

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own personal independent financial advice as soon as possible from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Clipper Shares, please send this document (but not any personalised Form of Acceptance) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or the transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction, including, but not limited to, any Restricted Jurisdiction. If you have sold or otherwise transferred only part of your holding of Clipper Shares, you should retain these documents.

Recommended Cash Offer

by

Race Bidco plc

for the issued ordinary share capital of

Clipper Ventures plc

(Registered number 03087938)

that is not already owned by the Offeror

Your attention is drawn to the letter from the Independent Directors of Clipper, which is set out in Part I of this document, which contains the Independent Directors' unanimous recommendation that you accept the Offer.

To accept the Offer in respect of certificated Clipper Shares, the accompanying Form of Acceptance should be completed, signed and (in the case of an individual) witnessed in accordance with the instructions set out therein and returned as soon as possible and in any event so as to be received by Neville Registrars either by post or by hand (during normal business hours only) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, by no later than 1.00 p.m. (London time) on 7 December 2009. The procedure for acceptance of the Offer in respect of certificated Clipper Shares is set out in paragraph 15(a) of Part II of this document and in Parts A and B of Appendix I to this document and in the accompanying Form of Acceptance.

Acceptances in respect of uncertificated Clipper Shares should only be made electronically through CREST so that the TTE Instruction settles by no later than 1.00 p.m. on 7 December 2009. If you are a CREST sponsored member you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear. The procedure for acceptance of the Offer in respect of uncertificated Clipper Shares is set out in paragraph 15(b) of Part II of this document and in Parts A and C of Appendix I to this document.

The whole document should be read in conjunction with, in respect of certificated Clipper Shares, the accompanying Form Acceptance, which forms part of this document. The Loan Notes to be issued under the Offer have not been, and will not be, listed on any stock exchange.

RSM Bentley Jennison, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Race Bidco and for no one else in connection with the Offer, the contents of this and the accompanying documents and other matters described herein, and will not be responsible to anyone other than Race Bidco for providing the protections afforded to clients of RSM Bentley Jennison, or for providing advice to any other person in relation to the Offer, the contents of this and the accompanying documents or any other matter referred to in this document.

Zeus Capital, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Clipper and for no one else in connection with the Offer, the contents of this and the accompanying documents and other matters described herein and will not be responsible to anyone other than Clipper for providing the protections afforded to clients of Zeus Capital, or for providing advice to any other person in relation to the Offer, the contents of this and the accompanying documents or any other matter referred to in this document.

THE RECOMMENDED OFFER

5p in cash for each Clipper Share

WHY YOU SHOULD ACCEPT THE OFFER

- The Independent Directors, who have been advised by Zeus Capital, consider the terms of the Offer to be fair and reasonable and unanimously recommend the Offer.
- Race Bidco owns or has received irrevocable undertakings to accept the Offer in respect of 28,536,064 Clipper Shares, representing approximately 73.18 per cent. of the existing issued share capital of Clipper. Therefore, if Clipper Shareholders do not accept the Offer, they will be minority shareholders in an unquoted company.
- The Offer presents Clipper Shareholders with an opportunity to realise their investment in Clipper for cash. The Offer also enables Clipper Shareholders to dispose of their Clipper Shares free of share dealing costs, which, for a disposal of a small number of shares in a private company, might otherwise represent a significant proportion of the sale proceeds arising from a disposal.
- Clipper's listing on AIM was cancelled on 26 June 2009. Therefore, Clipper Shares are not quoted on any market and, if Clipper Shareholders do not accept the Offer, there is no ready market to enable Clipper Shareholders to sell their Clipper Shares.

HOW TO ACCEPT THE OFFER

- Subject to the terms set out in Part A of Appendix I, it is the intention of the Race Bidco Directors to announce the closure of the Offer on the First Closing Date, which would mean that Clipper Shareholders have until 7 December 2009 to return their completed Forms of Acceptance.
- To accept the Offer in respect of certificated Clipper Shares, the accompanying Form of Acceptance should be completed, signed and (in the case of an individual) witnessed in accordance with the instructions set out therein and returned as soon as possible and in any event so as to be received by Neville Registrars either by post or by hand (during normal business hours only) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, by no later than 1.00 p.m. (London time) on 7 December 2009. The procedure for acceptance of the Offer in respect of certificated Clipper Shares is set out in paragraph 15(a) of Part II of this document and in Parts A and B of Appendix I to this document and in the accompanying Form of Acceptance.
- Acceptances in respect of uncertificated Clipper Shares should only be made electronically through CREST so that the TTE Instruction settles by no later than 1.00 p.m. on 7 December 2009. If you are a CREST sponsored member you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear. The procedure for acceptance of the Offer in respect of uncertificated Clipper Shares is set out in paragraph 15(b) of Part II of this document and in Parts A and C of Appendix I to this document.
- Please return your completed Form of Acceptance in good time.

IMPORTANT INFORMATION SECTION

OVERSEAS SHAREHOLDERS

Unless otherwise determined by Race Bidco and permitted by applicable law and regulation, subject to certain exemptions, the Offer (including the Loan Note Alternative) is not being made, directly or indirectly, in or into, and will not be capable of acceptance from or within, a Restricted Jurisdiction. Accordingly, copies of this document and the Form of Acceptance and any other accompanying document must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction and persons receiving this document, the Form of Acceptance and any other accompanying document (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer. The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal or regulatory requirements of their jurisdiction and should read paragraph 14 of Part II of this document and paragraph 5 of Part A of Appendix I to this document.

Any person (including nominees, trustees and custodians) who would, or otherwise intends to, or may have a legal or contractual obligation to, forward this document and/or the Form of Acceptance and/or any related or accompanying document to any jurisdiction outside the United Kingdom, should seek appropriate advice and should read paragraph 14 of Part II of this document and paragraph 5 of Part A of Appendix I to this document and the relevant provisions of the Form of Acceptance, before taking any action.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document, including information included or incorporated by reference in this document, may contain “forward-looking statements” concerning Race Bidco and Clipper. All statements other than statements of historical fact included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “will”, “may”, “targets”, “plans”, “continue”, “believes”, “expects”, “intends”, “anticipates”, “aims”, “estimates” or words or terms of similar substance or the negative thereof identify forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Race Bidco Group’s operations; and (iii) the effects of government regulation on Race Bidco Group’s business.

These forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Clipper or of Race Bidco. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied to differ materially from those expressed in the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. You are cautioned not to place undue reliance on the forward looking statements, which speak only as of the date they were made. All subsequent oral or written forward-looking statements attributable to Clipper or Race Bidco or any of their members or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included in this document are based on information available to the relevant parties on the date hereof. Investors should not place undue reliance on forward-looking statements, and neither Clipper, Race Bidco nor their directors undertakes any obligation in respect of, and do not intend to update or revise any forward-looking statements, except as required by the City Code or pursuant to applicable law.

DEALING DISCLOSURE REQUIREMENTS

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in one per cent. or more of any class of “relevant securities” of Clipper, all “dealings” in “relevant securities” of Clipper (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Clipper, they will be deemed to be a single person for the purpose of Rule 8.3 of the City Code.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Clipper by Race Bidco or by Clipper, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8 of the City Code, you should contact an independent financial adviser authorised under the Financial Services and Markets Act 2000, consult the Panel’s website or contact the Panel on telephone number +44 (0) 20 7638 0129.

**THE FIRST CLOSING DATE OF THE OFFER IS 1.00 P.M. (LONDON TIME)
ON 7 DECEMBER 2009.**

TO ACCEPT THE OFFER

- 1 If you hold your Clipper Shares in certificated form (that is, not in CREST), complete the Form of Acceptance in accordance with paragraph 15(a) of the letter from the Board of Race Bidco in Part II of this document. Return the completed Form of Acceptance together with the relevant share certificate(s) and/or other document(s) of title, using the enclosed first class reply-paid envelope provided as soon as possible and, in any event, so as to be received by Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA by 1.00 p.m. (London time) on 7 December 2009.
- 2 If you hold your Clipper Shares in CREST, you should follow the procedures set out in paragraph 15(b) of the letter from the Board of Race Bidco in Part II of this document and the procedures in Parts A and C of Appendix I to this document.

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PART I

LETTER FROM THE INDEPENDENT DIRECTORS

Clipper Ventures plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 03087938)

Independent Directors:

Jeremy Knight (Finance Director)
David Stublely (Non-Executive Director)

Registered Office:

1A Granary & Bakery Building
Royal Clarence Yard
Weevil Lane
Gosport
Hampshire
PO12 1FX

16 November 2009

To Clipper Shareholders and, for information only, to participants in the Clipper Share Option Scheme

Dear Clipper Shareholder

RECOMMENDED CASH OFFER, WITH LOAN NOTE ALTERNATIVE, FOR CLIPPER VENTURES PLC BY RACE BIDCO PLC

1. Introduction

On 27 October 2009 the Independent Directors received a preliminary indicative approach from Race Bidco which might or might not have led to an offer being made for the entire issued and to be issued share capital of Clipper. As the Race Bidco Directors are also Clipper Directors, an independent committee was formed and Zeus Capital was appointed to advise them.

It was announced earlier today that the Independent Directors and the Board of Race Bidco had reached agreement on the terms of a recommended cash offer, with loan note alternative, to be made by Race Bidco, for the entire issued and to be issued share capital of Clipper. The Offer values the entire existing issued share capital of Clipper at approximately £1.95 million.

Race Bidco is a newly incorporated UK company formed for the purpose of making the Offer and is owned by the Race Bidco Directors. It is a requirement of the City Code that Clipper Shareholders should receive advice from the Clipper Directors who are independent in relation to the Offer. Accordingly, an independent committee of the Board of Clipper was constituted which comprises myself and Jeremy Knight. The Race Bidco Directors, in view of their involvement in the Offer, have had and will continue to have no involvement in considering the Offer on behalf of Clipper Shareholders nor in reaching conclusions on the appropriate recommendation to Clipper Shareholders.

I am now writing to you, on behalf of the Independent Directors, to explain the background to the Offer and the reasons why, in the absence of any other offers or proposals for the entire issued and to be issued share capital of Clipper, the Independent Directors consider the terms of the Offer to be fair and reasonable so far as Clipper Shareholders are concerned and also to recommend you to accept the Offer, as the Independent Directors have irrevocably undertaken to do themselves in respect of their own beneficial holdings representing, in aggregate, approximately 1.11 per cent. of the entire issued share capital of Clipper.

2. The Recommended Offer

The Offer, which is unconditional in all respects and is made subject to the terms set out in this letter, Appendix I and (in respect of certificated Clipper Shares) the Form of Acceptance, is being made for all of the Clipper Shares so that Clipper Shareholders will receive for each Clipper Share:

5 pence in cash.

The Offer extends to all Clipper Shares unconditionally allotted or issued and fully paid on the date of the Offer (excluding any Treasury Shares except to the extent these cease to be held as Treasury Shares before such date as Race Bidco may determine) and any Clipper Shares which are unconditionally allotted or issued and fully paid including pursuant to the exercise of options under the Clipper Share Option Scheme before the date on which the Offer closes or such earlier date as Race Bidco may, subject to the City Code, decide.

The Clipper Shares to be acquired by Race Bidco pursuant to the Offer are to be acquired with full title guarantee, fully paid and free from all liens, equities, charges and encumbrances and other third party rights or interests and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid after the date of this document.

3. Background to and reasons for recommending the Offer

Clipper is an international marine events company that was founded by Sir Robin Knox-Johnston in 1995. Clipper has, for a number of years, staged the “Clipper Round the World Yacht Race” and the “VELUX 5 OCEANS” single handed round-the-world race. In addition to these core events, Clipper also operates a training division and a hospitality and events division.

Clipper was floated on AIM in 1999. On 26 June 2009 Clipper cancelled its AIM admission after the Clipper Directors concluded that the benefits of being listed on AIM no longer justified the associated costs.

The Clipper Round the World Yacht Race is the key contributor to Clipper’s revenues and profits and is run every two years. The Clipper 09 race started in October 2009 and is expected to finish in July 2010. The cash flows relating to each Clipper race are usually spread over four financial years with cash inflows relating to crew income being received prior to each race, sponsorship income being received both before and during the race and costs being incurred both before and during the running of each race.

Despite a significant proportion of the cash flows occurring prior to the race start, in accordance with Clipper’s accounting policies, the majority of the revenue and costs associated with each Clipper race is recognised in the income statement over the duration of the race itself. Since Clipper’s financial year end is 30 April and the Clipper race usually starts in October this means that approximately seven out of the ten months it takes to run the race will fall in the financial year in which the race starts. Conversely only three months of the race will fall in the financial year in which the race ends.

The impact of this is that the majority of the revenue and profit in relation to each Clipper race is recognised in the income statement in the financial year in which the race starts. This means that Clipper’s revenue and profitability is lumpy in nature and follows a two year cycle in line with the Clipper race. This can be seen for example in the revenue and profit figures for the 2008 and 2009 financial years.

In the year ended 30 April 2009, Clipper reported turnover of £4,858,365 and profit before tax from continuing operations of £722,376. In the year ended 30 April 2008, the financial year in which the Clipper 07 Race started, Clipper reported turnover of £7,704,131 and profit before tax from continuing operations of £1,228,759 and in the year ended 30 April 2007, Clipper reported turnover of £6,980,615 and profit before tax of £930,799. Further financial information on Clipper is included in Appendix III.

In deciding whether to recommend the Offer to Clipper Shareholders the Independent Directors have considered, *inter alia*, the following:

- the Offer is unconditional and is for cash;

- as noted in paragraph 6 below, Clipper has been adversely impacted by the current global recession. The Clipper Directors have noted that the sponsorship market is proving more difficult for the Clipper 11 race and they expect a reduction in turnover in the corporate sailing division. The Clipper Directors expect the current trading conditions to continue in the near term;
- the current fleet of yachts will have completed four circumnavigations by the end of the Clipper 11 race and the Clipper Directors are in the process of planning the replacement of the fleet. The capital expenditure for replacing the fleet will occur from the start of the build through to April 2013. Although the Clipper Directors hope to finance this capital expenditure organically from the current cash balance and operating cash flow Clipper may need to raise additional capital;
- the timing of Clipper's cash flows and the lumpy nature of Clipper's revenue and profitability;
- the Clipper Shares are unlisted and there is very limited liquidity in the market for the Clipper Shares, therefore the Offer presents Clipper Shareholders with an opportunity to realise their investment in Clipper;
- the terms of the Offer enable Clipper Shareholders to dispose of their Clipper Shares without incurring share dealing costs, which, for a disposal of a small number of shares in a private company, might otherwise represent a significant proportion of the sales proceeds arising from a disposal;
- Race Bidco owns or has received irrevocable undertakings to accept the Offer in respect of 28,536,064 Clipper Shares, representing approximately 73.18 per cent. of the existing issued share capital of Clipper. Therefore, if Clipper Shareholders do not accept the Offer, they will be minority shareholders in an unquoted company; and
- if Clipper Shareholders accept the Offer they will not benefit from any potential future profits that may be generated by the existing fleet or the proposed new fleet of yachts.

The Independent Directors, who have been advised by Zeus Capital, believe that the level of the Offer fairly values Clipper's business. In reaching their conclusion to recommend the Offer, the Independent Directors, have taken into account the fact that no other offers have been received from other parties. The Independent Directors have also considered a number of factors including those set out above; the price and deliverability of the Offer. Against this background, the Independent Directors consider the terms of the Offer to be fair and reasonable and that the Offer provides Clipper Shareholders with the opportunity to realise, in cash, their investment in Clipper.

4. Loan Note Alternative

As an alternative to all or part of the cash consideration which would otherwise be receivable by them under the Offer, Clipper Shareholders (other than those Clipper Shareholders in a Loan Note Restricted Jurisdiction and the givers of irrevocable undertakings to accept the Offer, who have decided not to elect for the Loan Note Alternative) who validly accept the Offer are entitled to **elect to receive Loan Notes to be issued by Race Bidco on the basis of £1 nominal value in Loan Notes for each £1 of cash consideration otherwise due under the Offer.**

The Loan Notes will be issued by Race Bidco, credited as fully paid, in amounts and integral multiples of £1 and the balance of any entitlement that is not a whole multiple of £1 will be disregarded and will not be paid in cash or any other form. The Loan Notes will not be guaranteed and will not be secured.

The Loan Notes will bear interest (from the date of issue to the relevant holder of Loan Notes) at a rate of two per cent. of the principal amount outstanding per annum (payable on redemption, less any tax required to be deducted by law).

The Loan Notes will be redeemable in whole on the Final Redemption Date. However, Race Bidco has the option, at its discretion, to redeem the Loan Notes on some such earlier date if it so decides. If the Loan Notes are redeemed on an interest payment date at Race Bidco's option prior to the Final Redemption Date, seven days' written notice of redemption must be given to holders of Loan Notes.

Further details of the Loan Note Alternative and the action you should take to elect for it are set out in Appendix I of this document and in the Form of Acceptance. A summary of the terms of the Loan Notes is contained in Appendix II to this document.

The Loan Notes are not transferable (except in certain limited circumstances) and no market will be made in the Loan Notes. The Loan Notes might not provide Clipper Shareholders the opportunity to roll over or hold over any part of any capital gain on the sale of their Clipper Shares.

The Loan Notes are not guaranteed or secured as to interest or principal and there is no market in these instruments. There is the risk of loss of some or all of the principal and/or accrued interest in the event of the failure or insolvency of Race Bidco.

Your decision as to whether to accept cash or Loan Notes will depend on your individual circumstances. If you are in doubt as to the action you should take, you are urged to seek your own independent financial advice. When deciding which form of consideration to receive, Clipper Shareholders who are resident for tax purposes in the United Kingdom should consider the information on United Kingdom taxation set out in paragraph 10 below.

The Independent Directors make no recommendation to Clipper Shareholders in respect of the Loan Note Alternative. Clipper Shareholders who are in any doubt as to whether to elect for the Loan Note Alternative should consult their stockbroker, solicitor, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

Race Bidco intends to shut off the Loan Note Alternative on the date which is 14 days following the First Closing Date, after which it will no longer be possible to elect for the Loan Note Alternative. Subject to any requirements of the Panel, any elections for Loan Notes received after this date will be invalid.

