open offer to Shareholders would not be possible until the audited accounts for 2009 were available, both of these options suffered in that they could not be completed within the timeframe necessary to allow the Bank to take advantage of a number of initiatives including the Marsh Lending Opportunity.

With the two major Shareholders, both Directors of the Company, willing to commit to an unsecured convertible loan agreement in March, allowed the Group to raise £1.71 million. In turn, this allowed the Bank to commence with the Marsh Lending Opportunity, net of the repayment of £0.5 million of subordinated debt by the Bank.

Taking into consideration the comments from Shareholders at the recent extraordinary general meeting, the Directors, who have been advised by Beaumont Cornish, are recommending that the second tranche of capital is to be financed through an Open Offer to all Shareholders.

Accordingly, the Open Offer is being made to Eligible Shareholders to provide them with the opportunity to subscribe for New Ordinary Shares at 9p per share, being the same price at which the unsecured loan agreement is convertible.

3. Details of the Offer

The Company is seeking to raise up to approximately £1.9 million (before Offer Costs) through an issue of up to 21,138,817 New Ordinary Shares pursuant to the Offer. The net proceeds, assuming full take-up of entitlements under the Offer (after deducting the Offer Costs), are estimated to be £1.8 million. The Offer is not being underwritten and Shareholders should note that there is no minimum amount to be raised. The Offer, being a pre-emptive issue available to all Shareholders, is being made pursuant to the authority to issue shares as contained in the articles of association of the Company. Accordingly, the Offer is conditional solely upon Admission.

Application has been made for up to 21,138,817 New Ordinary Shares issued pursuant to the Offer to be admitted to trading on AIM. It is expected that Admission will become effective and dealings for normal settlement in the New Ordinary Shares will commence on 8 June 2010. The New Ordinary Shares will, following allotment, rank *pari passu* in all respects with the existing issued Ordinary Shares and have the right to receive all dividends and other distributions declared, made or paid in respect of the issued Ordinary Share capital of the Company.

The Offer Price has been fixed at 9p per Offer Share.

Shareholders may apply for New Ordinary Shares at the Offer Price on the following basis and subject to the terms and conditions of the Offer which are set out in Part III of this document and in the accompanying Application Form. The Offer has been structured so as to allow Eligible Shareholders to subscribe for Offer Shares at the Offer Price *pro rata* to their existing shareholdings on the basis of 1 Offer Share for every 3 Existing Ordinary Shares held on the Record Date. Shareholders may subscribe for any number of New Ordinary Shares (up to a maximum of 21,138,817), and applications by Shareholders will be satisfied in full up to their *pro rata* Open Offer Entitlement. *Pro rata* entitlements will be rounded down to the nearest whole number. Fractional entitlements which would have otherwise arisen will not be issued to Shareholders. The Offer Costs to be incurred by the Company are estimated to amount to approximately £90,000. In the event of an over subscription, the Board has the sole discretion to scale back or otherwise allocate subscriptions in any manner it deems appropriate. Please note, however, that it is the intention of the Board to prioritise subscriptions from existing smaller Shareholders.

If Shareholders do not subscribe for their respective *pro rata* Open Offer Entitlement, the issue of New Ordinary Shares pursuant to the Offer will mean that the holdings of those Shareholders will be diluted. Depending on the level of uptake on the Offer, the holdings of a Shareholder may be diluted by up to a maximum of 25%.

Procedure for Application and Payment

Eligible Shareholders who hold their Ordinary Shares through a nominee and who wish to apply for Offer Shares must contact their nominee as such Eligible Shareholders will not be able to apply for Offer Shares directly using the Application Form.

Eligible Shareholders who wish to apply for Offer Shares in accordance with the terms of the Open Offer should complete the enclosed Application Form in accordance with the instructions on it and return it, together with payment in full for the number of Offer Shares applied for, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received as soon as possible and in any event by 11.00 am on 4 June 2010.

After this time, applications will not be accepted. Applications will be irrevocable, will not be acknowledged and receipts will not be issued for amounts paid on applications. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying with the terms and conditions of application or not accompanied by a power of attorney, if required, as nevertheless valid. **If you post your Application Form you are recommended to use first class post and to allow at least five working days for delivery.**

Eligible CREST Shareholders should refer to the section titled “Eligible CREST Shareholders (Shareholders who hold shares in CREST)” in Part III of this document.

Eligible Shareholders who do not wish to apply for any Offer Shares under the Open Offer should not complete or return the Application Form.

Cheques or banker’s drafts should be made payable to “Computershare Investor Services PLC re: Manx Financial Group Open Offer A/C” and crossed “A/C payee only” and should be rounded up to the nearest penny. Cheques and banker’s drafts must be drawn in sterling on a bank or building society in the UK or the Isle of Man which is either a settlement member of the Cheques & Credit Clearing Company Limited or the CHAPS & Town Clearing Company Limited or a member of the Committee of Scottish or Belfast Clearing Houses or which has arranged for its cheques and banker’s drafts to be cleared through facilities provided for the members of either of those companies or committees and must bear the appropriate sorting code in the top right hand corner. **No application will be considered unless these requirements are fulfilled. Euro cheques will not be accepted.**

Cheques should be drawn on the personal account to which the Eligible Shareholder has sole or joint title to the funds. Third party cheques may not be accepted with the exception of banker’s drafts/building society cheques where the bank/building society has confirmed the name of the account holder on the back of the draft/cheque and has added their stamp. The account name must include that of the applicant.

