

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART TWO OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE 2006 ACT. THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING OF OPTOS SHARES ON THE OFFICIAL LIST AND OF TRADING OF OPTOS SHARES ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES.**

**If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice as soon as possible from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent professional adviser who, if you are taking advice in the United Kingdom, is appropriately authorised to provide such advice under FSMA, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

If you sell or have sold or otherwise transferred all of your Optos Shares, please send this document and the accompanying documents, but not the personalised Forms of Proxy, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Optos Shares, please retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

**The release, publication or distribution of this document and/or the accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and, therefore, persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.**

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## **Recommended Cash Acquisition**

of

**Optos plc**

*(Registered in Scotland with Company Registration Number SC139953)*

by

**Nikon Corporation**

*(Incorporated in Japan)*

*(to be effected by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006)*

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**This document (including any document incorporated into it by reference) should be read as a whole, together with the accompanying Forms of Proxy. In particular, your attention is drawn to Part One of this document, which contains the unanimous recommendation of the Optos Directors that you vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Transaction at the Optos General Meeting. A letter from Evercore explaining the Scheme appears in Part Two of this document and constitutes an explanatory statement in compliance with section 897 of the 2006 Act.**

Notices of the Court Meeting and the Optos General Meeting, each of which will be held at the offices of Maclay Murray & Spens LLP at Quatermile One, 15 Lauriston Place, Edinburgh EH3 9EP on 23 April 2015, are set out in Parts Nine and Ten of this document. The Court Meeting is scheduled to start at 12.00 noon on that date and the Optos General Meeting is scheduled to start at 12.15 p.m., or as soon thereafter as the Court Meeting is concluded or adjourned. Please also refer to page 2 of this document which contains an indicative timetable of certain principal events in relation to the approval and implementation of the Scheme.

Your attention is drawn to pages 3 to 5 of this document, which explain the actions you should take in relation to the Scheme.

**Optos Shareholders will find enclosed with this document a BLUE Form of Proxy and a WHITE Form of Proxy. The BLUE Form of Proxy is to be used in connection with the Court Meeting and the WHITE Form of Proxy is to be used in connection with the Optos General Meeting. Whether or not you intend to attend both or either of these Meetings, please complete and sign both Forms of Proxy and return them in accordance with the instructions printed thereon by post or (during normal business hours only) by hand to the Registrar, so as to arrive as soon as possible but in any event by no later than 12.00 noon on 21 April 2015 (in the case of the BLUE Form of Proxy) or 12.15 p.m. on 21 April 2015 (in the case of the WHITE Form of Proxy) (or, in the case of any adjournment of a Meeting, not later than 48 hours before the time fixed for the holding of the adjourned Meeting).**

**If the BLUE Form of Proxy relating to the Court Meeting is not returned so as to be received by the time mentioned above for the return of the BLUE Form of Proxy, it may be handed to the Registrar (on behalf of the chairman of the Court Meeting) before the start of the Court Meeting and will still be valid. However, in the case of the Optos General Meeting, the WHITE Form of Proxy will only be valid if it is returned by the time indicated above.**

Evercore Partners International LLP (“**Evercore**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as lead financial adviser exclusively for Optos and no one else in connection with the Transaction and the other matters referred to in this document, and will not regard any other person as its client in relation to the Transaction and the other matters referred to in this document and will not be responsible to anyone other than Optos for providing the protections afforded to clients of Evercore, nor for providing advice in relation to the Transaction or the other matters referred to in this document.

Numis Securities Limited (“**Numis**”) is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Numis is acting as joint corporate broker and joint financial adviser to Optos and no one else in connection with the Transaction and the other matters referred to in this document and will not regard any other person as its client in relation to the Transaction or any other matters referred to in this document and will not be responsible to anyone other than Optos for providing the protections afforded to clients of Numis, nor for providing advice in relation to the Transaction or any other matter referred to in this document.

Peel Hunt LLP (“**Peel Hunt**”) is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Peel Hunt is acting as joint corporate broker and joint financial adviser to Optos and no one else in connection with the Transaction and the other matters referred to in this document and will not regard any other person as its client in relation to the Transaction or any other matters referred to in this document and will not be responsible to anyone other than Optos for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the Transaction or any other matter referred to in this document.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Nikon and no one else in connection with the Transaction and the other matters referred to in this document. In connection with the Transaction and any other such matters, Goldman Sachs International, its affiliates (including Goldman Sachs Japan Co., Ltd.) and its and their respective partners, directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to anyone other than Nikon for providing the protections afforded to their clients or for giving advice in connection with the Transaction or any other matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on it by the Code, FSMA or the regulatory regime established thereunder, none of Evercore, Numis, Peel Hunt and Goldman Sachs International accepts any responsibility whatsoever nor makes any representation or warranty, express or implied, for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with Optos or the Scheme, and nothing in this document is or will be relied upon as a promise or representation in this respect, whether as to the past, present or future. Each of Evercore, Numis, Peel Hunt and Goldman Sachs International accordingly disclaims to the fullest extent permitted by law and/or regulation all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document or any such statement.