5. Irrevocable undertakings

(a) To accept the Offer

The Independent Directors have irrevocably undertaken to accept the Offer in respect of their entire beneficial holdings of 433,333 Clipper Shares, which, in aggregate, represent approximately 1.11 per cent. of the existing issued share capital of Clipper.

Significant shareholders have also provided irrevocable undertakings to accept the Offer in respect of 7,128,108 Clipper Shares, representing approximately 18.28 per cent. of the existing issued share capital of Clipper.

Therefore, Race Bidco has received irrevocable undertakings to accept the Offer in respect of 7,561,441 Clipper Shares, representing approximately 19.39 per cent. of the existing issued share capital of Clipper.

(b) To elect to receive the Loan Note Alternative

Significant shareholders have provided irrevocable undertakings to elect to receive the Loan Note Alternative in respect of 7,128,108 Clipper Shares, representing approximately 18.28 per cent. of the existing issued share capital of Clipper.

Further details of these irrevocable undertakings are set out in paragraph 5 of Appendix V to this document.

6. Current trading and prospects

Clipper's business has been adversely impacted by the current global recession. Crew recruitment has held up well, with the Clipper 09 race largely sold out and the early days of recruitment for Clipper 11 race being satisfactory. However, the sponsorship market has proved more difficult.

The corporate sailing market remains tough and the Clipper Directors expect a reduction in turnover in the 2010 season from its corporate sailing division. The training division is performing well in the area of providing training to NEETS (young people not in education, employment or training) but has recently been affected by the cancellation of its partnership with Falmouth Marine School, following the removal of Government funding. The Clipper Directors expect the current trading conditions to continue in the near term.

The balance sheet of Clipper remains strong, which places it well to weather the current economic environment. However, the current fleet of yachts will have completed four circumnavigations by the end of the Clipper 11 race, which was the anticipated full life of the fleet, and, as such, Clipper must now plan on replacing them. A design has been completed and build partners are being evaluated. The capital expenditure of this build will occur from the start of the build through to April 2013 and the Clipper Directors hope to finance this capital expenditure organically from the current cash balance and operating cash flow, but, if needed, will look to raise additional capital.

7. Intentions regarding Clipper's employees and Directors

The Board of Race Bidco has given assurances to the Independent Directors that the existing employment rights, including pension rights, of all employees and management of the Clipper Group will be fully safeguarded (save in respect of the Race Bidco Directors). The Independent Directors also understand that Race Bidco does not intend to make any material changes to the location of Clipper's place of business.

8. Clipper Share Option Scheme

The Offer extends to any Clipper Shares which are unconditionally allotted or issued prior to the date on which the Offer closes (or such earlier date as Race Bidco may, subject to the City Code or with the consent of the Panel, determine) including any which are so unconditionally allotted or issued pursuant to the exercise of options under the Clipper Share Option Scheme.

All options granted under the Clipper Share Option Scheme have an exercise price per Clipper Share that is greater than the Offer price of 5 pence per Clipper Share. Any person exercising any or all of their options would therefore pay more to acquire Clipper Shares than they could realise through accepting those shares to the Offer and they would consequently lose money by exercising those options. If, however, any option holder wishes to exercise an option they should contact Clipper directly in accordance with the terms of the letter to share option holders that is being sent to them separately.

9. Compulsory Acquisition

If Race Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, 90 per cent. or more in value of the Clipper Shares to which the Offer relates (and which represent not less than 90 per cent. of the voting rights carried by such Clipper Shares), and if all other conditions of the Offer have been satisfied or waived (to the extent that they are capable of being waived), Race Bidco intends to exercise its rights pursuant to the provisions of Part 28 of the CA 2006 to acquire compulsorily any remaining Clipper Shares in respect of which acceptances have not then been received on the same terms as the Offer.

10. United Kingdom taxation

In deciding whether to accept the Offer, Clipper Shareholders should take account of their own individual circumstances, particularly their tax position. Your attention is drawn to paragraph 13 of the letter from the Board of Race Bidco entitled "United Kingdom taxation" set out in Part II of this document. The Independent Directors are unable to consider the tax position of individual Clipper Shareholders. If you are in any doubt as to your taxation position or if you are subject to taxation in any other jurisdiction, you should consult an appropriate professional adviser immediately.

11. Overseas Clipper Shareholders

The availability of the Offer (including the Loan Note Alternative) to Clipper Shareholders who are citizens or residents of jurisdictions outside the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their relevant jurisdiction. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

The attention of Clipper Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding Clipper Shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom is drawn to paragraph 5 of Part A and, for holders of certificated Clipper Shares, paragraph 3 of Part B of Appendix I to this document and to the relevant provision of the Forms of Acceptance and, for holders of uncertificated Clipper Shares, to paragraphs 3 and 4 of Part C of Appendix I to this document, which they should read before taking any action.

The Offer is not being made, directly or indirectly, in or into and is not capable of acceptance from or within, any Restricted Jurisdiction. Accordingly, acceptors who are unable to give the warranties set out in paragraph 3 of Part B and/or paragraphs 3 and 4 of Part C of Appendix I to this document may be deemed not to have validly accepted the Offer.

12. Action to be Taken

The procedure for acceptance is set out in the letter from the Board of Race Bidco in Part II of this document, the Appendices and (if your Clipper Shares are in certificated form) the accompanying Form of Acceptance. To accept the Offer, holders of Clipper Shares in certificated form must complete the Form of Acceptance in accordance with the instructions printed on it and return it by post or by hand (during normal business hours only) to Neville Registrars, Neville Registrars, Corporate Actions, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible, but, in any event, so as to arrive no later than 1.00 p.m. (London time) on 7 December 2009.

If your Clipper Shares are in uncertificated form (that is, in CREST) you should NOT return a Form of Acceptance but instead ensure that an Electronic Acceptance is made by you or on your behalf and that settlement is no later than 1.00 p.m. (London time) on 7 December 2009. If you are a CREST sponsored member, you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

In each case, Clipper Shareholders should read the procedure for acceptance of the Offer set out in paragraph 15 of the letter from the Board of Race Bidco set out in Part II of this document.

If you are in any doubt about the Offer or what action you should take, you are recommended immediately to seek your own personal independent financial advice from your own stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from an appropriately authorised independent financial adviser.

The Offer will initially remain open for acceptance until 1.00 p.m. on 7 December 2009.

13. Further Information

Your attention is drawn to the further information relating to the Offer set out in Appendices III, IV and V to this document, and to the documents which accompany it (including the Form of Acceptance in respect of certificated Clipper Shares) which should be read in conjunction with this document.

14. Conclusion

The Independent Directors, who have been advised by Zeus Capital, consider that the terms of the Offer are fair and reasonable so far as Clipper Shareholders are concerned. In providing advice to the Independent Directors, Zeus Capital has taken into account the commercial assessments of the Independent Directors.

15. Recommendation

In the absence of any other offers for the entire issued and to be issued share capital of Clipper, the Independent Directors unanimously recommend Clipper Shareholders to accept the Offer, as they have irrevocably undertaken to do in respect of their own beneficial holdings of Clipper Shares amounting to 433,333 Clipper Shares in aggregate, representing approximately 1.11 per cent. of the existing issued share capital of Clipper.

Yours faithfully

David Stublely
Non-Executive Director
For and on behalf of the Independent Directors

PART II

LETTER FROM THE BOARD OF RACE BIDCO

Race Bidco plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 7061468)

Directors:

Sir Robin Knox-Johnston
William Ward

Registered Office:

1A Granary & Bakery Building
Royal Clarence Yard
Weevil Lane
Gosport
Hampshire
PO12 1FX

16 November 2009

To Clipper Shareholders and, for information only, to participants in the Clipper Share Option Scheme

Dear Clipper Shareholder

RECOMMENDED CASH OFFER, WITH LOAN NOTE ALTERNATIVE, FOR CLIPPER VENTURES PLC BY RACE BIDCO PLC

1. Introduction

The purpose of this letter is to provide you with background information relating to the Offer, information on the Offeror, a summary of the terms upon which the Offer is being made and information to help Clipper Shareholders decide whether or not to accept the Offer.

The Board of Race Bidco is pleased to announce that it has reached agreement with the Independent Directors on the terms of a recommended cash offer, to be made by Race Bidco, for the entire issued and to be issued share capital of Clipper.

The Offer is 5p in cash for each Clipper Share. The Offer values the existing issued ordinary share capital and outstanding options of Clipper under the Clipper Share Option Scheme, which are in the money and in respect of which exercise is likely, at approximately £1.95 million.

This letter, Appendix I and (in respect of the certificated Clipper Shares) the accompanying Form of Acceptance contain the formal Offer.

Your attention is drawn to the letter from the Independent Directors of Clipper set out in Part I of this document which states that the Independent Directors unanimously recommend that Clipper Shareholders to accept the Offer.

Clipper Shareholders should note that:

- prior to the Offer, Race Bidco beneficially owns 20,974,623 Clipper Shares, representing approximately 53.79 per cent. of the existing issued share capital of Clipper;
- Race Bidco has received irrevocable undertakings to accept the Offer in respect of 7,561,441 Clipper Shares, representing approximately 19.39 per cent. of the existing issued share capital of Clipper; and

- therefore, in aggregate, Race Bidco either owns or has received irrevocable undertakings to accept the Offer in respect of 28,536,064 Clipper Shares, representing approximately 73.18 per cent. of the existing issued share capital of Clipper.

The procedure for acceptance of the Offer is set out in paragraph 15 of this letter, in Parts A to C of Appendix I to this document and (if you hold certificated Clipper Shares) the accompanying Form of Acceptance.

2. Summary of the terms of the Offer

Under the Offer, which is unconditional in all respects and is made subject to the terms set out in this letter, Appendix I and (in respect of certificated Clipper Shares) the Form of Acceptance, Clipper Shareholders will receive for each Clipper Share:

5 pence in cash.

The Offer extends to all Clipper Shares unconditionally allotted or issued and fully paid on the date of the Offer (excluding any Treasury Shares except to the extent these cease to be held as Treasury Shares before such date as Race Bidco may determine) and any Clipper Shares which are unconditionally allotted or issued and fully paid including pursuant to the exercise of options under the Clipper Share Option Scheme before the date on which the Offer closes or such earlier date as Race Bidco may, subject to the City Code, decide.

The Clipper Shares to be acquired by Race Bidco pursuant to the Offer are to be acquired with full title guarantee, fully paid and free from all liens, equities, charges and encumbrances and other third party rights or interests and together with all rights now or hereafter attaching thereto, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid after the date of this document.

3. Irrevocable undertakings

(a) To accept the Offer

David Stublely has irrevocably undertaken to accept the Offer in respect of his entire beneficial holdings of 433,333 Clipper Shares, which, in aggregate, represent approximately 1.11 per cent. of the existing issued share capital of Clipper. Jeremy Knight does not hold any Clipper Shares.

Significant shareholders have also provided irrevocable undertakings to accept the Offer in respect of 7,128,108 Clipper Shares, representing approximately 18.28 per cent. of the existing issued share capital of Clipper.

Therefore, Race Bidco has received irrevocable undertakings to accept the Offer in respect of 7,561,441 Clipper Shares, representing approximately 19.39 per cent. of the existing issued share capital of Clipper.

(b) To elect to receive the Loan Note Alternative

Significant shareholders have also provided irrevocable undertakings to elect to receive the Loan Note Alternative in respect of 7,128,108 Clipper Shares, representing approximately 18.28 per cent. of the existing issued share capital of Clipper.

Further details of these irrevocable undertakings are set out in paragraph 5 of Appendix V to this document.

4. Loan Note Alternative

As an alternative to all or part of the cash consideration which would otherwise be receivable by them under the Offer, Clipper Shareholders (other than those Clipper Shareholders in a Loan Note Restricted Jurisdiction and the givers of irrevocable undertakings to accept the Offer, who have decided not to elect for the Loan Note Alternative) who validly accept the Offer are entitled to **elect to receive Loan Notes to be issued by Race Bidco on the basis of £1 nominal value in Loan Notes for each £1 of cash consideration otherwise due under the Offer.**

The Loan Notes will be issued by Race Bidco, credited as fully paid, in amounts and integral multiples of £1 and the balance of any entitlement that is not a whole multiple of £1 will be disregarded and will not be paid in cash or any other form. The Loan Notes will not be guaranteed and will not be secured.

The Loan Notes will bear interest (from the date of issue to the relevant holder of Loan Notes) at a rate of two per cent. of the principal amount outstanding per annum (payable on redemption, less any tax required to be deducted by law).

The Loan Notes will be redeemable in whole on the Final Redemption Date. However, Race Bidco has the option, at its discretion, to redeem the Loan Notes on some such earlier date if it so decides. If the Loan Notes are redeemed on an interest payment date at Race Bidco's option prior to the Final Redemption Date, seven days' written notice of redemption must be given to holders of Loan Notes.

Further details of the Loan Note Alternative and the action you should take to elect for it are set out in Appendix I of this document and in the Form of Acceptance. A summary of the terms of the Loan Notes is contained in Appendix II to this document.

The Loan Notes are not transferable (except in certain limited circumstances) and no market will be made in the Loan Notes. The Loan Notes might not provide Clipper Shareholders the opportunity to roll over or hold over any part of any capital gain on the sale of their Clipper Shares.

The Loan Notes are not guaranteed or secured as to interest or principal and there is no market in these instruments. There is the risk of loss of some or all of the principal and/or accrued interest in the event of the failure or insolvency of Race Bidco.

Your decision as to whether to accept cash or Loan Notes will depend on your individual circumstances. If you are in doubt as to the action you should take, you are urged to seek your own independent financial advice. When deciding which form of consideration to receive, Clipper Shareholders who are resident for tax purposes in the United Kingdom should consider the information on United Kingdom taxation set out in paragraph 13 below.

The Race Bidco Directors make no recommendation to Clipper Shareholders in respect of the Loan Note Alternative. Clipper Shareholders who are in any doubt as to whether to elect for the Loan Note Alternative should consult their stockbroker, solicitor, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

Race Bidco intends to shut off the Loan Note Alternative on the date which is 14 days following the First Closing Date, after which it will no longer be possible to elect for the Loan Note Alternative. Subject to any requirements of the Panel, any elections for Loan Notes received after this date will be invalid.

5. Background to and reasons for the Offer

The Race Bidco Directors believe that its small management team will aid faster and more responsive decision making in Clipper Ventures. The Race Bidco Directors also believe that having a management team with a larger equity interest in the business will assist the Race Bidco Group in raising finance for new business opportunities. The Race Bidco Directors intend to work closely with Clipper's management team in order to assist Clipper in taking full advantage of future growth opportunities, including appropriate strategic acquisitions.

There is currently no ready market for Clipper Shareholders to effect transactions in Clipper Shares and the Race Bidco Directors believe that the Offer provides Clipper Shareholders with an opportunity to realise their investment in Clipper for cash.

6. Information on Race Bidco

Race Bidco is a newly incorporated company formed for the purpose of making the Acquisition and is wholly owned by the Race Bidco Directors.

7. Information on Clipper

Clipper is an international marine events company that was founded by Sir Robin Knox-Johnston in 1995. Clipper has, for a number of years, staged the “Clipper Round the World Yacht Race” and the “VELUX 5 OCEANS” single handed round-the-world race. In addition to these core events, Clipper also operates a training division and an hospitality and events division.

Clipper was floated on AIM in 1999. On 26 June Clipper cancelled its AIM admission after the Clipper Directors concluded that the benefits of being listed on AIM no longer justified the associated costs.

For the year ended 30 April 2009, Clipper reported turnover of £4,858,365 and profit before tax from continuing operations of £722,376

Further information on Clipper is set out in Appendices III and IV to this document.

8. Current trading and prospects

Clipper’s business has been adversely impacted by the current global recession. Crew recruitment has held up well, with the Clipper 09 race largely sold out and the early days of recruitment for Clipper 11 race being satisfactory. However, the sponsorship market has proved more difficult.

The corporate sailing market remains tough and the Clipper Directors expect a reduction in turnover in the 2010 season from its corporate sailing division. The training division is performing well in the area of providing training to NEETS (young people not in education, employment or training) but has recently been affected by the cancellation of its partnership with Falmouth Marine School, following the removal of Government funding. The Clipper Directors expect the current trading conditions to continue in the near term.

The balance sheet of Clipper remains strong, which places it well to weather the current economic environment. However, the current fleet of yachts will have completed four circumnavigations by the end of the Clipper 11 race, which was the anticipated full life of the fleet, and, as such, Clipper must now plan on replacing them. A design has been completed and build partners are being evaluated. The capital expenditure of this build will occur from the start of the build through to April 2013 and the Clipper Directors hope to finance this capital expenditure organically from the current cash balance and operating cash flow, but, if needed, will look to raise additional capital.

9. Intentions regarding Clipper’s employees and Directors

Race Bidco attaches great importance to the skills and experience of the existing management and employees of Clipper. As such, Race Bidco expects that Clipper employees will play an important role in the future of the business and Race Bidco does not intend to make any material changes to Clipper’s existing staffing levels nor to any conditions of employment (including pension benefits) nor location of Clipper’s place of business.

Accordingly, the Board of Race Bidco has given assurances to the Clipper Directors (including the Independent Directors) that the existing employment rights, including pension rights, of all employees and management of the Clipper Group will be fully safeguarded (save in respect of the Race Bidco Directors).

10. Financing of the Offer

The consideration payable under the Offer will be financed out of Race Bidco’s own cash resources.

Excluding amounts payable under the Loan Note Alternative to those Clipper Shareholders who have irrevocably undertaken to receive the Loan Note Alternative as set out in paragraph 3(b) of this Part II, full acceptance of the Offer would result in a maximum consideration in cash of approximately £544,511 being payable by Race Bidco to Clipper Shareholders. RSM Bentley Jennison is satisfied that the necessary financial resources are available to Race Bidco to satisfy this cash consideration due under the Offer in full.

The Loan Notes are not guaranteed or secured as to interest or principal and there is no market in these instruments. There is the risk of loss of some or all of the principal and/or accrued interest in the event of the failure or insolvency of Race Bidco. RSM Bentley Jennison does not give any confirmation, guarantee, warranty or undertaking that Race Bidco will be able to satisfy the repayment of the Loan Notes on the Final Redemption Date.

11. Clipper Share Option Scheme

The Offer extends to any Clipper Shares which are unconditionally allotted or issued prior to the date on which the Offer closes (or such earlier date as Race Bidco may, subject to the City Code or with the consent of the Panel, determine) including any which are so unconditionally allotted or issued pursuant to the exercise of options under the Clipper Share Option Scheme.