Cheques and banker’s drafts are liable to be presented for payment upon receipt and it is a term of the Open Offer that cheques will be honoured on first presentation. If cheques or banker’s drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If all the conditions of the Open Offer have not been fulfilled by 15 June 2010 at 8.00 am (or such later date as the Company may in its absolute discretion elect but in any event not later than 28 June 2010 at 8.00 am), application monies will be returned, without interest, by crossed cheque in favour of the applicant(s) (at the applicant’s risk) through the post as soon as is practicable after that date.

The instructions, notes and other terms set out in the Application Form constitute part of the terms of the Offer.

Overseas Shareholders

Overseas Shareholders should refer to the front of this document which contains important information relevant to such persons.

Taxation

If you are in any doubt about your tax position, you should consult your independent professional adviser.

Further Information

Your attention is drawn to the section titled “Risk Factors” set out in Part II of this document and the terms and conditions of the Offer set out in Part III of this document.

4. Information on the Group

Current Trading and Future Prospects (Year ended 31 December 2009)

In the Company’s audited annual report for the year ended 31 December 2009, the Group reported that its financial performance for the year was much improved with the loss reducing to £2.6 million (2008: £18.3 million), an improvement of £15.7 million (£6.1 million excluding the ESS transaction) with a positive trend towards profitability as the second half’s financial performance was £1.0 million ahead of the first half of 2009 and £12.3 million ahead of the corresponding period in 2008.

In 2009, the Group undertook a balance sheet efficiency review resulting in the bank commencing a strategy to reconnect the historical disconnection between its lending and how it was funded.

As a result the Group’s deposit balance has reduced to £49.5 million (2008: £66.1 million) which more closely matches its hire purchase and loan advances. This improves the financial performance of the Group through reducing its cost of funds and it will more efficiently use its surplus liquidity which stood at £10.7 million (2008: £10.1 million) at the year end.

The Group continues to review opportunities to grow through the acquisition of businesses that complement the Bank or businesses that would benefit from being part of a Group that owns a bank. However, whilst the current economic environment presents opportunities the Group is determined to ensure that it makes decisions based on sound financial assessment and robust business due diligence.

Conister Bank Limited – Banking

The Bank's capital has remained steady with a risk asset ratio of 17.9% (2008: 17.6%) and a tier 1 capital ratio of 20.9%. The Bank has maintained a liquidity position in excess of its regulatory requirements, driven by a higher number of customers reinvesting maturing deposits than anticipated. This provides evidence of the support the Bank enjoys from its core retail customers and has resulted in the Bank not being required to compete for expensive retail deposits during 2009 resulting in an improved margin position.

The Bank's financial performance also improved in 2009 with the loss reducing to £1.2 million (2008: £1.3 million).

The risk & compliance team has been strengthened accordingly to facilitate increased risk monitoring and reporting and further to develop operational processes and controls.

Two years ago, with the onset of the global downturn, the Bank tightened its underwriting criteria and this has manifested itself in near static provisioning levels for asset financing in 2009.

There has also been significant progress in resolving the outstanding issues associated with the discontinued litigation funding business stream with net assets at the year end reduced by 87% to £0.2 million (2008: £1.5 million) and the Company can now foresee a successful conclusion to this book.

Conister Card Services Limited

The repositioning of this business in 2009 from a programme manager to that of a bank identification number sponsor ("BIN sponsor") is now complete and the financial improvement forecast from this strategic change has become evident in the year end results. The loss for the year was reduced to £0.4 million (2008: £3.5 million) and indeed the cards business made a small profit in the second half of 2009. The business continues to look for new programme managers with profitable contracts and ways to leverage the Bank's MasterCard® licence.

Outlook

Market conditions appear to be improving and, if the global economy can avoid any unforeseen shocks, the outlook for the Company is positive over the next cycle.

The withdrawal of major banking groups from the Group's core lending market coupled with increased criteria and demands made by other banks present the Company with significant opportunities.

Conister Bank will continue as the Isle of Man's only independent bank and will continue to leverage its unique position, in what is its 75th anniversary year, through the provision of straightforward products to strengthen and lengthen the customer relationship.

Conister Card Services will continue to exploit the Bank's MasterCard® membership and seek out new opportunities and take advantage of strategic opportunities as the market consolidates and grows.

The Bank's balance sheet remains strong with no debt or "toxic assets". This, together with the Board and executives, will drive forward the business based on a stable and sound platform ably assisted by an enthusiastic, motivated and customer-focused team.

5. Informal Indications from Certain Directors

Neither Beaumont Cornish nor the Board is providing investment advice to individual Shareholders in respect of the Offer. Shareholders should take into account their own circumstances and take their own independent advice in determining whether and to what extent to apply for New Ordinary Shares under the Offer. Currently, all Directors of the Board, except Denham Eke and Nick Sheard, hold Ordinary Shares in the Company. The Company has received informal indications from Alan Clarke, Donald McCrickard, David Gibson, Douglas Grant and Simon Hull that they intend to take up their respective Open Offer Entitlements under the Offer. I also confirm that Burnbrae Limited and I both intend to take up our respective Open Offer Entitlements under the Offer.

Yours faithfully,

James Mellon
Chairman

Part II

Risk Factors

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for Shareholders. This is a non-exhaustive list of risk factors. If any of the circumstances identified in the risk factors set out below were to materialise, the Group's business, financial condition and operating results could be materially and adversely affected. In such cases the price of the shares could decline, and Shareholders may lose all or part of their investment. The risks listed, however, do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. The Group's performance may be affected by changes in legal, regulatory and tax requirements as well as by overall global financial conditions.