## **IMPORTANT NOTICE**

### **Overseas jurisdictions**

#### ***General***

The release, publication or distribution of this document or availability of the Transaction in jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom should therefore inform themselves of, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Optos Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Transaction disclaim any responsibility or liability for the violation of such restrictions by any person.

This document has been prepared for the purposes of complying with UK law and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom. The contents of this document are not to be construed as legal, business, financial or tax advice.

The Transaction relates to shares of a Scottish public limited company and is proposed to be implemented by means of a scheme of arrangement under Part 26 of the 2006 Act, governed by Scots law. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of, and rules and practices applicable under, the laws of other jurisdictions outside the United Kingdom.

Unless otherwise determined by Nikon or required by the Code, and permitted by applicable law and regulation, the Transaction will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no person may vote in favour of the Transaction by any such use, means, instrumentality or from within a Restricted Jurisdiction. Accordingly, copies of this document and all documents relating to the Transaction are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction, and persons receiving this

document or any documents relating to the Transaction (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any such jurisdictions. If, in future, Nikon exercises its right to implement the Transaction by way of the Takeover Offer, the Takeover Offer (unless otherwise permitted by applicable law and regulation) will and may not be made, directly or indirectly, in or into, or by the use of the mails, or by any means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Takeover Offer will not be capable of acceptance from or within any Restricted Jurisdiction or by any such use, means, instrumentality or facilities.

#### ***Notice to US holders of Optos Shares***

The Transaction relates to the shares of a Scottish public limited company and is proposed to be implemented by means of a scheme of arrangement under Scots law and, in particular, the 2006 Act. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Transaction is subject to the disclosure requirements of, and rules and practices applicable in, the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Nikon exercises the right to implement the Transaction by way of the Takeover Offer and determines to extend the Takeover Offer into the United States, the Takeover Offer will be made in compliance with applicable United States laws and regulations. Financial information included in this document has been prepared in accordance with accounting standards applicable in territories outside the United States that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of Optos Shares to enforce their rights and any claim arising out of the US federal laws, since Nikon and Optos are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Optos Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

#### **Forward looking statements**

This document, including information included or incorporated by reference in this document, may contain certain "forward looking statements" regarding the financial position, business strategy or plans for future operations of the Wider Nikon Group and the Wider Optos Group. All statements, other than statements of historical fact, included in any document may be forward looking statements. Forward looking statements also often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning.

By their nature, forward looking statements involve risk and uncertainty that could cause actual results to differ materially from those suggested by them. Much of the risk and uncertainty relates to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this document. Each of the Wider Nikon Group, the Wider Optos Group, and each of their respective members, directors, officers and employees, advisers and any person acting on their behalf, expressly disclaims any intention or obligation to revise or update these forward looking statements or other statements contained in this document, whether as a result of new information, future events or otherwise, except as required pursuant to applicable law.

None of the Wider Nikon Group, the Wider Optos Group, their respective members, directors, officers and employees, advisers and any person acting on their behalf, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur.

No forward looking or other statement has been reviewed by the auditors of the Wider Nikon Group or the Wider Optos Group. All subsequent oral or written forward looking statements attributable to the Wider Nikon Group or the Wider Optos Group, or any of their respective members, directors, officers, advisers or employees or any person acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

#### **Not a profit forecast**

Except for the Optos Profit Forecast, nothing in this document, or incorporated by reference into this document, is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per Nikon share or Optos Share for the current or future financial years, or those of the Combined Group, will necessarily match or exceed the historical published earnings per Nikon share or Optos Share.

#### **Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the

10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

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

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

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

#### **Publication on website**

A copy of this document is available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Nikon's and Optos' websites at [www.nikon.com/news](http://www.nikon.com/news) (English language) or [www.nikon.co.jp/news](http://www.nikon.co.jp/news) (Japanese language) and [www.optos.com](http://www.optos.com), respectively, until the Effective Date. For the avoidance of doubt, save as expressly referred to in this document, the contents of those websites are not incorporated by reference and do not form part of this document.

#### **Availability of hard copies**

You may request hard copies of any document published on Optos' website in connection with the Transaction by contacting the company secretary of Optos during business hours on +44 (0)1383 843 300 or by submitting a request in writing to the company secretary of Optos at Queensferry House, Carnegie Campus, Enterprise Way, Dunfermline, Scotland KY11 8GR, United Kingdom. You may also request that all future documents, announcements and information to be sent to you in relation to the Transaction should be in hard copy form.