All options granted under the Clipper Share Option Scheme have an exercise price per Clipper Share that is greater than the Offer price of 5 pence per Clipper Share. Any person exercising any or all of their options would therefore pay more to acquire Clipper Shares than they could realise through accepting those shares to the Offer and they would consequently lose money by exercising those options. If, however, any option holder wishes to exercise an option they should contact Clipper directly in accordance with the terms of the letter to share option holders that is being sent to them separately.

12. Compulsory Acquisition

If Race Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, 90 per cent. or more in value of the Clipper Shares to which the Offer relates (and which represent not less than 90 per cent. of the voting rights carried by such Clipper Shares), and if all other conditions of the Offer have been satisfied or waived (to the extent that they are capable of being waived), Race Bidco intends to exercise its rights pursuant to the provisions of Part 28 of the CA 2006 to acquire compulsorily any remaining Clipper Shares in respect of which acceptances have not then been received on the same terms as the Offer.

13. United Kingdom taxation

The following paragraphs, which are intended as a general guide only, are based on current UK legislation and H.M. Revenue & Customs published practice, which may change. They summarise certain limited aspects of the UK taxation consequences of acceptance of the Offer, and relate only to the position of Clipper Shareholders who hold their Clipper Shares beneficially as an investment and who are resident and, in the case of individuals, ordinarily resident in the UK for taxation purposes at all relevant times.

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

(a) Tax on chargeable gains

Liability to UK tax on chargeable gains will depend on the individual circumstances of each Clipper Shareholder. The sale by a Clipper Shareholder of his Clipper Shares for cash will constitute a disposal for the purposes of UK tax on chargeable gains which may, depending on the Clipper Shareholder's individual circumstances (including the availability of exemptions or allowable losses), give rise to a liability to UK tax on chargeable gains. Tax on such chargeable gains is charged at a flat rate of 18 per cent. for Clipper Shareholders who are individuals.

There are various reliefs that could apply to reduce any chargeable gain which arises, including the following:

- for Clipper Shareholders within the charge to corporation tax, indexation allowance may apply to reduce any chargeable gain arising on the disposal of the Clipper Shares but will not create or increase an allowable loss; and
- Clipper Shareholders who are individuals may benefit from an annual exempt amount, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exempt amount is £10,100 for the 2009-2010 tax year.

Clipper Shareholders are advised to consult an appropriate professional adviser without delay with respect to the effect on their UK tax liability of an election to receive the Loan Note Alternative.

(b) Other direct tax matters

Special tax provisions may apply to Clipper Shareholders who have acquired or who acquire their Clipper Shares by exercising options under the Clipper Share Option Scheme, including provisions imposing a charge to income tax and National Insurance contributions.

(c) Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

No stamp duty or SDRT will be payable by Clipper Shareholders as a result of the Offer.

14. Overseas Clipper Shareholders

The availability of the Offer (including the Loan Note Alternative) to Clipper Shareholders who are citizens or residents of jurisdictions outside the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their relevant jurisdiction. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

The attention of Clipper Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding Clipper Shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom is drawn to paragraph 5 of Part A and, for holders of certificated Clipper Shares, paragraph 3 of Part B of Appendix I to this document and to the relevant provision of the Forms of Acceptance and, for holders of uncertificated Clipper Shares, to paragraphs 3 and 4 of Part C of Appendix I to this document, which they should read before taking any action.

The Offer is not being made, directly or indirectly, in or into and is not capable of acceptance from or within, any Restricted Jurisdiction. Accordingly, acceptors who are unable to give the warranties set out in paragraph 3 of Part B and/or paragraphs 3 and 4 of Part C of Appendix I to this document may be deemed not to have validly accepted the Offer.

15. Procedure for Acceptance of the Offer

YOUR ATTENTION IS DRAWN TO PARAGRAPH 6 OF PART A OF APPENDIX I OF THIS DOCUMENT AND TO THE FORM OF ACCEPTANCE WHICH SET OUT FULL DETAILS OF THE PROCEDURE FOR ACCEPTANCE OF THE OFFER AND ELECTION FOR THE LOAN NOTE ALTERNATIVE.

(a) Holders of certificated Clipper Shares

Holders of Clipper Shares in certificated form (that is, not in CREST) who wish to accept the Offer (whether or not they wish to elect for the Loan Note Alternative) in respect of such Shares should complete and return the enclosed Form of Acceptance (whose contents should be read in conjunction with this document). The completed Form(s) of Acceptance should be returned, signed and witnessed (in the case of an individual), by post, or by hand (during normal business hours only) to Neville Registrars, Corporate Actions, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA together with the relevant share certificate(s) and/or other document(s) of title so as to arrive no later than 1.00 p.m. on 7 December 2009.

(b) Holders of uncertificated Clipper Shares

Shareholders holding Clipper Shares in uncertificated form (that is, through CREST), who wish to accept the Offer (whether or not they wish to elect for the Loan Note Alternative) should comply with the provisions of paragraph 6(b) of Part A of Appendix I of this document and make or procure that their CREST sponsor makes an Electronic Acceptance, which must settle no later than 1.00 p.m. on 7 December 2009.

(c) **Loan Note Alternative**

To elect for the Loan Note Alternative in respect of some or all of your Clipper Shares in certificated form, you must complete the Form of Acceptance as described in paragraph (a) above, as appropriate, and, in addition, complete Box 3 thereof. The number in Box 3A will indicate the number of Clipper Shares for which you wish to receive Loan Notes instead of cash. Such number should not be greater than the number of Clipper Shares inserted or deemed to be inserted in Box 3A of the relevant Form of Acceptance.

To elect for the Loan Note Alternative in respect of some or all of your Clipper Shares held in uncertificated form (that is, in CREST) please see paragraph 6(b)(i) Part A of Appendix I of this document, which sets out the necessary procedure.

If you are in any doubt as to the procedure for acceptance of the Offer please contact Neville Registrars by telephone on 0121 585 1131 or, if, calling from outside the UK, on +44 121 585 1131. Calls to the Neville Registrars' +44 121 585 1131 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. Neville Registrars cannot provide advice on the merits of the Offer or give any financial, legal or tax advice.

16. Settlement

Your attention is drawn to paragraph 8 of Part A of Appendix I to this document.

17. Further Information

Your attention is drawn to the further information relating to the Offer set out in Appendices III, IV and V to this document, and to the documents which accompany it (including the Form of Acceptance in respect of certificated Clipper Shares) which should be read in conjunction with this document.

18. Action to be Taken to Accept the Offer

To accept the Offer, holders of Clipper Shares in certificated form must complete the Form of Acceptance in accordance with the instructions printed on it and return it by post or by hand (during normal business hours only) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible, but, in any event, so as to arrive no later than 1.00 p.m. (London time) on 7 December 2009. Further details on the procedures for acceptance of the Offer in respect of Clipper Shares in certificated form are set out in paragraph 15(a) of this letter.

If your Clipper Shares are in uncertificated form (that is, in CREST) you should NOT return a Form of Acceptance but instead ensure that an Electronic Acceptance is made by you or on your behalf and that settlement is no later than 1.00 p.m. (London time) on 7 December 2009. If you are a CREST sponsored member, you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear. Further details on the procedures for electronic acceptance of the Offer in respect of Clipper Shares in uncertificated form are set out in paragraph 15(b) of this letter.

If you are in any doubt about the Offer or what action you should take, you are recommended immediately to seek your own personal independent financial advice from your own stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from an appropriately authorised independent financial adviser.

Yours faithfully,
for and on behalf of Race Bidco plc



Sir Robin Knox-Johnston
Executive Director

APPENDIX I

FURTHER TERMS OF THE OFFER

There is no minimum acceptance condition or any conditions precedent to the Offer. The Offer is unconditional in all respects.

Clipper Shares will be acquired by Race Bidco fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party interests and rights of whatsoever nature and together with all rights attaching to them, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid after the date of this document.

The Offer, which is being made by Race Bidco, complies with the applicable rules and regulations of the City Code, will be governed by English law and will be subject to the jurisdiction of the Courts of England and Wales and is subject to the terms and conditions set out in this Appendix I and the Form of Acceptance.

PART A: FURTHER TERMS OF THE OFFER

Except where the context requires otherwise, any reference in Parts A, B or C of this Appendix I and in the Form of Acceptance to:

- (i) the “Offer” means the Offer (including the Loan Note Alternative) and any revision, variation or renewal thereof or extension of the Offer; and
- (ii) a person “acting in concert with Race Bidco” is a reference to a person acting or deemed to be acting in concert with Race Bidco for the purposes of the City Code and/or the Offer.

The following further terms apply, unless the context requires otherwise, to the Offer.

1. ACCEPTANCE PERIOD

- 1.1 The Offer will initially be open for acceptance until 1.00 p.m. (London time) on 7 December 2009. If Race Bidco decides to extend the Offer beyond this date, the next closing date will be notified to Clipper Shareholders. If Race Bidco extends the Offer until further notice, Clipper Shareholders will be given 14 days’ notice before the Offer is closed. However, it is the intention of the Race Bidco Directors to announce the closure of the Offer on the First Closing Date.
- 1.2 Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 calendar days (or such other period as may be permitted by the Panel) following the date written notice of the revision is dispatched to Clipper Shareholders.
- 1.3 If a competitive situation arises and is continuing on the Business Day preceding 15 January 2010, Race Bidco will enable holders of Clipper Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by special form of acceptance to take effect on 15 January 2010. It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that (i) it is received by Neville Registrars on or before 15 January 2010; (ii) the relevant Clipper Shareholder shall have applied to withdraw his acceptance of the competing offer but that the Clipper Shares to which such withdrawal relates shall not have been released from escrow before 15 January 2010 by the escrow agent to the competing offer; and (iii) the Clipper Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in the letter from Race Bidco contained in Part II this document on or before 15 January 2010, but an undertaking is given that they will be so transferred as soon as possible thereafter. Clipper Shareholders wishing to use such forms of acceptance should apply to Neville Registrars on the Business Day preceding 15 January 2010 in order that such forms can be dispatched by telephone on 0121 585 1131 or, if, calling from outside the UK, on +44 121 585 1131. Calls to the Neville Registrars’ +44 121 585

1131 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. Neville Registrars cannot provide advice on the merits of the Offer or give any financial, legal or tax advice. Notwithstanding the right to use such special form of acceptance, holders of Clipper Shares in uncertificated form may not use the usual Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

- 1.4 If a competitive situation arises after Race Bidco has made a “no extension” statement and/or a “no increase” statement (as referred to in the City Code) in connection with the Offer, Race Bidco may, if it specifically reserved the right to do so at the time such statement was made (or otherwise with the consent of the Panel), choose not to be bound by or to withdraw such statement and be free to revise and/or extend the Offer, provided it complies with the requirements of the City Code and in particular that:
- (a) it announces the withdrawal and that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four Business Days of the firm announcement of the competing offer or other competitive situation;
 - (b) it notifies Clipper Shareholders to that effect in writing at the earliest practicable opportunity or, in the case of Clipper Shareholders with registered addresses outside the United Kingdom or whom Race Bidco knows to be custodians, nominees or trustees holding Clipper Shares for such persons, by announcement in the United Kingdom at the earliest practicable opportunity; and
 - (c) any Clipper Shareholder who accepted the Offer after the date of the “no extension” or “no increase” statement is given a right of withdrawal in accordance with paragraph 3.2 of this Part A.
- 1.5 Race Bidco may, if it has reserved the right to do so, choose not to be bound by a “no extension” or “no increase” statement, if it would otherwise prevent the posting of an increased or improved offer (either as to the value or form of the consideration or otherwise), which is recommended for acceptance by the Independent Directors, or in other circumstances permitted by the Panel.
- 1.6 Race Bidco may, if it has reserved the right to do so and Clipper makes an announcement of the kind referred to in Rule 31.9 of the City Code after 25 December 2009, choose not to be bound by a “no increase” or a “no extension” statement and revise or extend the Offer with the consent of the Panel, provided that Race Bidco complies with the requirements of the City Code and in particular that notice to this effect is given as soon as possible (and in any event within four Business Days of the date of Clipper’s announcement) and shareholders are informed in writing at the earliest opportunity.
- 1.7 For the purposes of determining whether the acceptance condition has been satisfied at any particular time, Race Bidco will not be bound (unless otherwise required by the Panel) to take into account any Clipper Shares which have been issued or unconditionally allotted or which arise as a result of the exercise of subscription or conversion rights before that determination takes place unless written notice containing relevant details of the allotment, issue, subscription or conversion has been received before that time by Race Bidco or Neville Registrars at the address specified in paragraph 3.1 of this Part A. Notification by telex or facsimile or other electronic transmissions will not be sufficient to constitute written notice for this purpose.

2. ANNOUNCEMENTS

- 2.1 Without prejudice to paragraph 3.1 of this Part A, by 8.00 a.m. (London time) on the Business Day (the “relevant day”) following the day on which the Offer is due to expire, or is revised or is extended, as the case may be (or such later time(s) or date(s) as the Panel may agree), Race Bidco will make an appropriate announcement in the UK and simultaneously inform a Regulatory Information Service of the position. Such announcement will also state:

- (a) the number of Clipper Shares for which acceptances of the Offer have been received (showing the extent, if any, to which such acceptances have been received from persons acting in concert with Race Bidco or in respect of Clipper Shares which were subject to an irrevocable commitment or a letter of intent procured by Race Bidco or any of its associates);
- (b) details of any relevant securities of Clipper in which Race Bidco or any person acting in concert with it has an interest or in respect of which such person has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, will also be stated;
- (c) details of any relevant securities of Clipper in respect of which Race Bidco or any of its associates has an outstanding irrevocable commitment or letter of intent;
- (d) details of any relevant securities of Clipper which Race Bidco or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold; and
- (e) details of valid acceptances for which elections for the Loan Note Alternative have been made,

and will in each case specify the percentages of each class of relevant securities of Clipper represented by these figures. The announcement will also state that the Offer will remain open until further notice. In computing the number of Clipper Shares represented by acceptances and/or purchases, there may, at Race Bidco's discretion, be included or excluded for announcement purposes, subject to paragraph 9.3 of this Part A, acceptances and purchases which are not in all respects in order or which are subject to verification, provided that such acceptances or purchases shall not be included unless they could be counted towards fulfilling the acceptance condition in accordance with paragraph 9.3 of this Part A.

- 2.2 In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of Race Bidco include the release of an announcement by public relations consultants or by RSM Bentley Jennison on behalf of Race Bidco to the press and the delivery by hand or telephone, telex or facsimile transmission or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service will be notified simultaneously to a Regulatory Information Service (unless the Panel otherwise agrees).
- 2.3 Without limiting the manner in which Race Bidco may choose to make any public statement and subject to Race Bidco's obligations under applicable law and the City Code, Race Bidco will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

3. RIGHTS OF WITHDRAWAL

- 3.1 If Race Bidco fails to comply by 3.30 p.m. (London time) on the relevant day (or such later time(s) and/or date(s) as the Panel may agree) with any of the other relevant requirements specified in paragraph 2.1 of this Part A, then an accepting certificated Clipper Shareholder may (unless the Panel otherwise agrees) immediately after that time withdraw his acceptance of the Offer by written notice signed by the accepting Clipper Shareholder (or his agent duly appointed in writing and evidence of whose appointment, in a form reasonably satisfactory to Race Bidco, is produced with the notice) given by post or by hand (during normal business hours only) to Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. Alternatively, in the case of Clipper Shares held in uncertificated form, withdrawals can also be effected in the manner set out in paragraph 3.6 of this Part A. This right of withdrawal may be terminated not less than eight calendar days after the relevant day by Race Bidco confirming if that be the case, that the Offer is still unconditional and

complying with the other relevant requirements relating to the Offer specified in paragraph 2.1 of this Part A. If any such confirmation is given, the first period of 14 calendar days referred to in paragraph 1.1 of this Part A will run from the date of that confirmation and compliance.

- 3.2 If a “no extension” and/or “no increase” statement is withdrawn in accordance with paragraph 1.4 of this Part A, any acceptance made by a Clipper Shareholder after the date of that statement may be withdrawn thereafter in the manner referred to in paragraph 3.1 of this Part A (or, in the case of Clipper Shares held in uncertificated form, in the manner set out in paragraph 3.5 of this Part A), for a period of eight calendar days following the date on which the notice of the withdrawal of such statement is posted to Clipper Shareholders.
- 3.3 Except as set out in this paragraph 3 of this Part A, acceptances of and elections under the Offer (including the Loan Note Alternative) will be irrevocable.
- 3.4 In this paragraph 3, “written notice” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting certificated Clipper Shareholder or his/its agent(s) duly appointed in writing (evidence of whose appointment in a form reasonably satisfactory to Race Bidco is produced with the notice). Telex, e-mail, facsimile or other electronic transmissions will not be sufficient to constitute written notice. No notice which is postmarked in, or otherwise appears to Race Bidco or its agents to have been sent from, a Restricted Jurisdiction will be treated as valid.
- 3.5 In the case of Clipper Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraph 3.1 or 3.2 of this Part A, an accepting Clipper Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA Instruction must, in order for it to be valid and settle, include the following details:
- (a) the ISIN number of the Clipper Shares. This is GB0002643566;
 - (b) the number of Clipper Shares in uncertificated form to be withdrawn;
 - (c) the Participant ID of the accepting Clipper Shareholder;
 - (d) the Member Account ID of the accepting Clipper Shareholder;
 - (e) the Participant ID of the Escrow Agent. This is 7RA11;
 - (f) the Member Account ID of the Escrow Agent. This is CLIPPER for the Offer and LOANNOTE for the Loan Note Alternative;
 - (g) the CREST transaction ID of the Electronic Acceptance to be withdrawn to be inserted at the beginning of the shared note field;
 - (h) input with a standard delivery instruction priority of 89;
 - (i) the intended settlement date for the withdrawal; and
 - (j) the corporate action number for the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST.