Shareholders should also take their own tax advice as to the consequences of their owning, acquiring or disposing of shares in the Company as well as receiving returns from it. No representation or warranty, express or implied, is given to Shareholders as to the tax consequences of their acquiring, owning or disposing of any shares in the Company and neither the Company nor the Directors will be responsible for any tax consequences for any such Shareholders.

Volatility of the value of the Company's assets

Shareholders should be aware that the value of the Company's assets may be volatile and may go down as well as up and Shareholders may therefore not recover any or all of their original investment.

In addition, the price at which Shareholders may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Shareholders may realise less than the original amount invested.

Forward-looking statements

Please refer to the section titled "Forward-Looking Statements" at the front of this document.

Dilution

If Shareholders do not subscribe for their *pro rata* entitlement, the issue of New Ordinary Shares pursuant to the Offer will mean that the holdings of those Shareholders will be diluted. Depending on the level of uptake on the Offer, the holdings of a Shareholder may be diluted by up to a maximum of 25%.

Lack of pre-emption rights

There are no applicable statutory pre-emption restrictions. The articles of association of the Company contain no right of pre-emption. Shareholders could therefore find their shareholdings diluted by virtue of a further issue to one or a small group of Shareholders. However, the existing articles of association of the Company stipulate that the Company will not, in any calendar year, issue or allot on a non-preemptive basis such number of shares as is (either through one issue or through separate smaller issues) equal to (an aggregate of) 20% or more of the total number of shares in issue at the beginning of the relevant calendar year without having first passed a special resolution authorising the Board to do so on a non-preemptive basis. For the avoidance of doubt, the Board is authorised pursuant to the existing articles of association of the Company to issue and allot any number of shares each calendar year as long as such number is, in aggregate, under 20% of the total number of shares in issue at the beginning of the relevant calendar year other than on a pre-emptive basis and without prior Shareholder approval.

Growth management

The Board believes that the planned expansion of the Bank's lending business will be required to meet the growth as per the Group's /Bank's business plan. The Group's future success will depend in part on the Bank's ability to manage this planned expansion. Such expansion is expected to place demands on management, support functions, accounting and financial control, sales and marketing and other resources. If the Bank is unable to manage its expansion effectively, its business and financial results could deteriorate materially.

Competition

Existing banking business – The Bank has experienced, and expects to continue to experience, intense competition from a number of other companies. The Bank's competitors may announce or develop new products, services or enhancements that better meet the needs of customers or changing industry standards.

Prepaid cards – New competitors, or alliances among competitors, could emerge and enter the markets the Group has targeted. Increased competition may cause price reductions, falling margins and shortfalls from sales targets, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

Both existing banking business and prepaid cards – Many of the Group's competitors and potential competitors have significantly greater financial, technical, marketing, service or resources than the Group and have a larger base of products, longer operating histories or greater name recognition. The Group's relatively small size may therefore be considered negatively by prospective customers. In addition, the Group's competitors may be able to respond more quickly than the Group can to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products and to the development of new products.

Changes in consumer preferences

There are a number of trends in consumer preferences which may impact adversely on both the Group and its industry as a whole. These trends may reduce demand for certain of the Group's products, and providing or developing modified or alternative products may increase the Group's costs and either or both of these factors may materially and adversely affect the Group's results.

Loss of key personnel

The Group depends on the services of its key financial, technical, sales, marketing and management personnel. The loss of the services of any of these persons could have a material adverse effect on the Group's business, results of operations and financial condition. The Group's success is also highly dependent on its continuing ability to identify, hire, train, motivate and retain highly qualified financial, technical, sales, marketing and management personnel. Competition for such personnel can be intense, and the Group cannot give assurances that it will be able to attract or retain highly qualified personnel in the future. The Group's inability to attract and retain the necessary financial, technical, sales, marketing and management personnel may adversely affect its future growth and profitability. It may be necessary for the Group to increase the level of remuneration paid to existing or new employees to such a degree that its operating expenses could be materially increased.

Loss of key introducers

The Group will be reliant on several key third party business introducers who provide a stream of business to support, in particular, its asset finance lending books. Loss of one or more of these introducers could lead to a significant fall in sales, thus impacting on revenue generation, whilst alternative sources of business are sought. It may be necessary for the Group to pay increased commissions to the replacement introducers to a level which make the business stream(s) uneconomic.

Financial resources

The Board has no reason to believe, having made due and careful enquiry, that the capital available to the Group will be insufficient for its present requirements. The Group's future capital requirements will, however, depend on many factors, including its ability to maintain and expand its customer base, its sales, deposits, loans, advances, cash flow and control of costs and the execution of any material acquisitions. In the future, the Group may require additional funds and may attempt to raise additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to existing Shareholders and any debt financing, if available, may require restrictions to be placed on the Group's future financing and operating activities. The Group may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Group or investor sentiment (whether towards the Group in particular or towards the market sector in which the Group operates) are unfavourable. The Group's inability to raise additional funding may hinder its ability to grow in the future or to maintain its existing levels of operations.

Dependence on regulatory licences and permissions

The Group maintains a banking licence in the Isle of Man. No assurance can be given that the terms of any licences or permissions, which have been granted will not be changed so that revised terms become less favourable to the Group. The Group's business and profitability would be adversely affected by any failure to obtain or retain its banking licence or by unfavourable changes in its terms.