#### **Rounding**

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

#### **Definitions**

Certain words and terms used in this document are defined in Part Eight of this document.

All times referred to in this document are London time unless otherwise stated.

#### **Date of publication**

The date of publication of this document is 27 March 2015.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out the expected dates for implementation of the Transaction

<i>Event</i>	<i>Expected time/date</i>
Latest time for lodging Forms of Proxy for the:	
• Court Meeting (BLUE form)	12.00 noon on 21 April 2015 <sup>(1)</sup>
• Optos General Meeting (WHITE form)	12.15 p.m. on 21 April 2015 <sup>(2)</sup>
Voting Record Time	6.00 p.m. on 21 April 2015 <sup>(3)</sup>
Court Meeting	12.00 noon on 23 April 2015
Optos General Meeting	12.15 p.m. on 23 April 2015 <sup>(4)</sup>

**The following dates are provided by way of indicative guidance only, are subject to change and will depend, among other things, on the date on which the Conditions (in particular, the Merger Control Conditions) are satisfied or, if capable of waiver, waived and on the dates on which the Court sanctions the Scheme and confirms the Capital Reduction. Optos will give adequate notice of all of these dates, when known, by issuing an announcement through a Regulatory Information Service. Further updates or changes to other times or dates indicated below shall, at Optos' discretion, be notified in the same way.**

First Court Hearing to sanction the Scheme	19 May 2015
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Optos Shares	21 May 2015
Scheme Record Time	6.00 p.m. on 21 May 2015
Suspension of listing of, and dealings, settlements and transfers in, Optos Shares	By 8.00 a.m. on 22 May 2015
Second Court Hearing to confirm the Capital Reduction	22 May 2015
Expected Effective Date of the Scheme	22 May 2015
Despatch of cheques in respect of Cash Consideration or CREST accounts credited in respect of Cash Consideration	Within 14 days of the Effective Date
Long Stop Date	31 August 2015 <sup>(5)</sup>

**Notes:**

- (1) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged by: (i) 12.00 noon on 21 April 2015; or (ii) if the Court Meeting is adjourned, not later than 48 hours prior to the time appointed for the Court Meeting, and, in each case, in accordance with the instructions on the BLUE Form of Proxy. BLUE Forms of Proxy not so lodged may be handed to the Registrar (on behalf of the chairman of the Court Meeting) before the start of the Court Meeting and will still be valid.
- (2) WHITE Forms of Proxy for the Optos General Meeting must be lodged by: (i) 12.15 p.m. on 21 April 2015; or (ii) if the Optos General Meeting is adjourned, not later than 48 hours prior to the time appointed for the Optos General Meeting, and, in each case, in accordance with the instructions on the WHITE Form of Proxy. If the WHITE Form of Proxy is not so lodged, it will be invalid.
- (3) If either the Court Meeting or the Optos General Meeting is adjourned, the voting record time for the relevant adjourned meeting will be 6.00 p.m. on the day falling two days before the date of the adjourned meeting.
- (4) Or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (5) The latest date by which the Scheme must be implemented may be extended by agreement between Optos and Nikon with the prior consent of the Panel and (if required) the approval of the Court.

## **ACTION TO BE TAKEN**

### **It is very important that you vote.**

Please check that you have received the following with this document:

- (1) a BLUE Form of Proxy for use in respect of the Court Meeting; and
- (2) a WHITE Form of Proxy for use in respect of the Optos General Meeting.

If you have not received these documents, please contact the relevant helpline telephone number indicated on page 5.

### **To vote at the Meetings using the Forms of Proxy:**

Whether or not you plan to attend the Meetings, please:

- (1) complete and return the BLUE Form of Proxy, in accordance with the instructions printed thereon, by post or (during normal business hours only) by hand so as to be received by Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive as soon as possible but in any event by no later than 12.00 noon on 21 April 2015 or, if the Court Meeting is adjourned, by no later than 48 hours before the time fixed for the holding of the adjourned meeting; and
- (2) complete and return the WHITE Form of Proxy, in accordance with the instructions printed thereon, by post or (during normal business hours only) by hand so as to be received by Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to arrive as soon as possible but in any event by no later than 12.15 p.m. on 21 April 2015 or, if the Optos General Meeting is adjourned, by no later than 48 hours before the time fixed for the holding of the adjourned meeting.

Alternatively, BLUE Forms of Proxy not so lodged may be handed to the Registrar (on behalf of the chairman of the Court Meeting) before the start of the Court Meeting and will still be valid.

However, in the case of the Optos General Meeting, the WHITE Form of Proxy will be valid only if it is returned by the time indicated above.

The completion and return of the Forms of Proxy will not prevent you from attending and voting at the Court Meeting or the Optos General Meeting, or any adjournment thereof.

If you propose to attend the Meetings please detach and bring with you the attendance slip(s) to assist your admission.