Any such withdrawal will be conditional upon Neville Registrars verifying that the withdrawal request is validly made. Accordingly, Neville Registrars will, on behalf of Race Bidco, reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- 3.6 Immediately (or within such longer period, not exceeding 14 calendar days, as the Panel may permit) upon a Clipper Shareholder validly withdrawing his acceptance in respect of Clipper Shares held in uncertificated form, Neville Registrars will give TFE Instructions to Euroclear to transfer all Clipper

Shares the subject of the withdrawal held in escrow balances, and in relation to which it is the Escrow Agent for the purposes of the Offer, to the original available balances of the Clipper Shareholder concerned and, in respect of Clipper Shares held in certificated form, Neville Registrars will return by post (or by such other method as may be approved by the Panel) the Form of Acceptance and all share certificates and/or other documents of title to the Clipper Shareholder concerned. All documents sent to Clipper Shareholders or their appointed agents will be sent at the Clipper Shareholder's risk.

- 3.7 Clipper Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 3 of this Part A may subsequently be re-assented to the Offer by following one of the procedures described in paragraph 16 of the letter from Race Bidco set out in Part II of this document and in paragraph 6 of this Part A, at any time while the Offer remains open for acceptance.
- 3.8 Any question as to the validity (including time of receipt) of any notice of withdrawal will be determined by Race Bidco whose determination (save as the Panel otherwise determines) will be final and binding. None of Race Bidco, RSM Bentley Jennison, Clipper, Neville Registrars or any other person will be under any duty to give notification of any defect in any notice of withdrawal or will incur any liability for failure to do so.

4. REVISED OFFER

- 4.1 Although no such revision is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms or conditions or in the value or form of the consideration offered or otherwise, including, for the avoidance of doubt, the Loan Note Alternative), and any such revised Offer represents on the date on which the revision is announced (on such basis as RSM Bentley Jennison may consider appropriate) an improvement (or no diminution) in the value of the Offer as so revised compared with the value of the consideration or terms previously offered, or in the overall value received by a Clipper Shareholder (under or in consequence of the Offer or otherwise), the benefit of the revised Offer will, subject to paragraphs 4.3, 4.4 and 5 of this Part A, be made available to any Clipper Shareholder who has validly accepted the Offer in its original or any previously revised form(s) and who has not validly withdrawn such acceptance (a "Previous Acceptor"). The acceptance by or on behalf of a Previous Acceptor of the Offer in its original or any previously revised form(s) shall, subject to paragraphs 4.3, 4.4 and 5 of this Part A, be deemed to be an acceptance of the Offer as so revised and will also constitute an authority to Race Bidco or any of Race Bidco's duly authorised directors, representatives or agents, to act as his attorney and/or agent ("attorney"):
- (a) to accept any such revised Offer on behalf of such Previous Acceptor;
 - (b) if such revised Offer includes alternative forms of consideration, to make on his behalf elections for and/or accept such alternative forms of consideration in such proportions as such attorney and/or agent in his absolute discretion thinks fit; and
 - (c) to execute on behalf of and in the name of such Previous Acceptor all such further documents and take such further actions (if any) as may be required to give effect to such acceptances and/or elections. In making any such acceptance and/or election, the attorney and/or agent will take into account the nature of any previous acceptance and/or election made by the Previous Acceptor and such other facts or matters as he may reasonably consider relevant.
- 4.2 Race Bidco reserves the right (subject to paragraph 4.1 of this Part A) to treat an executed Form of Acceptance or TTE Instruction in respect of the Offer in its original or any previously revised form(s) which is received (or dated) on or after the announcement or issue of the Offer in any revised form as a valid acceptance of the revised Offer (and/or, where applicable, a valid election for the alternative form(s) of consideration). Such acceptance will constitute an authority in the terms of paragraph 4.1 of this Part A, *mutatis mutandis*, on behalf of the relevant Clipper Shareholder.

4.3 The deemed acceptances referred to in this paragraph 4 of this Part A shall not apply and the authorities conferred by paragraph 4.1 of this Part A shall not be exercised by Race Bidco or any of Race Bidco's duly authorised directors, authorised representatives and agents if, as a result thereof, the Previous Acceptor would (on such basis as RSM Bentley Jennison may consider appropriate) thereby receive, under or in consequence of the Offer and/or any alternative pursuant thereto as revised or otherwise, less in aggregate in consideration under the revised Offer than he would have received in aggregate consideration as a result of acceptance of the Offer and/or his election for the Loan Note Alternative in the form in which it was originally accepted by him or on his behalf, having regard to any previous acceptance or election originally made by him, unless the Previous Acceptor has previously otherwise agreed in writing. The authorities conferred by paragraph 4.1 of this Part A shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph 4.3.

4.4 The deemed acceptances and/or elections referred to in paragraph 4 of this Part A will not apply and the authorities conferred by paragraph 4.1 of this Part A will be ineffective to the extent that a Previous Acceptor (i) in respect of Clipper Shares held in certificated form, shall lodge with Neville Registrars, within 14 days of the publication of the document pursuant to which the revised Offer referred to in paragraph 4.1 of this Part A is made available to Clipper Shareholders, a form in which he validly elects (to the extent possible) to receive the consideration receivable by him under the revised Offer in some other manner, or (ii) in respect of Clipper Shares held in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each such ESA Instruction must, in order for it to be valid and settle, include the following details:

- (a) the number of Clipper Shares in uncertificated form in respect of which the changed election is made;
- (b) the Participant ID of the Previous Acceptor;
- (c) the Member Account ID of the Previous Acceptor;
- (d) the ISIN number of the Clipper Shares. This is GB0002643566;
- (e) the CREST transaction ID of the Electronic Acceptance in respect of which an election is to be changed to be inserted at the beginning of the shared note field;
- (f) the intended settlement date for the changed election;
- (g) the Participant ID of the Escrow Agent. This is 7RA11;
- (h) the Member Account ID of the Escrow Agent included in the relevant Electronic Acceptance. This is CLIPPER for the Offer and LOANNOTE for the Loan Note Alternative; and
- (i) the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST,

and in order that the designated change of election can be effected must include:

- (j) the Member Account ID of the Escrow Agent relevant to the new election; and
- (k) input with a standard delivery instruction priority of 89.

Any such change of election will be conditional upon Neville Registrars verifying that the request is validly made. Accordingly, Neville Registrars will, on behalf of Race Bidco, reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

5. OVERSEAS SHAREHOLDERS

5.1 The making of the Offer in, or to certain persons who are resident in, or citizens or nationals of, jurisdictions outside the UK or to custodians, nominees and trustees for such persons, may be prohibited or affected by the laws of the relevant jurisdictions. Clipper Shareholders who are

residents, citizens or nationals of jurisdictions outside the UK should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person receiving a copy of this document and/or the Form of Acceptance and wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities. No person receiving a copy of this document and/or a Form of Acceptance in any jurisdiction other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use such Form of Acceptance if, in the relevant jurisdiction, such invitation or offer cannot lawfully be made to him or such Form of Acceptance cannot lawfully be used without contravention of any relevant or other legal requirements. In such circumstances, this document and/or Form of Acceptance are sent for information only. Any such Overseas Shareholder will be responsible for the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction by whomsoever payable and Race Bidco and RSM Bentley Jennison and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes as such person may be required to pay. If you are an Overseas Shareholder and you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.

- 5.2 Unless otherwise determined by Race Bidco, the Offer is not being made, directly or indirectly, in or into or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone or the internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction and is not capable of acceptance by any such use, means, instrumentality or facility, or from within any Restricted Jurisdiction.
- 5.3 Copies of this document, the Form of Acceptance (for certificated Clipper Shares) and any related document(s) are not being, and must not be, mailed or otherwise distributed or sent in, into or from any Restricted Jurisdiction including to Clipper Shareholders with registered addresses in these jurisdictions or to persons whom Race Bidco knows to be custodians, nominees or trustees holding Clipper Shares for such persons. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not distribute, send or mail them in, into or from a Restricted Jurisdiction or use any such instrumentality for any purpose, directly or indirectly, in connection with the Offer, and doing so may render invalid any purported acceptance of the Offer. Persons wishing to accept the Offer must not use the mails or any such other instrumentality of any Restricted Jurisdiction for any purpose directly or indirectly related to acceptance of the Offer. Envelopes containing the Form of Acceptance or other documents relating to the Offer must not be postmarked in, or otherwise despatched from, a Restricted Jurisdiction and all accepting certificated Clipper Shareholders must provide addresses outside a Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offer or (in relation to Clipper Shares in certificated form) for the return of the Form of Acceptance and any Clipper share certificate(s) and/or other document(s) of title.
- 5.4 Subject as provided below, a Clipper Shareholder will be deemed not to have accepted the Offer if:
- (a) (in respect of certificated Clipper Shares) he puts "NO" in Box 5 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph 3 of Part B of this Appendix I;
 - (b) (in respect of certificated Clipper Shares) Box 1 of the Form of Acceptance contains an address in a Restricted Jurisdiction and he does not insert in Box 6 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent, subject to the provisions of this paragraph 5 and applicable laws;

- (c) (in respect of certificated Clipper Shares) he inserts in Box 2 of the Form of Acceptance a telephone number in a Restricted Jurisdiction for use in the event of queries;
- (d) (in respect of certificated Clipper Shares) he inserts in Box 6 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer and/or any documents to be sent;
- (e) (in respect of certificated Clipper Shares) a Form of Acceptance received from him is received in an envelope postmarked in, or which otherwise appears to Race Bidco or its agents to have been sent from a Restricted Jurisdiction; or
- (f) (in respect of uncertificated Clipper Shares) he makes a Restricted Escrow Transfer (as defined in paragraph 5.7 of this Part A) pursuant to paragraph 5.7 of this Part A unless he also makes a related Restricted ESA Instruction (as defined in paragraph 5.7 of this Part A) which is accepted by Neville Registrars.

Race Bidco reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph 3 of Part B of this Appendix I or, as the case may be, paragraphs 3 and 4 of Part C of this Appendix I have been truthfully given by the relevant Clipper Shareholder and are correct and, if such investigation is made and as a result Race Bidco determines that such representations and warranties have not been so given, such acceptance shall not be valid.

- 5.5 If, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees) whether pursuant to a contractual or legal obligation or otherwise forwards this document, the Form of Acceptance or any related offer document in, into or from a Restricted Jurisdiction or uses the mails or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, such a jurisdiction in connection with such forwarding, such person should:
- (a) inform the recipient of such fact;
 - (b) explain to the recipient that such action may invalidate any purported acceptance or election by the recipient; and
 - (c) draw the attention of the recipient to this paragraph 5.
- 5.6 Race Bidco reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes that such acceptance may violate applicable legal or regulatory requirements.
- 5.7 If a Clipper Shareholder holding Clipper Shares in uncertificated form is unable to give the representations and warranties set out in paragraphs 3 and 4 of Part C of this Appendix I, but nevertheless can produce evidence satisfactory to Race Bidco that he is able to accept the Offer in compliance with all applicable legal and regulatory requirements and without Race Bidco or its agents being in breach of any such requirements he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:
- (a) a valid TTE Instruction to a designated escrow balance detailed below (a “Restricted Escrow Transfer”); and
 - (b) one or more valid ESA Instructions (a “Restricted ESA Instruction”).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and Race Bidco decides in its absolute discretion to exercise its right described in paragraph 5.9 of this Part A to waive, vary or modify the terms of the Offer related to Overseas Shareholders to the extent required to permit such acceptance to be made in each case during the acceptance period set out in paragraph 1 of this Part A. If Race Bidco decides to permit such acceptance to be made, Neville Registrars will on behalf of Race Bidco accept the purported acceptance as an Electronic Acceptance on the terms of this document as so waived, varied or modified by transmitting in CREST a receiving agent accept

(AEAN) message. Otherwise, Neville Registrars will on behalf of Race Bidco reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- (a) the ISIN number of the Clipper Shares. This is GB0002643566;
- (b) the number of Clipper Shares in uncertificated form in respect of which the accepting Clipper Shareholder wishes to accept the Offer (i.e. the number of Clipper Shares in uncertificated form to be transferred to an escrow balance);
- (c) the Participant ID of the accepting Clipper Shareholder;
- (d) the Member Account ID of the accepting Clipper Shareholder;
- (e) the Participant ID of the Escrow Agent. This is 7RA11;
- (f) the Member Account ID of the Escrow Agent specific to a Restricted Escrow Transfer. This is RESTRICT;
- (g) the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on 7 December 2009;
- (h) the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (i) input with a standard delivery instruction priority of 89; and
- (j) the name and contact telephone number of the accepting Clipper Shareholder inserted in the shared note field.

Each Restricted ESA Instruction must, in order for it to be valid and settle include the following details:

- (k) the ISIN number of the Clipper Shares. This is GB0002643566;
- (l) the number of Clipper Shares in uncertificated form relevant to that Restricted ESA Instruction;
- (m) the Participant ID of the accepting Clipper Shareholder;
- (n) the Member Account ID of the accepting Clipper Shareholder;
- (o) the Participant ID of the Escrow Agent. This is 7RA11;
- (p) the Member Account ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is CLIPPER for the Offer and LOANNOTE for the Loan Note Alternative;
- (q) the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates to be inserted at the beginning of the shared note field;
- (r) the Member Account ID of the Escrow Agent. This is RESTRICT;
- (s) the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on 7 December 2009;
- (t) the corporate action number for the Offer; and
- (u) input with a standard delivery instruction priority of 89.

5.8 Notwithstanding anything to the contrary contained in this document or the Form of Acceptance (for certificated Clipper Shares), Race Bidco may make the Offer (with or without giving effect to the foregoing paragraphs of this paragraph 5) in a Restricted Jurisdiction or in any other jurisdiction pursuant to an exemption under, or in accordance with, applicable law in such jurisdictions and in this connection the provisions of paragraph 3 of Part B and paragraphs 3 and 4 of Part C of this Appendix I will be varied accordingly.

5.9 The provisions of this paragraph 5 override any terms of the Offer inconsistent with them. The provisions of this paragraph 5 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Clipper Shareholders or on a general basis by Race Bidco in its absolute discretion.

6. PROCEDURE FOR ACCEPTANCE OF THE OFFER

To accept the Offer if your Clipper Shares are in certificated form (i.e. not in CREST), you must complete and sign, in the presence of a suitable witness (in the case of an individual), and return the Form of Acceptance, together with the relevant share certificate(s) and/or other document(s) of title, in accordance with these instructions and the instructions printed on the Form of Acceptance.

This paragraph 6 should be read together with the notes on the Form of Acceptance (in respect of certificated Clipper Shares) and Parts A and B of this Appendix I (as relevant).

If your Clipper Shares are in uncertificated form (i.e. in CREST), you must submit a TTE Instruction and comply with the instructions in paragraph 6(b) below.

(a) *Clipper Shares in certificated form*

You should note that, if you hold Clipper Shares in certificated form under different designations, you should complete a separate Form of Acceptance in respect of each designation. Additional Forms of Acceptance for this purpose will be available whilst the Offer remains open for acceptance from Neville Registrars by telephone on 0121 585 1131 or, if, calling from outside the UK, on +44 121 585 1131. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Offer or give any financial, legal or tax advice.

(i) To accept the Offer

To accept the Offer in respect of certificated Clipper Shares whether or not you wish to elect to receive the Loan Note Alternative, you must complete Box 3 and sign Box 4 on the Form of Acceptance. In all cases, you must sign Box 4 on the Form of Acceptance, including, if you are an individual, in the presence of a witness (who should also sign), in accordance with the instructions printed on it. To accept the Offer in respect of less than all your Clipper Shares held in certificated form you should insert in Box 3 of the Form of Acceptance the number of Clipper Shares in respect of which you wish to accept the Offer in accordance with the instructions on the form. You should then follow the procedures set out in this paragraph (a) in respect of such lesser number of Clipper Shares. If you do not insert a number in Box 3 of the Form of Acceptance or you insert a number greater than your registered holding of Clipper Shares, a valid acceptance will be deemed to have been made in respect of all Clipper Shares in certificated form held by you.

To elect for the Loan Note Alternative, in respect of some or all of your Clipper Shares in respect of which you are accepting the Offer, having completed the Form of Acceptance in accordance with the previous paragraph, you should also complete Box 3A. The number in Box 3A will indicate the number of Clipper Shares for which you wish to receive Loan Notes instead of cash. Such number should not be greater than the number of Clipper Shares inserted or deemed to be inserted in Box 3 of the relevant Form of Acceptance. If the number of Clipper Shares inserted in Box 3A is greater than the number inserted or deemed to be inserted in Box 3, it will be deemed to be an election for the Loan Note Alternative in respect of all the Clipper Shares in respect of which you have accepted or are deemed to have accepted the Offer.

(ii) Return of Form of Acceptance

To accept the Offer in respect of certificated Clipper Shares, the Form(s) of Acceptance must be completed, signed, witnessed (in the case of an individual) and returned, together with your share certificate(s), and/or other document(s) of title, by post or by hand (during normal business hours only) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and, in any event, so as to be received not later than 1.00 p.m. (London time) on 7 December 2009. No acknowledgement of receipt of documents will be given. The instructions printed on the Form(s) of Acceptance shall be deemed to form part of the terms of the Offer. A reply-paid envelope is enclosed for your convenience and may be used for returning the Form(s) of Acceptance from within the UK only.

Any Forms of Acceptance received in an envelope postmarked in a Restricted Jurisdiction or otherwise appearing to Race Bidco or its agents to have been sent from any of those countries will not, unless otherwise determined by Race Bidco in its absolute discretion, constitute a valid acceptance of the Offer in respect of certificated Clipper Shares.

(iii) Share certificate(s) and/or document(s) of title not readily available or lost

If your Clipper Shares are in certificated form, completed signed and (in the case of an individual or when signed by a single company officer) witnessed Form(s) of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form(s) of Acceptance should nevertheless be completed, signed, witnessed (in the case of an individual or when signed by a single company officer) and returned as stated above as soon as possible but in any event so as to be received by Neville Registrars at the address above no later than 1.00 p.m. (London time) on 7 December 2009. You should send with the Form(s) of Acceptance any share certificate(s) and/or other document(s) of title that you may have available, accompanied by a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible thereafter. No acknowledgement of receipt of documents will be given.

In the case of loss, you should then write as soon as possible to Clipper's registrars, Capita Registrars Limited, at Capita Registrars Limited, Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0GA requesting a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Capita Registrars Limited, Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0GA. Capita Registrars Limited can then issue a duplicate share certificate which should be returned by post or by hand (during normal business hours only) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.

(iv) Overseas Clipper Shareholders

The attention of Clipper Shareholders holding Clipper Shares in certificated form and who are Overseas Shareholders is drawn to paragraph 5 of this Part A and paragraph 3 of Part B of Appendix I to this document.