The Group is subject to various inspections, examinations, inquiries, audits and other regulatory requirements by the Isle of Man authorities. These inspections, examinations, inquiries and audits have, from time to time, revealed weaknesses in certain areas of the Group's operations. If, as a result of these examinations, inquiries and audits, irregularities are found within the Group, it may be subject to regulatory censure, fines or ultimately the loss of its banking licence. In addition, if it becomes the target of any negative publicity, there may be a material and adverse effect on its corporate image, the reputation and credibility of its management and its business and financial condition.

Furthermore, the Group is required to comply with applicable anti-money laundering, anti-terrorism laws and other regulations. These laws and regulations require it, among other things, to adopt and enforce 'know your customer' policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities. While it has adopted policies and procedures aimed at detecting and preventing the use of its banking network for money laundering activities by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where it may be used by other parties to engage in money laundering and other illegal or improper activities. To the extent the Group may fail to fully comply with applicable laws and regulations, the regulatory authorities have the power and authority to impose fines and other penalties on the Group, including revoking its licences and permissions. In addition, the Group's business and reputation could suffer if customers use it for money laundering or illegal or improper purposes.

Dependence on MasterCard membership

The Group is entirely dependent on the Bank's membership of MasterCard to issue prepaid cards. There can be no assurance that the Bank's existing MasterCard membership will not be withdrawn or varied adversely should, *inter alia*, the Group breach any of MasterCard's membership rules from time to time.

Dependence on international payment processing systems

The Group will be dependent upon the Bank's relationship with MasterCard, which processes payments between the Group and its customers. Any interference with this relationship, or the enactment of any legislation prohibiting the use of credit or debit cards and certain instruments, as well as the tightening of anti money-laundering regulations, may adversely affect the Group's business.

Dependence on third party processors

The Group's prepaid card division relies on third party processors to manage the processing of card transactions and to produce all required data and provide a significant element of customer service. Failure of a processor to provide the required levels of service could lead to financial loss through incorrectly calculated accounts and/or adversely affect the Group's reputation. Further, if a third party processor ceased to provide its services at all, the programme concerned may have to be closed down and a loss in revenue for the Group may result and/or the Group may incur liabilities to cardholders and/or MasterCard.

Credit risk

Credit risk arises when the possibility exists of a counter-party defaulting on its obligations. The most important step in managing this risk is the initial decision whether or not to offer credit. The Group attempts to manage its credit exposure via individual counter-party and concentration limits. The amount of the Group's bad debts may increase in the future as a result of deterioration in the quality of its loan portfolio. Such deterioration may occur for a variety of reasons, including factors which are beyond its control, such as a slowdown in economic growth and other adverse macroeconomic trends, which may cause operational, financial and liquidity problems for the Group's borrowers as well as materially and adversely affect their ability to service their outstanding debt.

Collateral risk

A substantial portion of the Bank's loans are secured by collateral, typically private and commercial vehicles, plant and machinery. The value of the Bank's loan collateral may fluctuate or decline due to factors beyond the Group's control, including macroeconomic factors adversely affecting the economy generally. In particular, an economic slowdown may result in declines in the value of the collateral securing many of the Bank's loans to levels below the outstanding principal balance of such loans. Any significant decline in the value of the collateral securing the Bank's loans may result in a shortfall in the amount that can be recovered from such collateral and an increase in the Group's bad debts, should the loan default.

Operational risk

Operational risk arises from the potential for inadequate systems, errors, poor management, breaches in internal controls, fraud and other external events. Any deficiencies in the Group's systems and practices could adversely affect its ability to timely and accurately record, process, summarise and report financial and other data, as well as adversely impact its efficiency, undermine the effectiveness of its risk management process and increase the potential for fraud, financial reporting errors and non-compliance with regulations. Moreover, the Group may face additional challenges to its risk management and internal controls as it expands the size of its operations and the range of its products and services into new markets. The Group's failure to address any internal control deficiencies could result in one or more of the following: financial loss; reputational damage; inaccuracies in its financial statements; impair its ability to comply with applicable financial reporting requirements and meet its regulatory obligations on a timely basis or at all. Furthermore, if the Group's risk management function is inadequate or ineffective in managing the risks related to its existing and expanding products and services, its financial condition and results of operations could be materially and adversely affected.

Litigation funding risk

The Group's litigation funding business receives payment of a number of the loans made to the clients of the various law firms on the Group's panel. Repayment of such a loan would usually be made on the successful conclusion of the relevant client's claim for personal injury, when costs are received by the law firm or on payment by the insurance company following a claim on the client's insurance policy.

Each law firm, who has clients with loans advanced by Conister Legal Management Services Limited, has entered into a panel solicitor agreement (a "PSA"). The PSA for a law firm sets out the terms on which that law firm must repay the outstanding loan. The PSA also obliges that law firm to repay the loan should it not be paid from another source, such as the client, the other side or the insurance company.

It has come to light, however, that some of the client loan agreements do not comply with the terms of the Consumer Credit Act 1974 ("CCA") and associated legislation, thereby rendering them unenforceable. In the circumstances, some law firms have declined to repay client loans to Conister Legal Management Services Limited when required to and may seek repayment of amounts paid to date, whether or not they have received the money to repay the loans from another source.

Market risk

A risk exists that changes in the level of interest rates, changes in the rate in the rates of exchange between currencies or changes in the price of securities and other financial contracts (including derivatives), will have an adverse financial impact on the Group. The main market risks which affect (or may affect) the Group's activities are interest rate risk, currency risk and liquidity risk.

Interest rate risk

The Group's results of operations significantly depend on its net interest income. Fluctuations in interest rates could adversely affect its financial condition and results of operations in different ways. For example, a decrease in interest rates may reduce its interest income. In addition, an increase in interest rates may reduce overall demand for loans, and, accordingly, reduce new loan origination as well as potentially increase the risk of customer default. Furthermore, volatility in interest rates may also result in a difference between the Group's interest rate-sensitive assets and interest rate-sensitive liabilities. As a result, the Group may be required to incur additional costs to adjust its interest rate-sensitive assets and interest rate-sensitive liabilities, and its net interest income may decrease. The Group monitors continually whether its loans and advances should be re-priced in response to interest rate fluctuations. The failure to appropriately re-price its loans and advances may affect its profitability.

Currency risk

The level of profitability can be impacted by any fluctuations between currencies and sterling.

Liquidity risk

The Group needs to maintain access to sufficient cash to fund the day to day needs of customer withdrawals and to meet its minimum regulatory requirements.

If the Group does not maintain sufficient liquidity to meet its regulatory requirements it may face censure and ultimately withdrawal of its banking licence.

The Group manages its liquidity position so as to seek to avoid any undue concentration of funding requirements at any point in time or from any particular source.

Economic and political risk

The Isle of Man Government enjoys a number of arrangements with the United Kingdom Government relating to fiscal and economic matters. Such arrangements are considered by the Directors to be beneficial to the general economy of the Isle of Man. Should such arrangements be withdrawn or amended so as to have a material adverse effect on the economy of the Isle of Man, the Group may suffer a corresponding material adverse effect on its business.

Information technology risk

The Group is highly dependent on information technology infrastructure (either directly or indirectly where processing is outsourced to a third party) to deliver services to its customers, manage risk, implement its internal control systems and to manage and monitor its business operations. The Group may not be able to upgrade its information technology infrastructure successfully and in a timely manner. Any failure to successfully upgrade or any disruption in the Group's information technology infrastructure could materially and adversely affect its business, financial condition, results or operations and prospects.

Legislative changes effecting the internet gambling industry

A proportion of CCS' marketing efforts will be targeted at issuing prepaid cards to support certain niches within the internet gambling industry. Whilst in many countries around the world this activity remains legal, in others, most notably the United States, it is not. Adverse legislative changes in the countries where cards may be issued would result in those cards being immediately cancelled with the resultant loss of revenue, which will take time to replace.

Lack of interest in the Offer

If the Company is unable to raise significant funds under the Offer then it may not be able to exploit the business growth opportunities listed in this document. Should this be the case then the Company may take significantly longer to return to profitability.

The risks above do not necessarily comprise all those faced by the Group and are not intended to be presented in any assumed order of priority.

Part III

Terms and Conditions of the Offer

DETAILS OF THE OFFER

1. Introduction

Shareholders may subscribe for any number of New Ordinary Shares (up to a maximum of 21,138,817), and applications by Shareholders will be satisfied in full up to their *pro rata* Open Offer Entitlement. In the event of an over subscription, the Board has the sole discretion to scale back or otherwise allocate subscriptions in any manner it deems appropriate. Please note, however, that it is the intention of the Board to prioritise subscriptions from existing smaller Shareholders.

2. Open Offer

The Company hereby invites Eligible Shareholders to apply, on and subject to the terms and conditions set out herein and in the Application Form (where appropriate), and subject to the articles of association of the Company, for Offer Shares at a price of 9 pence per Offer Share, free from all expenses, payable in cash in full on application.

Subject to the fulfilment of the conditions set out below and in the Application Form (where appropriate), Eligible Shareholders are being given the opportunity to subscribe for the Offer Shares at the Offer Price payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of 1 Offer Share for every 3 Existing Ordinary Shares held at the Record Date and so on in proportion for any greater number of Ordinary Shares then held. Open Offer Entitlements of Eligible Shareholders will be rounded down to the nearest whole number of Offer Shares. Fractional entitlements which would have otherwise arisen will not be issued. The entitlement of each Eligible CREST Shareholder is equal to the Open Offer Entitlement standing to the credit of his stock account in CREST. Any monies paid in excess of the amount due in respect of an application will be returned to the applicant (at the applicant's risk and without interest) within 14 days by way of cheque. The action to be taken in relation to the Offer depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Offer or whether you have your Open Offer Entitlement credited to your stock account in CREST in respect of such entitlement.

The Offer Shares issued pursuant to the Offer will, when issued and fully paid, rank *pari passu* in all respects with and will carry the same voting and dividend rights as the Existing Ordinary Shares.

The Offer is conditional, *inter alia*, on Admission. It is expected that Admission will occur and dealings in the Offer Shares will commence on 8 June 2010. If such condition is not fulfilled on or before 8.00 am on 15 June 2010 (or such later date, being not later than 8.00 am on 28 June 2010, as the Company may decide) application monies are expected to be returned without interest by crossed cheque in favour of the applicant(s) (at the applicant's risk) by post as soon as practicable after that date and any Open Offer Entitlements admitted to CREST will be disabled. Any interest earned on the application monies will be retained for the benefit of the Company.

The Offer is not a rights issue. Eligible Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Eligible Shareholders should also be aware that in the Offer, unlike in a rights issue, any Offer Shares not applied for will not be sold in the market or placed for the benefit of Eligible Shareholders who do not apply under the Offer.