(v) Validity of acceptances

Subject to the provisions of the City Code and without prejudice to Parts A and B of Appendix I to this document, Race Bidco and RSM Bentley Jennison reserve the right to treat as valid in whole or in part any acceptance of the Offer in respect of certificated Clipper Shares which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. The consideration payable in respect of such acceptances under the Offer will not be paid and no Loan Notes will be issued to the relevant Clipper Shareholder until the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to the Board of Race Bidco have been received by Neville Registrars.

(b) *Clipper Shares held in uncertificated form*

To accept the Offer in respect of uncertificated Clipper Shares, you should take (or procure the taking of) the action set out below to transfer the Clipper Shares in uncertificated form in respect of which you wish to accept the Offer to the appropriate escrow balances (i.e. a TTE Instruction), specifying Neville Registrars (in its capacity as a CREST participant under the Escrow Agent Participant ID referred to below) as the Escrow Agent, as soon as possible and in any event so that the TTE Instruction settles not later than 1.00 p.m. (London time) on 7 December 2009. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure that you time the input of any TTE Instruction(s) accordingly.

(i) To accept the Offer in respect of your Clipper Shares in uncertificated form

To accept the Offer in respect of all or some of your Clipper Shares in uncertificated form you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE Instruction in relation to such shares.

A TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to any other information that is required for a TTE Instruction to settle in CREST, the following details:

- ISIN number of the Clipper Shares. This is GB0002643566;
- the number of Clipper Shares in uncertificated form in respect of which you wish to accept the Offer (i.e. the number of Clipper Shares in uncertificated form owned by you which are to be transferred to an escrow balance);
- your Participant ID;
- your Member Account ID;
- the Participant ID of the Escrow Agent. This is 7RA11;
- the Member Account ID of the Escrow Agent for acceptance of the Offer. This is CLIPPER;
- the corporate action number of the Offer, which is allocated by Euroclear and can be found by reviewing the relevant corporate action details in CREST;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on 7 December 2009;
- input with standard delivery instruction priority of 89; and
- contact name and telephone number inserted in the shared note field.

To elect for the Loan Note Alternative in respect of Clipper Shares held in uncertificated form, if you are outside of any Loan Note Restricted Jurisdiction, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear an alternative TTE Instruction in relation to such Clipper Shares by adopting the same procedures as apply in respect of a TTE Instruction to accept the Offer but with the following variations:

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

(ii) Validity of Acceptances

A Form of Acceptance that is received in respect of Clipper Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded. Holders of Clipper Shares in uncertificated form who wish to accept the Offer should note that a TTE Instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before 1.00 p.m. (London time) on that date.

(iii) General

The input and settlement of a TTE Instruction in accordance with this paragraph 6 will (subject to satisfying the other requirements set out in this Part A and in Part C of Appendix I to this document) constitute an acceptance of the Offer in respect of the number of Clipper Shares in uncertificated form so transferred to escrow.

If you are a CREST sponsored member you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE Instruction(s) to Euroclear in relation to your Clipper Shares in uncertificated form.

After settlement of a TTE Instruction you will not be able to access the Clipper Shares in uncertificated form concerned in CREST for any transaction or charging purposes. The Escrow Agent will transfer the Clipper Shares in uncertificated form concerned to itself in accordance with Part C of Appendix I to this document.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedure outlined above.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Clipper Shares in uncertificated form to settle prior to 1.00 p.m. (London time) on 7 December 2009. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

(iv) Overseas Clipper Shareholders

The attention of Clipper Shareholders holding Clipper Shares in uncertificated form and who are Overseas Shareholders is drawn to paragraph 5 of this Part A of Appendix I and paragraphs 3 and 4 of Part C of Appendix I to this document.

If you are in any doubt as to the procedure for acceptance of the Offer please contact Neville Registrars by telephone on 0121 585 1131 or, if, calling from outside the UK, on +44 121 585 1131. Calls to the Neville Registrars' +44 121 585 1131 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. Neville Registrars cannot provide advice on the merits of the Offer or give any financial, legal or tax advice.

7. THE LOAN NOTE ALTERNATIVE

- 7.1 The Loan Note Alternative forms part of the Offer by Race Bidco to the Shareholders and, subject to the terms of paragraph 4 of Part II of this document and to the remainder of this paragraph 7, are available to validly accepting Shareholders until 1.00 p.m. on the date falling fourteen days after the First Closing Date.
- 7.2 Shareholders who accept the Offer (other than those in a Loan Note Restricted Jurisdiction) may elect to receive Loan Notes in lieu of all or part of the consideration payable to them in cash under the Offer on the basis of £1 nominal of Loan Notes for every £1 in cash consideration. The Loan Notes will be issued in multiples of £1. The balance of any entitlement which is not a multiple of £1 will be disregarded and will not be paid in cash or in any other form.
- 7.3 The execution of a Form of Acceptance or (as the case may be) the input and settlement of a Loan Note Alternative TTE instruction, in either case, by or on behalf of a Clipper Shareholder will constitute an acceptance of the Loan Note Alternative in respect of (i) the number of Shares specified in Box 3A of the Form of Acceptance (or lesser amount as provided in paragraph 6(a)(i) of this Part A); or (ii) the number of Clipper Shares held in uncertificated form and specified in the Loan Note Alternative TTE instruction.
- 7.4 No acceptance of the Offer which includes an election for the Loan Note Alternative will be valid unless the following has occurred by the time and date on which the Loan Note Alternative closes:
- (a) if the Clipper Shares to which the acceptance relates are in certificated form, receipt of the Form of Acceptance with a valid election for the Loan Note Alternative, duly complete in all respects and accompanied by, if appropriate, all relevant share certificates and/or other documents of title; or
 - (b) if the Clipper Shares to which the acceptance relates are held in uncertificated form, settlement of a Loan Note Alternative TTE instruction in favour of the Escrow Agent in relation to those Clipper Shares, in accordance with the procedures described in paragraph 6(b)(i) of this Part A.
- 7.5 Each person electing for the Loan Notes will be deemed to represent and warrant that he is not a person in or resident in the United States or any other Loan Note Restricted Jurisdiction or is not otherwise a US Person and is not acquiring, and will not be holding, such Loan Notes for the account or benefit of a US Person, or a person resident in a Loan Note Restricted Jurisdiction or with a view to offer, sale, resale, delivery or distribution, directly or indirectly, of such Loan Notes in or into the United States or any other Loan Note Restricted Jurisdiction or to or for the account or benefit of, any US Person or person resident in a Loan Note Restricted Jurisdiction or any other person whom such transferee has reason to believe is purchasing for the purposes of such offer, sale, resale, delivery or distribution. Any person unable to give such a representation and warranty is not permitted to accept the Loan Note Alternative.
- 7.6 Particulars of the Loan Notes are contained in Appendix II of this document.

8. SETTLEMENT

Provided that the Form of Acceptance, share certificate(s) and/or other document(s) of title or the Electronic Acceptance(s) are in order (except as provided in paragraphs 5.7 and 5.8 of this Part A of Appendix I to this document in respect of certain Overseas Shareholders), settlement of the consideration to which Clipper Shareholders are entitled under the Offer will be despatched to validly accepting Clipper Shareholders: (i) in the case of acceptances received, complete in all respects, before the First Closing Date, within 14 days of the First Closing Date, or (ii) in the case of acceptances received, complete in all respects, after such date but while the Offer remains open for acceptance, within 14 days of such receipt, as follows:

(a) Cash

(i) *Clipper Shares in certificated form (that is, not in CREST)*

Where an acceptance relates to Clipper Shares in certificated form, settlement of any cash consideration due will be dispatched (but not in or into any Restricted Jurisdiction) by first-class post (or by such other method as may be approved by the Panel) to accepting Clipper Shareholders or their appointed agents. All such cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank (or by such other method as may be approved by the Panel).

(ii) *Clipper Shares in uncertificated form (that is, in CREST)*

Where an acceptance relates to Clipper Shares in uncertificated form, settlement of any cash consideration to which the accepting Clipper Shareholder is entitled will be paid in pounds sterling by means of a CREST payment obligation in favour of the accepting Clipper Shareholder's payment bank in respect of the cash consideration due, in accordance with the CREST payment arrangements.

Race Bidco reserves the right to settle all or any part of the consideration referred to in this subparagraph (b) for all or any accepting Clipper Shareholder(s), in the manner referred to in subparagraph (a) if, for any reason, it wishes to do so.

(b) Loan Notes

Whether Shares are in certificated or uncertificated form, if a Shareholder validly elects for the Loan Note Alternative and Loan Notes are issued as described in paragraph 4 of Part II of this document, definitive certificates for the Loan Notes will be despatched by first class post (or by such other method as the Panel may approve).

All remittances, communications, notices, certificates and documents of title sent by, to or from Clipper Shareholders or their appointed agents will be sent at their own risk.

9. GENERAL

9.1 If sufficient acceptances under the Offer are received and/or sufficient Clipper Shares are otherwise acquired, Race Bidco intends to apply the provisions of Part 28 of the CA 2006 to acquire compulsorily any outstanding Clipper Shares to which the Offer relates on the same terms as the Offer.

9.2 Except with the consent of the Panel, settlement of the consideration to which any Clipper Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Race Bidco may otherwise be, or claim to be, entitled as against such Clipper Shareholder and will be effected by the dispatch of cheques or the crediting of CREST accounts:

- (a) in the case of acceptances received, complete in all respects (including the relevant transfer to escrow or (as applicable) receipt of the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Race Bidco), by the First Closing Date, within 14 calendar days of the First Closing Date; or

- (b) in the case of acceptances received, complete in all respects, after the First Closing Date but while the Offer remains open for acceptance, within 14 calendar days of such receipt.

All cash payments (other than payments made by means of CREST) will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank. Unless otherwise determined by Race Bidco, no consideration will be sent to any address in a Restricted Jurisdiction.

- 9.3 Notwithstanding the right reserved by Race Bidco to treat acceptance of the Offer as valid (as referred to in paragraph 9.8 of this Part A), except as otherwise agreed with the Panel:
 - (a) an acceptance of the Offer will only be counted towards fulfilling the acceptance condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the City Code are satisfied in respect of it and Clipper Shares falling within Note 8 on Rule 10 of the City Code will not be counted towards fulfilling the acceptance condition; and
 - (b) a purchase of Clipper Shares by Race Bidco or its nominee(s) (or, if relevant, any person acting in concert with Race Bidco or its nominee(s)) will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the City Code are satisfied in respect of it.
- 9.4 The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires. The provisions of this Appendix I (save for Part C) shall be deemed to be incorporated into and form part of the Form of Acceptance.
- 9.5 All references in this document and in the Form of Acceptance to 7 December 2009 will (except in the definition of First Closing Date, paragraph 1.1 of this Part A or where the context otherwise requires) be deemed, if the expiry date of the Offer is extended, to refer to the expiry date of the Offer as so extended.
- 9.6 References in paragraph 5 of this Part A and in Part B of this Appendix I to a Clipper Shareholder will include references to the person or persons executing a Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, such paragraphs will apply to them jointly and severally.
- 9.7 Any omission or failure to dispatch this document, the Form of Acceptance, any other document relating to the Offer or any notice required to be dispatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, will not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.
- 9.8 Race Bidco reserves the right to treat acceptances of the Offer as valid if not entirely in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title.
- 9.9 No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) or other document(s) of title will be given by, or on behalf of, Race Bidco. All communications, notices, certificates, documents of title and remittances to be delivered by, or sent to or from, Clipper Shareholders (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- 9.10 Subject to paragraph 5 of this Part A, the Offer extends to persons to whom the Offer is made or should be made, to whom this document, the Form of Acceptance or any related documents may not be dispatched or who may not receive any such documents and such persons may collect copies of these documents from Neville Registrars, at the address set out in paragraph 3.1 of this Part A.
- 9.11 Race Bidco reserves the right to notify any matter, including the making of the Offer, to all or any Clipper Shareholders with a registered address outside the United Kingdom, or whom Race Bidco

knows to be a custodian, nominee or trustee holding Clipper Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom, by announcement in the United Kingdom, or by paid advertisement in a daily newspaper published and circulated in the United Kingdom in which event such notice will be deemed to have been sufficiently given, notwithstanding any failure by any such shareholder(s) to receive or see such notice, and all references in this document (other than in paragraph 3 of this Part A) to “notice in writing” by or on behalf of Race Bidco will be construed accordingly.

- 9.12 The Offer is made by means of this document at 1.00 p.m. (London time) on 16 November 2009 and is capable of acceptance from and after that time. Copies of this document, the Form of Acceptance and any related documents are available from Neville Registrars at the address set out in paragraph 3.1 of this Part A from that time.
- 9.13 All powers of attorney, appointments of agents and authorities conferred by or referred to in this Appendix I (subject to paragraphs 4.3 and 4.4 of this Part A) or in the Form of Acceptance are given by way of security for the performance of the obligations of the Clipper Shareholder concerned and are irrevocable (in respect of powers of attorney, in accordance with section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part A and duly and validly does so.
- 9.14 In relation to any acceptance of the Offer in respect of a holding of Clipper Shares which are in uncertificated form, Race Bidco reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided any such alterations, additions or modifications are consistent with the requirements of the City Code or are otherwise made with the consent of the Panel.
- 9.15 Neither Race Bidco, nor any agent acting on behalf of Race Bidco, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer or otherwise in connection therewith.
- 9.16 For the purposes of this document, the time of receipt of a TTE Instruction, a TFE Instruction, an ESA Instruction or an Electronic Acceptance shall be the time that the relevant instruction settles in CREST.
- 9.17 The Offer, all Forms of Acceptance and all Electronic Acceptances and all acceptances and elections in respect thereof will be governed by and construed in accordance with English law.

PART B: FORM OF ACCEPTANCE

Each Clipper Shareholder by whom, or on whose behalf, any Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with Race Bidco and Neville Registrars (so as to bind such Clipper Shareholder and such Clipper Shareholder's personal representatives, heirs, successors and assigns) to the following effect:

1. that the execution of the Form of Acceptance shall constitute:
 - 1.1 an acceptance of the Offer in respect of the number of Clipper Shares in certificated form inserted or deemed to be inserted in Box 3 of the Form of Acceptance;
 - 1.2 if Box 3A of the Form of Acceptance is completed, an election for the Loan Note Alternative to receive Loan Notes in respect of all or part of the cash which the relevant Clipper Shareholder would otherwise have received under the Offer in respect of the number of Clipper Shares inserted or deemed to be inserted in Box 3A of the Form of Acceptance; and
 - 1.3 an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing,

in each case on and subject to the terms and conditions set out in this document and the Form of Acceptance and that, subject only to the rights of withdrawal set out in paragraph 3 of Part A of this Appendix I, each such acceptance, election and undertaking shall be irrevocable. If Box 3 is left blank or a number greater than such Clipper Shareholder's registered holding appears in Box 3 or the Form of Acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance by such Clipper Shareholder of the terms of the Offer in respect of the total number of Clipper Shares registered in his name;

2. that such Clipper Shareholder is irrevocably and unconditionally entitled to transfer Clipper Shares in respect of which the Form of Acceptance is completed and that Clipper Shares in respect of which the Offer is accepted, or is deemed to be accepted, are sold fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto, including, without limitation, the right to receive and retain in full all dividends and other distributions, if any, declared, paid or made after the date of this document;
3. that unless "NO" is inserted or deemed to be inserted in Box 5 of the Form of Acceptance, such Clipper Shareholder:
 - 3.1 has not received or sent copies of this document, the Form of Acceptance or any related offer documents in, into or from, a Restricted Jurisdiction;
 - 3.2 has not otherwise utilised in connection with the Offer, directly or indirectly, the mails, or of any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of interstate or foreign commerce, or any facilities of a national securities exchange, of a Restricted Jurisdiction;
 - 3.3 if an Overseas Shareholder, has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Race Bidco, or any other person, acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of it;
 - 3.4 was outside a Restricted Jurisdiction when the Form of Acceptance was delivered and at the time of accepting the Offer and, in respect of Clipper Shares to which the Form of

Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction; and

- 3.5 the Form of Acceptance and any related offer documents have not been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such shareholder is accepting the Offer from outside such jurisdictions;
4. that the execution of the Form of Acceptance and its delivery to Neville Registrars constitutes, subject to the accepting Clipper Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of Race Bidco or any of its directors as such Clipper Shareholder's agent/attorney ("attorney"), with an irrevocable instruction to the agent/attorney to:
 - 4.1 complete and execute all or any form(s) of transfer and/or renunciation and/or other document(s) in the agent/attorney's discretion in relation to Clipper Shares referred to in paragraph 1 of this Part B in favour of Race Bidco or as Race Bidco or its agents may direct;
 - 4.2 deliver such form(s) of transfer and/or other document(s) at the agent/ attorney's discretion together with any certificate(s) and/or other document(s) of title relating to such Clipper Shares for registration within six months of the date of this Offer; and
 - 4.3 do all such other acts and things (including the execution of all such other documents) as may in the opinion of such agent/attorney be necessary or expedient for the purpose of, or in connection with, the acceptance or deemed acceptance of the Offer and to vest in Race Bidco or its nominee(s) Clipper Shares as aforesaid;
5. that the execution of the Form of Acceptance and its delivery to Neville Registrars constitutes, subject to the accepting Clipper Shareholder not having validly withdrawn his acceptance, a separate and irrevocable authority and request (subject to paragraph 5 of Part A of this Appendix I):
 - 5.1 to Clipper or its agents to procure the registration of the transfer of those Clipper Shares referred to in paragraph 1 of this Part B pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to Race Bidco or as it may direct; and
 - 5.2 to Race Bidco or its agents to procure the despatch by first class post (or such other method as may be approved by the Panel) of any Loan Notes in respect of his election for the Loan Note Alternative and/or a cheque drawn on a branch of a UK clearing bank in respect of any cash consideration to which he is entitled under the Offer, at the risk of such Clipper Shareholder, to the person or agent whose name and address (outside any Restricted Jurisdiction unless otherwise permitted by Race Bidco) is set out in Box 1 or if appropriate Box 6 of the Form of Acceptance or, if none is set out, to the first-named holder at his registered address (outside any Restricted Jurisdiction unless otherwise permitted by Race Bidco);
6. that the execution of the Form of Acceptance and its delivery constitutes a separate authority to Race Bidco and/or its directors and/or its agents within the terms of paragraphs 4 and 5 of Part A of this Appendix I in respect of the Clipper Shares referred to in paragraph 1 of this Part B;
7. that:
 - 7.1 Race Bidco or its agents be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Clipper or of any class of its shareholders) attaching to any Clipper Shares in respect of which the Offer has been accepted, or is deemed to have been accepted, and such acceptance is not validly withdrawn; and