Completed Application Forms, accompanied by full payment, should be returned by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received as soon as possible and in any event by 11.00 am on 4 June 2010.

3. Procedure for Application

The action to be taken by you in respect of the Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Offer or whether you have your Open Offer Entitlement credited to your CREST stock account in respect of such entitlement. CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a regulatory information service operated by the London Stock Exchange giving details of the revised dates.

Eligible non-CREST Shareholders (Shareholders who hold share certificates)

(i) *If you have an Application Form in respect of your Open Offer Entitlement under the Offer*

(a) *General*

Subject to the provisions set out at the front of this document relating to Overseas Shareholders, Eligible non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date. It also shows the number of Offer Shares for which you are entitled to apply under the Offer, (on a *pro rata* basis) as shown by the total number of Offer Shares allocated to you. You may apply for more than your basic *pro rata* Open Offer Entitlement should you wish to do so. You may also hold such an Application Form by virtue of a legitimate market claim. The instructions and other terms set out in the Application Form constitute part of the terms of the Offer.

(b) *Market Claims*

Applications may only be made on the Application Form which is personal to the Eligible Shareholder(s) named thereon and may not be assigned, transferred or split except in the circumstances described below. **The Application Form represents the right to apply for Offer Shares and is not a document of title and cannot be separately traded.** It is transferable only to satisfy legitimate market claims in relation to market purchases pursuant to the rules of the London Stock Exchange prior to the Existing Ordinary Shares being marked “ex” the entitlement to the Open Offer. Applications may be split or consolidated only to satisfy legitimate market claims up to 3.00 pm on 2 June 2010. Any Eligible non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer, should consult his stockbroker or other professional adviser as soon as possible since the invitation to acquire Offer Shares under the Offer may represent a benefit which can be claimed from him by the purchaser or transferee under the rules of the London Stock Exchange. Eligible non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the purchaser or transferee or the bank, stockbroker or other agent through whom or by whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Application Form should not, however, be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, the Republic of South Africa, the Republic of Ireland or any other Restricted Jurisdiction.

(c) *Application Procedures*

Eligible non-CREST Shareholders wishing to apply for Offer Shares should complete the Application Form in accordance with the instructions printed thereon and post it in the accompanying reply paid envelope or return it, together with payment in full for the number of Offer Shares applied for, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received as soon as possible and in any event by 11.00 am on 4 June 2010. After this time, applications will not be accepted.

If any Application Form is sent by first class post within the UK, Eligible non-CREST Shareholders are recommended to allow at least five business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances received after 11.00 am on 4 June 2010. The Company may also in its sole discretion elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application.

Applications will not be acknowledged.

The Company, also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 am on 4 June 2010 from an authorised person (as defined in FSMA) specifying the number of Offer Shares concerned and undertaking to lodge the relevant Application Form in due course, but in any event, to lodge the relevant Application Form no later than 11.00 am on 8 June 2010.

(d) *Excess application facility*

Eligible Shareholders who have taken up their Open Offer Entitlement in full may apply to acquire shares in excess to their Open Offer Entitlement should they wish. Eligible Non-CREST Shareholders wishing to apply for shares in excess to their Open Offer Entitlement may do so by completing Box E of the Application Form. The total number of Offer Shares is fixed and will not be increased in response to any applications for shares in excess of Eligible Shareholders' Open Offer Entitlement. Applications for shares in excess to Open Offer Entitlement will therefore only be satisfied to the extent that other Eligible Shareholders do not apply for their respective Open Offer Entitlements in full, or (at the absolute discretion of the Board) where fractional entitlements have been aggregated and made available. Applications for shares in excess to Open Offer Entitlement shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that such applications for excess shares by Eligible Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque.

All enquiries in connection with the procedure for making an excess application and completing the Application Form should be addressed to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH (please see telephone number details on page 6 of this document).

(e) *Payments*

Under the Money Laundering Regulations 2007, Computershare Investor Services PLC may be required to check the identity of persons who subscribe for in excess of the sterling equivalent of €15,000 of Offer Shares. Computershare Investor Services PLC may therefore undertake electronic searches for the purposes of verifying identity. To do so, Computershare Investor Services PLC may verify the details against the applicant's identity, but also may request further proof of identity. Computershare Investor Services PLC and the Company reserve the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the UK or the Isle of Man of a bank or building society and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account to which the Eligible Shareholder has sole or joint title to the funds and should be made payable to "Computershare Investor Services PLC re: Manx Financial Group Open Offer A/C" (and crossed "A/C payee only"). Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or Bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/banker's draft to such effect. The account name should include the name shown on the application. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Computershare Investor Services PLC to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Offer that cheques will be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid, applications in respect of which cheques are not so honoured. If cheques or banker's drafts are presented for payment before the conditions of the Offer are fulfilled, the application monies will be kept in a separate bank account pending fulfilment of such conditions. If all the conditions of the Offer have not been fulfilled or (where appropriate) waived by 8.00 am on 15 June 2010 (or such later date as the Company may, in its absolute discretion, elect, but in any event not later than 8.00 am on 28 June 2010), the Offer will lapse and application monies will be returned to applicants (at the applicants' risk), without interest, by crossed cheque in favour of the applicant(s) within 14 days after that date.

(f) *Effect of Application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):

- (i) agree that all applications, and contracts resulting therefrom, under the Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (ii) confirm that in making the application you are not relying on any information or representation other than such as may be contained in this document and you accordingly agree that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation not contained in this document; and
- (iii) represent and warrant that if you have received some or all of your entitlements under the Offer from a person other than the Company, you are entitled to apply under the Offer in relation to such entitlements under the Offer by virtue of a legitimate market claim.