- 7.2 the execution of a Form of Acceptance by a Clipper Shareholder constitutes, in respect of Clipper Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
- (a) an authority to Clipper and/or its agents from such Clipper Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him as a member of Clipper (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Clipper Shares into certificated form) to Race Bidco at its registered office;
 - (b) an authority to Race Bidco and/or its agents to sign any consent to short notice on his behalf and/or attend and/or execute a form of proxy in respect of such Clipper Shares appointing any person nominated by Race Bidco to attend general meetings and separate class meetings of Clipper or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible, and where relevant, to satisfy any outstanding condition of the Offer; and
 - (c) the agreement of such Clipper Shareholder not to exercise any of such rights without the consent of Race Bidco and the irrevocable undertaking of such Clipper Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
8. that he shall deliver (or procure the delivery) to Neville Registrars at the address referred to in paragraph 3.1 of Part A of this Appendix I his share certificate(s) and/or other document(s) of title in respect of all Clipper Shares held by him in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to Race Bidco in lieu thereof, as soon as possible and in any event within six months of the date of this Offer;
9. that if, for any reason, any Clipper Shares in respect of which a transfer to an escrow balance has been effected in accordance with paragraph 16(b) of the letter from Race Bidco contained in Part II of this document are converted to certificated form, he will (without prejudice to paragraph 7.2(a) of this Part B) immediately deliver or procure the immediate delivery of the share certificate(s) and/or other document(s) of title in respect of all such Clipper Shares as so converted to Neville Registrars at the address referred to in paragraph 3.1 of Part A of this Appendix I;
10. that, if he accepts the Offer and does not validly withdraw such acceptances he shall do all such acts and things as shall, in the opinion of Race Bidco and Neville Registrars, be necessary or expedient to vest in Race Bidco or its nominee(s) or such other person as Race Bidco may decide the number of Clipper Shares inserted or deemed to be inserted in Box 3 of the Form of Acceptance;
11. that if such Clipper Shareholder has made an election for the Loan Note Alternative, unless an exemption is available under relevant securities law, such Clipper Shareholder is not present in any Loan Note Restricted Jurisdiction and is not acquiring, and will not hold, the Loan Notes for the account or benefit of any person in any Loan Note Restricted Jurisdiction or with a view to, or for the purposes of, the offer, sale, re-sale, delivery or transfer, directly or indirectly, of a Loan Note in or into any Loan Note Restricted Jurisdiction;
12. that the terms and conditions of the Offer contained in this document will be deemed to be incorporated in, and form part of, the Form of Acceptance, which will be construed accordingly;
13. that he will ratify each and every act or thing which may lawfully be done or effected by Race Bidco or Neville Registrars or their respective directors, agents or attorneys or Clipper or its agents, as the case may be, in the exercise of any of his or its powers and/or authorities under this document (and to indemnify each such person against any losses arising therefrom other than losses arising as a result of the negligence or wilful default of such person);

14. that, if any provision of Part A of this Appendix I or this Part B shall be unenforceable or invalid or shall not operate so as to afford Race Bidco or Neville Registrars or their respective directors, agents or attorneys the full benefit of the authority expressed to be given in this Part B, he shall with all practicable speed do all such acts or things and execute all such documents as may be required to enable those persons to secure the full benefits of Part A of this Appendix I and this Part B;
15. that the execution of the Form of Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the right of Race Bidco to bring any action, suit or proceeding arising out of or in connection with the Offer and the Form of Acceptance in any other manner permitted by law or in any court of competent jurisdiction;
16. that on execution, the Form of Acceptance will take effect as a deed; and
17. that he is not a client (as defined by the rules of the FSA) of RSM Bentley Jennison in connection with the Offer.

References in this Part B to a Clipper Shareholder shall include references to the person or persons executing a Form of Acceptance, and in the event of more than one person executing a Form of Acceptance, the provisions of this Part B shall apply to them jointly and severally.

PART C: ELECTRONIC ACCEPTANCE

Each Clipper Shareholder who holds Clipper Shares in uncertificated form by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with Race Bidco and Neville Registrars (so as to bind him and his personal representatives, heirs, successors and assigns) to the effect that:

1. the Electronic Acceptance shall constitute in respect of the number of Clipper Shares in uncertificated form to which a TTE Instruction relates:
 - 1.1 subject to paragraph 5 of Part A of this Appendix I, an acceptance of the Offer;
 - 1.2 an election for the Loan Note Alternative to receive Loan Notes in respect of the number of Clipper Shares in uncertificated form to which a Loan Note Alternative TTE instruction relates;
 - 1.3 an undertaking to execute any further documents and give any further assurances which may be required to enable Race Bidco to obtain the full benefits of the terms of this Part C and/or to perfect any authorities expressed to be given thereunder; and
 - 1.4 a representation and warranty that he is the beneficial owner of such Clipper Shares or, if he is not, he is irrevocably and unconditionally entitled to transfer such Clipper Shares in uncertificated form and that the entire beneficial interest therein will be acquired under the Offer, on and subject to the terms and conditions set out or referred to in this document and that, subject to paragraphs 3 and 4 of Part A of this Appendix I, such acceptance and/or election shall be irrevocable;
2. Clipper Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid with full title guarantee and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto including, without limitation, the right to receive in full all dividends and other distributions, if any, declared, paid or made after the date of this document;
3. such Clipper Shareholder has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Offer, directly or indirectly, the use of the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex, telephone and the internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction at the time of the input and settlement of the relevant TTE Instruction(s), and in respect of Clipper Shares in uncertificated form to which an Electronic Acceptance relates he is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction;
4. if such Clipper Shareholder is not resident in the UK he has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from him, in connection with such acceptance in any territory, and that he has not taken or omitted to take any action which will or may result in Race Bidco or any other person acting in breach of any legal or regulatory requirements of any territory in connection with the Offer or his acceptance thereof, provided that the warranties and representations above shall be deemed not to be given if such Clipper Shareholder purports to accept the Offer by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) a Restricted Escrow Transfer and a Restricted ESA Instruction pursuant to paragraph 5.7 of Part A of this Appendix I;

5. such Clipper Shareholder is not accepting the Offer with a view to the offer, sale, resale or delivery, directly or indirectly, of any Loan Notes in or into the United States or any other Loan Note Restricted Jurisdiction and will not hold or acquire any Loan Notes for any other person who he has reason to believe is purchasing for the purpose of such offer, sale, resale or delivery;
6. the Electronic Acceptance constitutes, subject to the relevant Clipper Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of each of Race Bidco and/or any of Race Bidco's directors or agents as such Clipper Shareholder's agent and/or attorney and an irrevocable instruction and authorisation to the agent and/or attorney to do all such acts and things as may in the opinion of such agent and/or attorney be necessary or expedient for the purposes of, or in connection with, the acceptance of the Offer to vest in Race Bidco or its nominee(s) the Clipper Shares in uncertificated form referred to in paragraph 1 of this Part C in respect of which such accepting Clipper Shareholder has not validly withdrawn his acceptance (the "Electronic Acceptance Shares");
7. the Electronic Acceptance constitutes the irrevocable appointment of Neville Registrars as escrow agent to the Offer and an irrevocable instruction and authority to the escrow agent and/or attorney, to (i) subject to such accepting Clipper Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as Race Bidco or its agents may direct) by means of CREST all or any of the Electronic Acceptance Shares and, (ii) give TFE Instructions to Euroclear to transfer all the Electronic Acceptance Shares to the original available balance of the accepting Clipper Shareholder;
8. the Electronic Acceptance constitutes, subject to an accepting Clipper Shareholder not having validly withdrawn his acceptance, an irrevocable authority and request, subject to the provisions of paragraph 5 of Part A of this Appendix I, to Race Bidco or its agents to:
 - (a) procure the making of a CREST payment in favour of the accepting Clipper Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such accepting Clipper Shareholder is entitled, provided that (i) Race Bidco may (if for any reason it wishes to do so) determine that all or any part of such cash consideration shall be paid in pounds sterling by cheque, drawn on a branch of a UK clearing bank, dispatched by first class post (or such method as may be approved by the Panel) and, (ii) if the accepting Clipper Shareholder is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which he is entitled shall in any case be paid by cheque dispatched by post and in either case all such cheques shall be dispatched at the risk of such Clipper Shareholder to the first-named holder at an address outside a Restricted Jurisdiction stipulated by such holder or as otherwise determined by Race Bidco;
 - (b) procure that the name(s) of such Clipper Shareholder is entered on the register of holders of Loan Notes to which the Clipper Shareholder is entitled, having made a valid election under the Loan Note Alternative (subject to the terms of the Loan Note Instrument);
 - (c) despatch documents of title for any Loan Notes in respect of his valid election for the Loan Note Alternative to the first-named holder at an address outside the United States or other Loan Note Restricted Jurisdiction stipulated by such holder or as otherwise determined by Race Bidco;
9. the Electronic Acceptance constitutes a separate authority to any director of Race Bidco or Race Bidco's agents within the terms of paragraph 4 of Part A of this Appendix I in respect of the Electronic Acceptance Shares;
10. the Electronic Acceptance constitutes the same undertakings, acceptances, acknowledgements and authorities as set out in paragraph 7 of Part B of this Appendix I as if the same had been restated in this Part C *mutatis mutandis*;

11. pending registration:
 - 11.1 Race Bidco or its agents be entitled to direct the exercise of any or all votes attaching to any uncertificated Clipper Share in respect of which the Offer has been accepted or is deemed to have been accepted, and such acceptance has not been validly withdrawn, and any and all other rights and privileges attaching to such Electronic Acceptance Shares, including the right to requisition the convening of a general meeting or separate class meeting of Clipper; and
 - 11.2 an Electronic Acceptance by an Clipper Shareholder constitutes in respect of uncertificated Clipper Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (a) an authority to Clipper and/or its agents from such Clipper Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him as a member of Clipper (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Clipper Shares into certificated form) to Race Bidco at its registered office;
 - (b) an authority to Race Bidco and/or its agents to sign any consent to short notice on his behalf and/or attend and/or execute a form of proxy in respect of such Clipper Shares appointing any person nominated by Race Bidco to attend general meetings and separate class meetings of Clipper or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible, and where relevant, to satisfy any outstanding condition of the Offer; and
 - (c) the agreement of such Clipper Shareholder not to exercise any of such rights without the consent of Race Bidco and the irrevocable undertaking of such Clipper Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
12. if, for any reason, any Clipper Shares in respect of which a TTE Instruction has been effected in accordance with Part A of this Appendix I are converted to certificated form, he will (without prejudice to sub-paragraph 11.2(a) of this Part C) immediately deliver or procure the immediate delivery of the share certificate(s) and/or other documents of title in respect of all such Clipper Shares as so converted to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part B of this Appendix I in relation to such Clipper Shares (without prejudice to the application of this Part C, as far as Race Bidco deems appropriate);
13. the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements referred to in paragraph 8 of this Part C shall, to the extent of the obligations so created, discharge in full any obligation of Race Bidco to pay him the cash consideration to which he is entitled pursuant to the Offer;
14. if he accepts the Offer and does not validly withdraw such acceptances, he shall do all such acts and things as shall be necessary or expedient to vest the Clipper Shares referred to in paragraph 1 of this Part C in Race Bidco or its nominee(s) or such other persons as it may decide and to enable Neville Registrars to perform its functions as Escrow Agent for the purposes of the Offer;
15. he will ratify each and every act or thing which may be lawfully done or effected by Race Bidco or by Neville Registrars or their respective directors, agents or attorneys, as the case may be, in the proper exercise of any of his or its powers and/or authorities under this document (and to indemnify each such person against any losses arising therefrom other than losses arising as a result of the negligence or wilful default of such person);

16. if any provision of Part A of this Appendix I or this Part C shall be unenforceable or invalid or shall not operate so as to afford Race Bidco or Neville Registrars or their respective directors, agents or attorneys, as the case may be, the full benefit of authorities and powers of attorney expressed to be given in this Part C he shall with all practicable speed do such acts or things and execute all such documents as may be required to enable those persons to secure the full benefits of such authorities and powers of attorney;
17. the making of an Electronic Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Electronic Acceptance, to the jurisdiction of the Courts of England and his agreement that nothing shall limit the right of Race Bidco and/or any of Race Bidco's directors or agents to bring any action, suit or proceeding arising out of or in connection with the Offer and the Electronic Acceptance in any other manner permitted by law or in any court of competent jurisdiction;
18. by virtue of the CREST Regulations the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant holder of Clipper Shares in the terms of the powers and authorities expressed to be given by Part A of this Appendix I, this Part C, and, where relevant, by virtue of paragraph 12 of this Part C, Part B of this Appendix I to Race Bidco and any of Race Bidco's directors or agents; and
19. that he is not a client (as defined by the rules of the FSA) of RSM Bentley Jennison in connection with the Offer.

References in this Part C to a "Clipper Shareholder", shall include reference to the person or persons making an Electronic Acceptance and, in the event of more than one person making an Electronic Acceptance, the provisions of this Part C shall apply to them jointly and severally.

APPENDIX II

SUMMARY OF THE PRINCIPAL TERMS OF THE LOAN NOTES

The Loan Notes of Race Bidco will be created by a resolution of the Board of Race Bidco and will be constituted by the Loan Note Instrument to be executed as a deed by Race Bidco and will be designated “Two per cent Unsecured Loan Stock 2011”. The Loan Note Instrument will contain provisions, *inter alia*, to the effect set out below. This summary is for guidance only. The full terms of the Loan Notes are set out in the Loan Note Instrument which can be inspected as provided in paragraph 16 of Appendix V of this document. The Loan Note Instrument shall prevail to the extent of any inconsistency between the terms of this summary and the Loan Note Instrument unless the context otherwise requires.

1. FORM AND STATUS

The Loan Notes will be issued by Race Bidco, credited as fully paid, in amounts and integral multiples of £1 and will constitute secured obligations of Race Bidco. The Loan Note Instrument will not contain any restrictions on borrowing, disposals or charging of assets by Race Bidco.

2. SECURITY OF PRINCIPAL AND INTEREST

All amounts of principal and interest payable by Race Bidco to the holders of Loan Notes in respect of the Loan Notes will be unsecured.

3. INTEREST

- (a) Interest on the outstanding principal amount of the Loan Notes will accrue from day to day, will be calculated on the basis of a 365-day year (366 days in the case of a leap year) and will be payable (subject to any requirement to deduct tax therefrom) on redemption.
- (b) The rate of interest for an Interest Period on the Loan Notes will be two per cent. of the principal amount outstanding per annum less any tax required to be deducted by law.

4. REDEMPTION OF LOAN NOTES

- (a) Any Loan Notes not previously redeemed or purchased will be repaid in full at par on the Final Redemption Date, together with accrued interest to that date (subject in the latter case to any requirement to deduct tax therefrom).
- (b) If the Loan Notes are redeemed by Race Bidco prior to the Final Redemption Date, seven days' notice of redemption must be given.
- (c) A holder of Loan Notes shall be entitled to require redemption of all or part of the Loan Notes held by him at par, together with accrued interest on the occurrence of certain events of default described in paragraph 5 below.
- (d) Any relevant Loan Note holder shall be bound to deliver to Race Bidco the certificate for his Loan Notes or an indemnity in respect thereof on or before the date upon which any Loan Notes are to be repaid or prepaid.

5. EVENTS OF DEFAULT

All amounts of principal and/or interest owing in respect of the Loan Notes will be immediately due and payable:

- (i) if Race Bidco shall cease or threaten to cease all or a substantial part of its operations (other than for the purpose of a voluntary reconstruction the terms of which have been previously sanctioned by the holders of the Loan Notes); or
- (ii) if Race Bidco shall for the purposes of section 123(1) of the Insolvency Act 1986 be deemed to be unable to pay its debts; or
- (iii) if an order is made or an effective resolution passed for winding up Race Bidco (except a voluntary winding up for the purpose of reconstruction or amalgamation the terms of which have been previously sanctioned by the holders of the Loan Notes).

6. PURCHASE OF LOAN NOTES

Race Bidco will be entitled at any time to purchase Loan Notes by tender, private treaty or otherwise by agreement with the relevant holders of Loan Notes.

7. CANCELLATION

All Loan Notes purchased or repaid by Race Bidco shall be cancelled and shall not be available for reissue.

8. REGISTRATION AND TRANSFER

The Loan Notes are not transferable except for a transfer in amounts or multiples of £1,000 in nominal amount (or the entire holding) by or to a person becoming entitled to the Loan Notes upon the death or bankruptcy of a holder of Loan Notes or a person as a result of any other event giving rise to the transmission of such Loan Notes by operation of law or a beneficiary who is absolutely entitled to the Loan Notes under a settlement or trust.

Any permitted transfer under the Loan Note Instrument shall be by instrument in writing in any usual or common form or in any other form approved by the board of Race Bidco save that no transfer may be made to more than four joint holders and no transfer need be registered within 30 days prior to the Final Redemption Date.

Every instrument of transfer shall be left at the registered office of Race Bidco for registration accompanied by the certificate for the Loan Notes to be transferred, and Race Bidco shall procure that promptly thereafter it shall register such transfer and enter the transferee as the holder of the Loan Notes in the register. Transfers by the personal representatives of a holder of Loan Notes are permitted provided the personal representatives are registered as a holder of Loan Notes and reasonable evidence of their valid appointment is provided to Race Bidco.

9. NO LISTING

No application has or will be made to any stock exchange for the Loan Notes to be listed or otherwise traded or dealt in.

10. TAXATION

10.1 Taxation of chargeable gains

The following statements are intended as a general guide to the position under current UK tax legislation and H.M. Revenue & Customs practice at the date of this document and relate only to certain limited aspects of the taxation position of Clipper Shareholders who are individuals and resident in the UK for tax purposes.

Liability to taxation will depend on the individual circumstances of each shareholder. You should consult an appropriate independent professional adviser on your tax position.

Liability to UK taxation on chargeable gains (“Capital Gains Tax” or “CGT”) will depend on the individual circumstances of each Shareholder.