The instructions, notes and other terms set out in the Application Form, form part of the terms of the Offer.

If you do not wish to apply for any of the Offer Shares to which you are entitled under the Offer, you should not complete and return the Application Form.

If you are in doubt whether or not you should apply for any of the Offer Shares under the Offer, you should consult your independent financial adviser immediately.

All enquiries in relation to the procedure for application for Eligible non-CREST Shareholders under the Offer should be addressed to Computershare Investor Services PLC (please see telephone number details on page 6 of this document).

Eligible CREST Shareholders (Shareholders who hold shares in CREST)

(ii) *If you have your Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Offer*

(a) *General*

The Directors will apply for the Offer Shares to be admitted to CREST with effect from Admission so that settlement of transactions in the Offer Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Persons subscribing for Offer Shares as part of the Offer may, however, elect to receive Ordinary Shares in uncertificated form if they are a "system member" (as defined in the CREST Regulations).

In general, the Ordinary Shares that are held in uncertificated form under CREST will be subject to the rules, regulations and procedures governing CREST and its system members as in effect from time to time. Ownership of an Ordinary Share held in uncertificated form under CREST may only be transferred in compliance with the procedures of CREST in effect from time to time.

Subject to the provisions set out at the front of this document relating to Overseas Shareholders, each Eligible CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement equal to the number of Offer Shares for which he is entitled to apply under the Offer, and will also receive a credit to the stock account in CREST of an excess to his Open Offer Entitlement equal to 35 times the holding of Ordinary Shares as at the Record Date.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Eligible CREST Shareholder in respect of which the Open Offer Entitlements have been allocated. If for any reason the Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Eligible CREST Shareholders cannot be credited by close of business on 20 May 2010, or such later time as the Company may decide, an Application Form will be sent out to each Eligible CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Eligible non-CREST Shareholders with Application Forms will apply to Eligible CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the CREST Service Desk on 08459 645 648 or (+44) 20 7849 0199 if you are calling from outside the UK. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

The basic *pro rata* Open Offer Entitlements and any excess to Open Offer Entitlements will constitute separate securities for the purposes of CREST. Although Open Offer Entitlements and the excess to Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and any excess to Open Offer Entitlements may only be made by the Eligible CREST Shareholder originally entitled or by a person entitled by virtue of a legitimate market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements and any excess to Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and any excess to Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *USE Instructions*

CREST members who wish to apply for Offer Shares in respect of all or some of their respective Open Offer Entitlements and any excess to their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an unmatched stock event instruction (“USE Instruction”) to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Computershare Investor Services PLC under the participant ID and member account ID specified below, with the number of the Open Offer Entitlement and the excess (if any) to the Open Offer Entitlement corresponding to the number of Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Computershare Investor Services PLC in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above.

(d) *Content of USE Instructions in respect of basic pro rata Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of basic *pro rata* Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Computershare Investor Services PLC);
- (ii) the ISIN of the basic *pro rata* Open Offer Entitlement. This is IM00B44RJY15;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the basic *pro rata* Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare Investor Services PLC, in its capacity as a CREST receiving agent. This is 3RA13;
- (vi) the member account ID of Computershare Investor Services PLC, in its capacity as a CREST receiving agent. This is MANX;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 am on 4 June 2010; and

- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 am on 4 June 2010.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non mandatory fields to the USE Instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 4 June 2010 in order to be valid is 11.00 am on that day.

In the event that the Offer does not become unconditional by 8.00 am on 15 June 2010 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 am on 28 June 2010), the Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Computershare Investor Services PLC will refund the amount paid by a Eligible CREST Shareholder by way of a CREST payment, without interest, as soon as possible thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(e) *Content of USE Instructions in respect of applications for numbers in excess to the Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of excess Offer Shares for which application is being made (and hence the number in excess to the Open Offer Entitlement(s) being delivered to Computershare Investor Services PLC);
- (ii) the ISIN of the excess to the Open Offer Entitlement. This is IM00B44FRP28;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare Investor Services PLC, in its capacity as a CREST receiving agent. This is 3RA13;
- (vi) the member account ID of Computershare Investor Services PLC, in its capacity as a CREST receiving agent. This is MANX;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Offer Shares referred to in paragraph (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 am on 4 June 2010; and
- (ix) the Corporate Action Number for the Offer. This will be available by viewing the relevant corporate action details in CREST. In order for an application under the Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 am on 4 June 2010.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non mandatory fields to the USE Instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which an USE Instruction may settle on 4 June 2010 in order to be valid is 11.00 am on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlements security.

In the event that the Offer does not become unconditional by 8.00 am on 15 June 2010 or such later time and date as the Company may, in its absolute discretion, elect (being no later than 8.00 am on 28 June 2010), the Offer will lapse, the excess to the Open Offer Entitlements admitted to CREST will be disabled and Computershare Investor Services PLC will refund the amount paid by a Eligible CREST Shareholder by way of a CREST payment, without interest, as soon as possible thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) *Deposit of Open Offer Entitlements into and withdrawal from CREST*

An Eligible non-CREST Shareholder's entitlement under the Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Eligible non-CREST Shareholder named in the Application Form or into the name of a person entitled by virtue of a legitimate market claim). Similarly, Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to so deposit the Open Offer Entitlements set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the Open Offer Entitlements prior to 11.00 am on 4 June 2010. In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the Open Offer Entitlements under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 pm on 2 June 2010, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 pm on 28 May 2010, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 am on 4 June 2010. Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Eligible non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not citizen(s), national(s) or resident(s) of the United States, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or any other Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Offer by virtue of a legitimate market claim.