It is anticipated that the Loan Notes will be “Non-Qualifying Corporate Bonds” (“non-QCBs”). If certain conditions are satisfied, the gain on that part of the consideration which takes the form of non-QCBs will be “rolled over” for tax purposes until the point that there is a redemption or disposal of the non-QCBs.

10.2 Taxation of interest on Loan Notes

Withholding tax

Interest on the Loan Notes will be paid after deduction of UK income tax at the lower rate (currently 20 per cent.) unless Race Bidco has been directed by H.M. Revenue & Customs, in respect of a particular holding of Loan Notes by persons who are not resident in the UK, to make the interest payment free of deduction or subject to a reduced rate of deduction (by virtue of relief under the provisions of an applicable double tax treaty). Such a direction will only be made following an application in the appropriate manner to the relevant tax authorities by the holder of the Loan Notes.

Race Bidco will not gross up payments of interest on the Loan Notes to compensate for any tax it is required to deduct at source.

Individual holders of the Loan Notes

The gross amount of interest on the Loan Notes will form part of the recipient’s income for the purposes of UK income tax, credit being allowed for the tax withheld. Individual holders of Loan Notes who are taxable only at the basic rate will have no further tax to pay in respect of the interest, whilst individuals who are taxable at the higher rate will have to pay further tax in respect of the interest. In certain cases, holders of Loan Notes may be able to recover an amount in respect of the credit from H.M. Revenue & Customs. A charge to UK income tax may arise under the “accrued income scheme” on a transfer of the Loan Notes by a person who is resident or ordinarily resident in the United Kingdom in respect of the interest on the Loan Notes which has accrued since the preceding Interest Payment Date.

11. GOVERNING LAW

The Loan Notes and the Loan Note Instrument will be governed by and construed in accordance with English Law.

APPENDIX III

FINANCIAL INFORMATION ON CLIPPER

The audited consolidated accounts of Clipper Ventures plc for the financial years ended 30 April 2007, 2008 and 2009 can be found at http://www.clipper-ventures.com/index.php/corporate_info/

Clipper Shareholders and any other person(s) to whom this document has been sent may request a hard copy of the Directors' Report and Consolidated Financial Statements for the year ended 30 April 2009 by contacting Jeremy Knight at Clipper Ventures plc at Unit 1A, The Granary & Bakery Building, Royal Clarence Marina, Weevil Lane, Gosport, Hampshire PO12 1FX or by telephone on 02392 526000.

		<i>Annual Report FY 2008-09</i>		<i>Annual Report FY 2007-08</i>		<i>Annual Report FY 2006-07</i>	
		<i>Note/Ref</i>	<i>Page</i>	<i>Note/Ref</i>	<i>Page</i>	<i>Note/Ref</i>	<i>Page</i>
(a) (i)	Turnover	P&L Account	10	P&L Account	12	P&L Account	14
		Note 4	20	Note 4	22	Note 3	21
	Net profit or loss before tax	P&L Account	10	P&L Account	12	P&L Account	14
	Net profit or loss after tax	P&L Account	10	P&L Account	12	P&L Account	14
	Charge for tax	P&L Account	10	P&L Account	12	P&L Account	14
		Note 7	21	Note 7	23	Note 6	22
	Exceptional/Extraordinary items	N/A		N/A		N/A	
	Minority interests	N/A		N/A		M/A	
	Dividends	N/A		N/A		N/A	
	Earnings per share	P&L Account	10	P&L Account	12	P&L Account	14
	Dividends per share	N/A		N/A		N/A	
(ii)	Statement of assets and liabilities	Balance Sheet	11	Balance Sheet	13	Balance Sheet	15
(iii)	Cash flow statement	Cash Flow Statement	14	Cash Flow Statement	16	Cash Flow Statement	17
(iv)	Material changes subsequent to the last published audited accounts	N/A		N/A		N/A	
(v)	Interim statement since to the last published audited accounts	N/A		N/A		N/A	
(vi)	Inflation adjusted information	N/A		N/A		N/A	
(vii)	Significant accounting policies and notes to the accounts	Notes to the financial statements	15-41	Notes to the financial statements	17-41	Notes to the financial statements	19-33
(viii)	Changes in accounting policy	N/A		N/A		N/A	
(ix)	Names of the Directors	Company information	1	Company information	2	Company information	4
(x)	Nature of the business and prospects	Chairman's review	2	Chairman's review	3	Chief Executive's review	5
		Directors' report	4	Directors' report	4	Directors' report	7
(xi)	Principal contents of material contracts	Paragraph 8 of Appendix V to this document					

APPENDIX IV

BALANCE SHEET FOR RACE BIDCO AS AT 12 NOVEMBER 2009

Race Bidco is a newly incorporated company formed for the purpose of making the Acquisition and, as such, has not traded since incorporation. Therefore only the balance sheet for Race Bidco as at 12 November 2009 has been presented. This financial information has been extracted without material adjustment from the management accounts of Race Bidco. Such information does not constitute statutory accounts within the meaning of Section 434 of CA 2006. The balance sheet for Race Bidco as at 12 November 2009 was approved by the Race Bidco Directors on 13 November 2009.

BALANCE SHEET

	Note	As at 12 November 2009 £
Fixed assets		
Investment	1	1,048,731
Current assets		
Trade and other receivables receivable within one year	2	29,026
Cash at bank and in hand		145,000
		174,026
Creditors: amounts falling due within one year	3	(145,000)
Net current assets/(liabilities)		29,026
Net assets		1,077,757
Capital and reserves		
Called up share capital	4	50,000
Share premium account		1,027,757
Shareholders' funds		1,077,757

NOTES

1. Investment

	As at 12 November 2009 £
Clipper	1,048,731

Race Bidco's investment in Clipper is its holding of 20,974,623 Clipper Shares, representing approximately 53.79 per cent. of the existing issued ordinary share capital of Clipper.

2. Trade and other receivables receivable within one year

	As at 12 November 2009 £
Other debtors	29,026

Other debtors relates to the undertakings given by the Race Bidco Directors to pay Race Bidco £29,026 in cash in respect of the issue of ordinary and deferred shares in Race Bidco.

3. Creditors: amounts falling due within one year

	As at 12 November 2009
Directors' loans	145,000
	<u>145,000</u>

Race Bidco has a loan facility agreed with HSBC Bank plc for an amount of £400,000. The loan is available for drawdown at any time by the Race Bidco Directors. The loan is wholly secured by personal guarantees given by the Race Bidco Directors and by way of a debenture charging all assets and undertakings of Race Bidco.

4. Share capital

	As at 12 November 2009
37,500,000 ordinary shares of 0.1p each	37,500
12,500 deferred shares of £1 each	12,500
	<u>50,000</u>

APPENDIX V

FURTHER INFORMATION

1. Responsibility

- 1.1 The Race Bidco Directors, whose names are set out in paragraph 2.3 below, accept responsibility for the information contained in this document other than the information for which responsibility is taken by others pursuant to paragraphs 1.2 and 1.3 of this Appendix V provided that they are, amongst other things, responsible for information about Race Bidco and the Race Bidco Group. To the best of the knowledge and belief of the Race Bidco Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Clipper Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document relating to Clipper, the Clipper Group (other than the recommendation of the Offer by the Independent Directors, for which the Independent Directors alone accept responsibility), the Independent Directors' respective immediate families, related trusts and connected bodies corporate (within the meaning of section 823 of the CA 2006). To the best of the knowledge and belief of the Clipper Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Independent Directors, whose names are set out in paragraph 2.2 below, accept responsibility for their views on and recommendation of the Offer. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The Clipper Directors and their respective positions are:

Name	Position
Sir Robin Knox-Johnston	Chairman
William Ward	Chief Executive Officer
Jeremy Knight	Finance Director
David Stublely	Non-executive Director

The business address of each of the Clipper Directors is 1A Granary & Bakery Building, Royal Clarence Yard, Weevil Lane, Gosport, Hampshire PO12 1FX, which is also Clipper's registered office.

- 2.2 The Independent Directors and their respective positions are:

Name	Position
Jeremy Knight	Finance Director
David Stublely	Non-executive Director

- 2.3 The Race Bidco Directors and their respective positions are:

Name	Position
Sir Robin Knox-Johnston	Chairman
William Ward	Chief Executive Officer

3. Interests in Clipper Shares

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

- (A) “acting in concert” has the meaning given in the City Code;
- (B) “arrangement” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (C) “associate” of any company means, unless otherwise stated:
 - (i) its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);
 - (ii) connected advisers and persons controlling, controlled by or under the same control as such connected advisers;
 - (iii) the directors (together with their close relatives and related trusts) of the company or any company covered in sub-paragraph (i); and
 - (iv) the pension fund of the company or any company covered in sub-paragraph (i);
- (D) “connected adviser” has the meaning given in the City Code;
- (E) “control” means an interest, or interests, in shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings give(s) *de facto* control;
- (F) “dealing” has the meaning given in the City Code;
- (G) “derivative” has the meaning given in the City Code;
- (H) “exempt fund manager” has the meaning given in the City Code;
- (I) “exempt principal trader” has the meaning given in the City Code;
- (J) “interest” or “interests” in relevant securities shall have the meaning given in the City Code and references to interests of Race Bidco Directors or interests of Clipper Directors in relevant securities shall include all interests, short positions and borrowings of any other person whose interests in shares the relevant Race Bidco Director or, as the case may be, the relevant Clipper Director, would be required to disclose pursuant to Part 22 of the CA 2006;
- (K) “relevant Clipper securities” mean relevant securities (such term having the meaning given in the City Code in relation to an offeree) of Clipper including equity share capital of Clipper (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (L) “relevant Race Bidco securities” mean relevant securities (such term having the meaning given in the City Code in relation to an offeror) of Race Bidco including equity share capital in Race Bidco (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (M) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

- 3.2 As at 13 November 2009, (being the latest practicable date prior to the publication of this document), the interests of each Clipper Director, their immediate families and related trusts and, insofar as is known to them or could with reasonable diligence be ascertained by them, persons connected (within the meaning of Part 22 of the CA 2006) with the Clipper Directors (all of which, unless otherwise stated, are beneficial) in the share capital of Clipper are set out in the following table:

Issued share capital

Name	Number of Clipper Shares	% of issued Clipper Shares
Sir Robin Knox-Johnston ⁽¹⁾	–	–
William Ward ⁽²⁾	–	–
Jeremy Knight	–	–
David Stublely	433,333	1.11%

- (1) Sir Robin Knox-Johnston transferred his entire holding of 9,899,498 Clipper Shares to Race Bidco pursuant to the Exchange Deed, however as at 13 November 2009 (being the last practicable date prior to the publication of this document) he remained the legal holder of these shares pending the transfer document being stamped with the appropriate stamp duty. The transfer document has been submitted for stamping.
- (2) William Ward transferred his entire holding of 11,075,125 Clipper Shares to Race Bidco pursuant to the Exchange Deed, however as at 13 November 2009 (being the last practicable date prior to the publication of this document) he remained the legal holder of these shares pending the transfer document being stamped with the appropriate stamp duty. The transfer document has been submitted for stamping.

William Ward additionally holds the 19,526,527 deferred shares in the issued share capital of Clipper, being the entire issued deferred share capital. The deferred shares have no rights to the payment of any dividend or distribution and do not permit the holder to attend and vote at a general meeting of Clipper neither do they permit the holder to receive any payment on a repayment of capital unless each Clipper Share has been repaid in full together with a payment of £1 million on each Clipper Share.

Options under the Clipper Share Option Scheme

Name	Number of Shares	Grant Date	Normal Exercise Period	Exercise Price
Sir Robin Knox-Johnston	400,000	21/10/08	21/10/11-21/10/18	8.75p
William Ward	400,000	21/10/08	21/10/11-21/10/18	8.75p
Jeremy Knight	150,000	21/10/08	21/10/11-21/10/18	8.75p
David Stublely	250,000	21/10/08	21/10/11-21/10/18	8.75p

- 3.3 As at 13 November 2009 (being the latest practicable date prior to the publication of this document), the interests of Race Bidco in the share capital of Clipper are as follows:

Name	Number of Clipper Shares	% of issued Clipper Shares
Race Bidco plc ⁽¹⁾	20,974,623	53.79%

- (1) Race Bidco purchased 20,974,623 Clipper Shares from Sir Robin Knox-Johnston and William Ward pursuant to the Exchange Deed. As at 13 November 2009 (being the last practicable date prior to the publication of this document) Race Bidco is the beneficial holder of these Clipper Shares and will become the legal holder of these shares pending the transfer document being stamped with the appropriate stamp duty. The transfer document has been submitted for stamping.

- 3.4 As at 13 November 2009, (being the latest practicable date prior to the publication of this document), the interests of each Clipper Director, their immediate families and related trusts and, insofar as is known to them or could with reasonable diligence be ascertained by them, persons connected (within the meaning of Part 22 of the CA 2006) with the Clipper Directors (all of which, unless otherwise stated, are beneficial) in the share capital of Race Bidco are set out in the following table:

Name	Number of Race Bidco Shares	% of issued Race Bidco Shares
Sir Robin Knox-Johnston	12,500,000	33.33%
William Ward ⁽¹⁾	25,000,000	66.67%
Jeremy Knight	–	–
David Stubbley	–	–

(1) William Ward additionally holds 12,500 deferred shares in the issued share capital of Race Bidco, being the entire issued deferred share capital. The deferred shares have no rights to the payment of any dividend or distribution and do not permit the holder to attend and vote at a general meeting of Race Bidco.

4. Interests and Dealings – General

4.1 The Clipper Directors have been party to the following dealings for value in relevant Clipper securities during the Disclosure Period:

Name	Date	Number of Clipper Shares acquired	Number of Clipper Shares sold	Price
Sir Robin Knox-Johnston	08/04/09	1,593,762	–	5.0p
	29/04/09	1,562,500	–	4.1p
	20/10/09	70,000	–	5.0p
	05/11/09	–	9,899,498	1 for 1 share exchange for Race Bidco Shares
William Ward	16/02/09	337,307	–	3.85p
	20/02/09	250,000	–	3.75p
	23/02/09	250,000	–	4.0p
	25/03/09	1,288,016	–	3.92p
	16/04/09	75,000	–	4.1p
	29/04/09	400,000	–	4.1p
	28/08/09	43,866	–	5.0p
	23/09/09	99,500	–	5.0p
	20/10/09	741,500	–	5.0p
05/11/09	–	11,075,125	1 for 1 share exchange for Race Bidco Shares	

4.2 On 5 November 2009, Sir Robin Knox-Johnston and William Ward acquired 9,899,498 Race Bidco Shares and 11,075,125 Race Bidco Shares respectively on the basis of one share in Race Bidco for each Clipper Share transferred pursuant to the Exchange Deed.

4.3 Save as disclosed in this document, as at 13 November 2009 (the latest practicable date prior to the publication of this document):

- (A) no member of the Race Bidco Group had any interest in, right to subscribe in respect of, or any short position in relation to relevant Clipper securities nor has any member of the Race Bidco Group dealt for value in any relevant Clipper securities during the Disclosure Period;
- (B) none of the Race Bidco Directors, their immediate families and related trusts and, insofar as is known to them or could with reasonable diligence be ascertained by them, persons connected (within the meaning of Part 22 of the CA 2006) with the Race Bidco Directors, had any interest in, right to subscribe in respect of, or any short position in relation to relevant Clipper securities nor has any such person dealt for value in any relevant Clipper securities during the Disclosure Period;

- (C) no person deemed to be acting in concert with Race Bidco had any interest in, right to subscribe in respect of, or any short position in relation to relevant Clipper securities nor has any such person dealt for value in any relevant Clipper securities during the Disclosure Period; and
 - (D) neither Race Bidco, nor any person acting in concert with Race Bidco, has borrowed or lent any relevant Clipper securities during the Disclosure Period, save for any borrowed shares which have been either on-lent or sold.
- 4.4 Save as disclosed in paragraph 3 of this Appendix V, as at 13 November 2009 (the latest practicable date prior to the publication of this document):
- (A) no member of the Clipper Group had any interest in, right to subscribe in respect of or any short position in relation to relevant Race Bidco securities nor has any such person dealt for value in any relevant Clipper securities or relevant Race Bidco securities during the Offer Period;
 - (B) none of the Clipper Directors had any interest in, right to subscribe in respect of, or any short position in relation to relevant Clipper securities, or relevant Race Bidco securities nor has any such person dealt for value in any relevant Clipper securities, or relevant Race Bidco securities during the Offer Period;
 - (C) no companies which are associates of Clipper by virtue of sub-paragraph (i) of paragraph 3.1(C) of this Appendix V had any interest, right to subscribe in respect of or any short position in relation to relevant Clipper securities nor has any such person dealt for value in any relevant Clipper securities during the Offer Period;
 - (D) no pension funds of Clipper (excluding, in either case, pension funds which are independently managed) or of any company which is an associate of Clipper by virtue of sub-paragraph (i) of paragraph 3.1(C) of this Appendix V, in either case, had any interest, right to subscribe in respect of or any short position in relation to relevant Clipper securities nor has such person dealt for value in any relevant Clipper securities during the Offer Period;
 - (E) no employee benefit trusts of Clipper or of any company which is an associate of Clipper by virtue of sub-paragraph (i) of paragraph 3.1(C) of this Appendix V had any interest, right to subscribe in respect of or any short position in relation to relevant Clipper securities nor has any such person dealt for value in any relevant Clipper securities during the Offer Period;
 - (F) no connected advisers (including any person controlling, controlled by or under the same control as any connected adviser (except for an exempt principal trader or an exempt fund manager)) to Clipper, or to any company which is an associate of Clipper by virtue of sub-paragraph (i) of paragraph 3.1(C) of this Appendix V had any interest, right to subscribe in respect of or any short position in relation to relevant Clipper securities nor has any such person dealt for value in any relevant Clipper securities during the Offer Period;
 - (G) no person who has an arrangement with Clipper or of any company which is an associate of Clipper by virtue of sub-paragraph (i) of paragraph 3.1(C) of this Appendix V had any interest, right to subscribe in respect of or any short position in relation to relevant Clipper securities nor has any such person dealt for value in any relevant Clipper securities during the Offer Period; and
 - (H) neither Clipper, nor any person acting in concert with Clipper, has borrowed or lent any relevant Clipper securities save for any borrowed shares which have been either on-lent or sold.
- 4.5 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Clipper Shares to be acquired by Race Bidco pursuant to the Offer will be transferred to any other person, save that Race Bidco reserves the right to transfer any such Clipper Shares to any member of the Race Bidco Group to which the same may lawfully be transferred.

5. Irrevocable undertakings

(a) *To accept the Offer*

An irrevocable undertaking to accept the Offer have been given to Race Bidco by David Stublely in respect of his entire beneficial holding of 433,333 Clipper Shares representing, in aggregate, approximately 1.11 per cent. of the issued Clipper Shares. The irrevocable undertaking is also in respect of Clipper Shares that may be issued to, or acquired by, David Stublely pursuant to the terms of the Clipper Share Option Scheme. David Stublely has 250,000 Clipper Shares subject to options.

These irrevocable undertakings will remain binding even if a Competing Takeover Offer (or a revised offer by Race Bidco) is made for Clipper, and will cease to be binding only if the Offer closes, lapses or is withdrawn.

Irrevocable undertakings to accept, or (where applicable) procure acceptance of, the Offer have been given to Race Bidco by certain other significant Clipper Shareholders representing, in aggregate, approximately 18.28 per cent of the issued Clipper Shares.

Name	Number of Clipper Shares
Carl Green	3,279,279
John Yandell	2,250,000
Ronald Maydon	744,984
Robert Dench	666,667
Neil Easton	187,178

These irrevocable undertakings will remain binding even if a Competing Takeover Offer (or a revised offer by Race Bidco) is made for Clipper, and will cease to be binding only if the Offer closes, lapses or is withdrawn.

(b) *To elect to receive the Loan Note Alternative*

Irrevocable undertakings to elect to receive the Loan Note Alternative have been given to Race Bidco by certain other significant Clipper Shareholders representing, in aggregate, approximately 18.28 per cent. of the issued Clipper Shares.

Name	Number of Clipper Shares
Carl Green	3,279,279
John Yandell	2,250,000
Ronald Maydon	744,984
Robert Dench	666,667
Neil Easton	187,178

These irrevocable undertakings will remain binding even if a Competing Takeover Offer (or a revised offer by Race Bidco) is made for Clipper, and will cease to be binding only if the Offer closes, lapses or is withdrawn.

6. Directors' service contracts and letters of appointment

6.1 The details of the service contracts/letters of appointment of Sir Robin Knox-Johnston, William Ward and Jeremy Knight, being the executive directors of Clipper, are as follows:

Name	Date of agreement	Notice period	Annual salary as at 1 November 2009	Benefits
Sir Robin Knox-Johnston	26 February 1998	6 months	£62,195	<p>Expenses: All reasonable travelling, hotel or other expenses incurred in the performance of his duties of director.</p> <p>Health insurance: Private hospitalisation insurance for the director and their spouse and children who are aged under 21 and in full-time education.</p> <p>Holiday: 40 days per year.</p> <p>Company car: May be provided to enable the director to perform his duties and Clipper shall bear all running expenses properly incurred in connection with his duties.</p> <p>Sick pay: Clipper will pay the director his fixed salary (less an amount equal to his statutory sick pay) for the first 90 days in aggregate per calendar year.</p> <p>Commission: At the discretion of the board, the director may be entitled to a commission at a rate to be determined on the net profits of Clipper in each financial year.</p>
William Ward	26 February 1998	6 months	£98,336	<p>Expenses: All reasonable travelling, hotel or other expenses incurred in the performance of his duties of director.</p> <p>Health insurance: Private hospitalisation insurance for the director and their spouse and children who are aged under 21 and in full-time education.</p>

Name	Date of agreement	Notice period	Annual salary as at 1 November 2009	Benefits
William Ward (cont)				<p>Life insurance: 5 year cover expiring on 03/02/10. £1,000,000 payable on death of the assured.</p> <p>Holiday: 40 days per year.</p> <p>Company car: May be provided to enable the director to perform his duties and Clipper shall bear all running expenses properly incurred in connection with his duties.</p> <p>Sick pay: Clipper will pay the director his fixed salary (less an amount equal to his statutory sick pay) for the first 90 days in aggregate per calendar year.</p> <p>Commission: At the discretion of the board, the director may be entitled to a commission at a rate to be determined on the net profits of Clipper in each financial year.</p>
Jeremy Knight	28 May 2007 (but continuous service since September 2000)	12 months	£78,958.92	<p>Health Insurance: Clipper funds health insurance premium for the director and his family.</p> <p>Holiday: 25 days per year.</p> <p>Sick Pay: Clipper will pay the director his basic salary less any Statutory Sick Pay payable for a maximum of 15 days' absence. Clipper will pay the director Statutory Sick Pay as he is entitled to under current rules and at the current rate.</p>

All service agreements are contracts that will continue indefinitely unless notice is served and therefore there is no unexpired fixed term.

There will be a salary review by the Clipper board in March of each year.

- 6.2 David Stubley was appointed as a non-executive director of Clipper on 10 July 2006. Pursuant to an agreement dated 1 July 2009, Mr Stubley's services are provided by Sportent Limited, a company that is owned by Mr Stubley and his wife. The agreement is terminable by six months' notice to be given by either party but does not prescribe any amount of time that Mr Stubley is required to devote to Clipper, however on average he spends one day per week working on Clipper affairs. Sportent Limited invoices Clipper £9,999 plus VAT per quarter for the director's services, which equates to £39,996 plus VAT per annum.

7. Market quotations

The following table sets out the Closing Prices for Clipper Shares on 1 June 2009 and 25 June 2009, being respectively the first Business Day of the month in which the listing of Clipper Shares on AIM was cancelled and the last Business Day prior to such cancellation:

Date	Price per Clipper Share
25 June 2009	5.000p
1 June 2009	6.625p

8. Material contracts

8.1 The following contract (not being a contract in the ordinary course of business) has been entered into by Race Bidco since incorporation and which is or may be material:

(a) *Exchange Deed*

On 5 November 2009, Race Bidco, William Ward and Sir Robin Knox-Johnston entered into an exchange deed pursuant to which William Ward and Sir Robin Knox-Johnston exchanged their entire holdings of Clipper Shares for Race Bidco Shares on the basis of one share in Race Bidco for each Clipper Share transferred.

8.2 No member of the Clipper Group has entered into a contract (not being a contract in the ordinary course of business) since 13 November 2007 which is or may be material.

9. Persons acting in concert

9.1 The persons who, for the purposes of the City Code, are acting in concert with Race Bidco and the Race Bidco Directors are:

Name	Type	Registered office	Relationship with Race Bidco
RSM Bentley Jennison	Partnership	Unit 1, Hollinswood Court, Stafford Park 1, Telford TF3 3DE	Financial adviser

9.2 The persons who, for the purposes of the City Code, are acting in concert with Clipper are:

Name	Type	Registered office	Relationship with Race Bidco
Zeus Capital Limited	Private Limited Company	3 Ralli Courts, West Riverside, Manchester M3 5FT	Financial adviser

10. No material change

Save as disclosed in paragraph 6 of Part I and paragraph 8 of Part II of this document there has been no material change in the financial or trading position of Clipper since 30 April 2009, being the date to which Clipper last audited accounts were prepared.

11. Cash confirmation

The consideration payable under the Offer will be financed out of Race Bidco's own cash resources.

Excluding amounts payable under the Loan Note Alternative to those Clipper Shareholders who have irrevocably undertaken to receive the Loan Note Alternative as set out in paragraph 3(b) of Part II of this document, full acceptance of the Offer would result in a maximum consideration in cash of approximately

£544,511 being payable by Race Bidco to Clipper Shareholders. RSM Bentley Jennison is satisfied that the necessary financial resources are available to Race Bidco to satisfy this cash consideration due under the Offer in full.

The Loan Notes are not guaranteed or secured as to interest or principal and there is no market in these instruments. There is the risk of loss of some or all of the principal and/or accrued interest in the event of the failure or insolvency of Race Bidco. RSM Bentley Jennison does not give any confirmation, guarantee, warranty or undertaking that Race Bidco will be able to satisfy the repayment of the Loan Notes on the Repayment Date.

12. Consent

RSM Bentley Jennison has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they are included.

Zeus Capital has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

13. Sources and bases of calculation

Save as otherwise stated, the following constitute the sources and bases of certain information referred to in this document:

- 13.1 Unless otherwise stated below, financial information relating to Clipper has been extracted (without material adjustment) from its audited consolidated financial statements for the three years ended 30 April 2009;
- 13.2 As at the close of business on 13 November 2009, the latest practicable date prior to the publication of this document, Clipper had in issue, excluding Treasury Shares, 38,992,942 ordinary shares of 1 pence each. The ISIN for Clipper Shares is GB00026435662.

14. Other information

- 14.1 Save as disclosed herein, none of (i) Race Bidco or any person acting in concert with Race Bidco; or (ii) Clipper or any associate of Clipper has any arrangement in relation to relevant Clipper securities.
- 14.2 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Race Bidco or any person acting in concert with it and any of the Clipper Directors or the recent directors, shareholders or recent shareholders of Clipper having any connection with or dependence upon or which is conditional upon the outcome of the Offer.
- 14.3 Save as disclosed in this document, Race Bidco is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a Condition.
- 14.4 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Clipper Shares to be acquired by Race Bidco pursuant to the Offer will be transferred to any other person.
- 14.5 Race Bidco has been specifically incorporated for the purpose of the Acquisition and has no assets or liabilities other than those included in the balance sheet set out in Appendix IV to this document.

15. Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on Monday to Friday of each week (public holidays excepted) during the Offer Period at the offices of Hammonds LLP at 7 Devonshire Square, London EC2M 4YH:

- 15.1 this document and the Form of Acceptance;
- 15.2 the memorandum and articles of association of Clipper;
- 15.3 the consolidated audited report and accounts of Clipper for the two financial years ended 30 April 2008 and 30 April 2009;
- 15.4 the service agreements and letters of appointment of the Clipper Directors referred to in paragraph 6 of this Appendix V;
- 15.5 the written consents referred to in paragraph 12 of this Appendix V;
- 15.6 the material contract referred to in paragraph 8 of this Appendix V;
- 15.7 the irrevocable undertakings referred to in paragraph 5 of this Appendix V; and
- 15.8 the Loan Note Instrument.

16 November 2009

APPENDIX VI

BASES OF CALCULATIONS AND SOURCES OF INFORMATION

1. The value placed by the Offer on the whole of the existing issued ordinary share capital of Clipper is based on, excluding Treasury Shares, 38,992,942 Clipper Shares in issue.
2. The Closing Price of a Clipper Share referred to in this announcement is derived from the Daily Official List published by the London Stock Exchange.
3. The amount of the cash payment in respect of full acceptance of the Offer is calculated based upon the number of Clipper Shares in issue (as described above) less the number of Clipper Shares issued by Race Bidco plc (being 20,974,623 Clipper Shares), less the number of Clipper Shares the subject of irrevocable undertakings to elect to receive the Loan Note Alternative and assuming that no Clipper Shares are issued pursuant to the Clipper Share Option Scheme.
4. Financial information in respect of Clipper contained in this document relating to the three years ended 30 April 2009 has been extracted or derived, without material adjustment, from the annual reports for the relevant periods and/or other public statements made by Clipper.
5. Information relating to Race Bidco has been provided by persons duly authorised by the Board of Race Bidco.

APPENDIX VII

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Acquisition”	the proposed acquisition of the whole of the issued and to be issued share capital of Clipper by Race Bidco by means of the Offer;
“AIM”	AIM, a market operated by the London Stock Exchange;
“Australia”	the Commonwealth of Australia, its territories and possessions;
“Business Day”	a day on which banks are generally open for business in London (excluding Saturdays, Sundays and public holidays);
“CA 2006”	the Companies Act 2006;
“Canada”	Canada, its provinces and territories and all areas under its jurisdiction and political sub divisions thereof;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not held in CREST);
“City Code”	the City Code on Takeovers and Mergers;
“Clipper”	Clipper Ventures plc;
“Clipper Directors” or “Board of Clipper”	the directors of Clipper as set out in paragraph 2.1 of Appendix V to this document;
“Clipper Group”	Clipper and its subsidiaries and subsidiary undertakings;
“Clipper Share Option Scheme”	the Clipper Employee Share Option Scheme;
“Clipper Shareholders”	holders of Clipper Shares, and each an “Clipper Shareholder”;
“Clipper Shares”	includes: (i) the existing issued or unconditionally allotted and fully paid (or credited as fully paid) ordinary shares of 1 pence each in Clipper; and (ii) any further such shares which are unconditionally allotted or issued and fully paid while the Offer remains open for acceptance or, subject to the provisions of the City Code, by such earlier date as Race Bidco may determine but, in each case, excludes any shares held as Treasury Shares on such date as Race Bidco may determine before the date on which the Offer closes (which may be a different date to the date referred to in (ii));
“Closing Price”	the middle market price of a Clipper Share at the close of business on the day to which such price relates, as derived from the London Stock Exchange’s Daily Official List for that day;

“Competing Takeover Offer”	a takeover offer (made by a third party other than Race Bidco) which is within the meaning of section 974 of the CA 2006 and which shall be deemed to include a scheme of arrangement or any other recapitalisation or other transaction where the effect of the takeover offer (made by a third party) or the scheme or recapitalisation or other transaction is to vest more than 50 per cent. of the shares of Clipper in a third party other than Race Bidco;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations);
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);
“CREST payment”	shall have the meaning given in the CREST manual issued by Euroclear;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member under the sponsorship of a CREST member;
“Daily Official List”	the daily official list of the London Stock Exchange;
“Disclosure Period”	the period beginning 12 months prior to commencement of the Offer Period and ending on 13 November 2009 (the latest practicable date prior to the posting of this document);
“Electronic Acceptance”	the inputting and settling of a TTE Instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document;
“ESA”	as described in the CREST manual issued by Euroclear;
“ESA Instruction”	an Escrow Account Adjustment Input (AESN) transaction type “ESA”;
“Escrow Agent”	Neville Registrars in its capacity as escrow agent (as described in the CREST manual issued by Euroclear);
“Euroclear”	Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited);
“Exchange Deed”	the exchange deed entered into between (1) Race Bidco; (2) William Ward; and (3) Sir Robin Knox-Johnston, as described in paragraph 8.1(a) of Appendix V to this document;
“Final Redemption Date”	16 May 2011;

“First Closing Date”	7 December 2009;
“Form of Acceptance”	the form of acceptance and authority (in respect of certificated Clipper Shares) relating to the Offer which accompanies this document;
“FSA”	the UK Financial Services Authority;
“in the money”	for share option schemes, options which have an exercise price below the Offer Price;
“Independent Directors”	Jeremy Knight and David Stublely;
“Japan”	Japan, its cities, prefectures, territories and possessions;
“Listing Rules”	the listing rules of the FSA;
“Loan Note”	the Two per cent Unsecured Loan Stock 2011 of £1 each of Race Bidco to be issued by Race Bidco pursuant to the Loan Note Alternative, particulars of which are set out in Appendix II of this document;
“Loan Note Alternative”	the proposed alternative under which eligible Clipper Shareholders who validly accept the Offer may elect to receive Loan Notes in lieu of all (subject to scaling back) or part of the cash to which they would otherwise become entitled under the Offer;
“Loan Note Instrument”	the instrument constituting the Loan Notes;
“Loan Note Restricted Jurisdiction”	the United States, Canada, Australia, Japan or any other jurisdiction to which the extension or acceptance of the Loan Note Alternative to such jurisdiction would violate the law of that jurisdiction;
“London Stock Exchange”	London Stock Exchange plc;
“Member Account ID”	the identification code or number attached to any member account in CREST;
“Neville Registrars”	a trading name of Neville Registrars Limited;
“Offer”	the recommended cash offer being made by Race Bidco for the entire share capital, issued and to be issued, of Clipper on the terms and subject to the conditions set out in this document including, where the context requires, any subsequent revision, variation, extension or renewal thereof;
“Offer Period”	the period commencing on 16 November 2009 and ending on the First Closing Date;
“Offer Price”	5 pence per Clipper Share;
“Overseas Shareholders”	Clipper Shareholders (or nominees of, or custodians or trustees for, Clipper Shareholders) in, resident in, or nationals or citizens of jurisdictions outside the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers;

“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“Race Bidco”	Race Bidco plc;
“Race Bidco Directors” or “Board of Race Bidco”	Sir Robin Knox-Johnston and William Ward;
“Race Bidco Group”	Race Bidco and the Clipper Group;
“Race Bidco Shares”	ordinary shares of 0.1 pence each in the capital of Race Bidco;
“Regulatory Information Service”	any of the services set out in Appendix 3 to the Listing Rules;
“Relevant Competing Acquisition”	the sale or agreement to sell or otherwise dispose of, or agreement to dispose of, all or any part of the share capital of Clipper or the whole or substantially the whole of the business and assets of Clipper, or of any member of the Clipper Group, to a third party (other than Race Bidco);
“Relevant Securities”	Clipper Shares or any other securities conferring voting rights and any other securities convertible into or exchangeable for rights to subscribe for, or options in respect of, or derivatives referenced to, any of the foregoing;
“Restricted Jurisdiction”	the United States, Canada, Australia, Japan or any other jurisdiction where making, extension or acceptance of the Offer would violate the law of that jurisdiction;
“TFE Instruction”	a transfer from escrow instruction (as defined in the CREST manual issued by Euroclear);
“Treasury Shares”	any Clipper Shares held by Clipper as treasury shares (as defined in section 724 of CA 2006);
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST manual issued by Euroclear) in relation to Clipper Shares in uncertificated form meeting the requirements set out in paragraph 6 of Part A in Appendix I of this document;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	means recorded on the relevant register of members of Clipper as being held in uncertificated form;

“United States” or “US”

the United States of America, its territories and possessions, all areas subject to its jurisdiction or any political subdivision thereof, any state of the United States of America and the District of Columbia;

“Wider Clipper Group”

Clipper and the subsidiaries and subsidiary undertakings of Clipper and associated undertakings and any other body corporate, partnership, joint venture or person in which Clipper and/or such undertakings (aggregating their interest) have an interest of more than 20 per cent. of the voting or equity capital or equivalent; and

“Zeus Capital”

a trading name of Zeus Capital Limited.

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

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

Terms defined in the CREST manual (issued by Euroclear) shall, unless the context otherwise requires, bear the same meanings where used in this document.