(g) *Validity of Application*

An USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 am on 4 June 2010 will constitute a valid application under the Open Offer.

(h) *CREST Procedures and Timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of an USE instruction and its settlement in connection with the Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 am on 4 June 2010. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Incorrect or Incomplete Applications*

If an USE Instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right: (i) to reject the application in full and refund the payment to the CREST member in question; (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Offer Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question; or (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Offer Shares referred to in the USE Instruction refunding any unutilised sum to the CREST member in question.

(j) *Effect of Valid Application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the provisions of the memorandum and articles of association of the Company;
- (iii) agree that all applications and contracts resulting therefrom under the Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) represent and warrant that he is not applying on behalf of any Shareholder who is a citizen, national or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or any other Restricted Jurisdiction and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen, national or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or any other Restricted Jurisdiction except where proof satisfactory to the Company has been provided to the Company and that he is able to accept the invitation by the Company of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Offer Shares under the Offer;
- (v) represent and warrant that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in this document and agree that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained therein; and

- (vii) represent and warrant that he is the Eligible CREST Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a legitimate market claim.

(k) ***Company's Discretion as to Rejection and Validity of Applications***

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this section entitled "Procedure for Application";
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to an USE Instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of an USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

4. Money Laundering Regulations

In addition to paragraph 3(i)(e) above, it is a term of the Offer that, to ensure compliance with the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA and the Proceeds of Crime Act 2002 (together with the provisions of the Money Laundering Sourcebook of the Financial Services Authority and the manual guidance produced by the Joint Money Laundering Steering Company in relation to financial sector firms) (together, the “Regulations”), the Company and/or the Receiving Agent may, in their/its absolute discretion, require verification of your identity to the extent that you have not already provided the same. Pending the provision to the Receiving Agent of evidence of your identity, definitive certificates in respect of Offer Shares may be retained at its absolute discretion. If within a reasonable time after a request for verification of identity the Receiving Agent has not received evidence satisfactory to it, the Company may, in its absolute discretion, terminate your Offer participation in which event the monies payable on acceptance of the Offer participation will, if paid, be returned without interest and net of bank charges by cheque to the applicant(s). To comply with the money laundering requirements, payment in respect of your Offer participation should be drawn from an account in your own name on a branch of a building society or bank in the UK or the Isle of Man and must bear the appropriate sort code in the top right hand corner. If this is not practicable and you must use a cheque or banker’s draft drawn on a building society or bank then:

- (i) you should write your name and address on the back of the cheque and record your date of birth against your name; and
- (ii) request the building society or bank to print or write on the back of the cheque the full name and account number of the person whose building society or bank account is being debited and add their stamp.

For applications over £10,000 (being the approximate equivalent to €15,000 for these purposes), Eligible non-CREST Shareholders are also requested to submit with the Application Form as documentary evidence of identity and address one certified copy document from each of the following lists (as appropriate):

Personal identity documents (UK resident individuals):

- current signed passport;
- Northern Ireland Voter’s Card;
- current full UK driving licence;
- benefits book or original notification letter from the Benefits Agency confirming the right to benefit; or
- HM Revenue & Customs tax notifications e.g. tax assessment, statement of account or notice of coding.

Evidence of address (UK resident individuals):

- recent utility bill or utility statement (mobile telephone bills are not acceptable);
- local authority tax bill (current year);
- current UK driving licence (if not used for evidence of name);
- benefits book or original notification letter from the Benefits Agency confirming the right to benefit (provided one or other has not been used as evidence of personal identity); or
- HM Revenue & Customs correspondence addressed to you at stated address (provided HM Revenue & Customs notifications have not been used as evidence of personal identity).

If you are not a UK resident individual such proof of identity may include:

- a certified copy of an official identity card;
- a certified copy of a driving licence;
- a certified extract from a full passport (i.e. a copy of the front cover and pages showing photograph, personal details and signature, date and place of issue and serial number); or
- a certified copy of satisfactory evidence of an address (e.g. utility bill or bank statement).

If you are a corporation, please supply:

- a certified copy of your articles of association or statutes or published accounts; or
- certificate of incorporation or trade register entry or certificate of trade; and
- the names and addresses of all directors and specimen signatures; and
- evidence of identity and address as stated above for each director.

All certified documents must be certified by a professional person such as a lawyer or attorney, notary or an official entity such as an embassy, consulate or high commission of the country of issue.

5. Taxation and Stamp Duty

If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser without delay.

6. Settlement and Dealings

Application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on AIM. It is expected that the Offer Shares will be admitted to trading on AIM and that dealings will commence on 8 June 2010. None of the Ordinary Shares are being made available to the public except under the terms of the Open Offer. For Eligible non-CREST Shareholders, definitive share certificates for the Offer Shares are expected to be dispatched by first class post on or around 15 June 2010. For Eligible CREST Shareholders, it is expected that the relevant account will be credited on the day of Admission. Notwithstanding any other provision of this document, the Company reserves the right to issue any Offer Shares in certificated form. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST. No temporary documents of title will be issued and pending despatch of the definitive share certificates, transfers of the Offer Shares will be certified against the register. All documents and remittances sent by or to an applicant (or his/her agent, as appropriate) will be sent through the post at the risk of the person entitled thereto.