### **Shareholders holding shares through CREST:**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (which can be viewed at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company’s Registrar, Equiniti Limited (ID RA19), by no later than 12.00 noon on 21 April 2015 (in the case of the Court Meeting) or 12.15 p.m. on 21 April 2015 (in the case of the Optos General Meeting) or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the

Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

### **Electronic appointment of proxies:**

Optos Shareholders may register their proxy appointments electronically via the [www.sharevote.co.uk](http://www.sharevote.co.uk) website, where full details of the procedure are given. Optos Shareholders who are not registered to vote electronically will need to enter the Voting ID, Task ID and Shareholder Reference Number set out in their personalised Form of Proxy, which accompanies this document. Alternatively, Optos Shareholders, who have already registered with Equiniti's Shareview Service can appoint a proxy by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the link to vote.

The onscreen instructions give details on how to complete the appointment process. In order to be valid, such appointments must be registered by no later than 12.00 noon on 21 April 2015 (in the case of the Court Meeting) or 12.15 p.m. on 21 April 2015 (in the case of the Optos General Meeting) or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the relevant adjourned meeting. Optos Shareholders are advised to read carefully the terms and conditions of use. Electronic communication facilities are available to all Optos Shareholders.

### **Optos Share Plans**

Participants in the Optos Share Plans should refer to paragraph 10 of Part Two of this document.



**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF THE OPINION OF SCHEME SHAREHOLDERS. YOU ARE, THEREFORE, STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY, OR APPOINT A PROXY ELECTRONICALLY, AS SOON AS POSSIBLE.**

**YOUR ATTENTION IS DRAWN TO THE REGIME FOR THE APPOINTMENT OF PROXIES, IN PARTICULAR THE APPOINTMENT OF MORE THAN ONE PROXY, SET OUT IN THE NOTES TO THE FORMS OF PROXY AND THE NOTES IN RESPECT OF THE APPOINTMENT OF MULTIPLE PROXIES SET OUT IN THE NOTICE OF THE COURT MEETING AND THE NOTICE OF THE OPTOS GENERAL MEETING.**

If you have any questions about this document, the Court Meeting, the Optos General Meeting or the Transaction, or are in any doubt as to how to complete and return the Forms of Proxy, please call the following helpline:

**0871 384 2121 or + 44 (0) 121 415 0299 if calling from outside the United Kingdom**

Calls to the 0871 number cost 8 pence per minute (excluding VAT) plus network extras. Lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday (except United Kingdom public holidays). Calls to the helpline from outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline is available to answer questions regarding this document, the Meetings or the completion and return of the Forms of Proxy. However, the helpline cannot provide advice on the merits of the Transaction nor give any financial, legal or tax advice.

## PART ONE

### LETTER FROM THE CHAIRMAN OF OPTOS PLC



#### *Optos Directors*

Dr Peter Fellner, *Chairman*  
Roy Davis, *Chief Executive Officer*  
Rob Kennedy, *Chief Financial Officer*  
John Goddard, *Non-Executive Director*  
Dr Peter Kehoe, *Non-Executive Director*  
David Wilson, *Non-Executive Director*  
Rosalyn Wilton, *Non-Executive Director*

Optos plc  
Queensferry House  
Carnegie Campus  
Enterprise Way  
Dunfermline  
Fife, KY11 8GR  
UK

Registered number: SC139953

27 March 2015

*To Optos Shareholders and, for information only, to participants in the Optos Share Plans*

Dear Optos Shareholder

#### **Recommended cash acquisition of Optos plc by Nikon Corporation**

##### **1. Introduction**

On 27 February 2015, Optos and Nikon announced that agreement had been reached on the terms of a recommended cash acquisition by which the entire issued and to be issued ordinary share capital of Optos will be acquired by Nikon.

It is intended that the Transaction will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the 2006 Act. The Scheme requires, among other things, the approval of Scheme Shareholders at the Court Meeting and the sanction of the Court, as more particularly set out below.

I am writing to you on behalf of the Optos Board to explain the terms of the Transaction and to explain why the Optos Board considers the terms of the Transaction to be fair and reasonable and is unanimously recommending that you vote at the Meetings in favour of the resolutions to be put to the Meetings.

Details of the actions you should take are set out on pages 3 to 5 of this document and the recommendation of the Optos Directors is set out in paragraph 12 of this letter.

##### **2. Summary of the terms of the Transaction**

Under the terms of the Transaction, which will be subject to the Conditions and further terms set out in Part Three of this document, Scheme Shareholders will be entitled to receive:

**for each Scheme Share      340 pence in cash**

The Transaction values Optos' entire issued and to be issued share capital at approximately £259.2 million and represents a premium of approximately:

- 30.5 per cent. to the Closing Price of 260.5 pence per Optos Share on 26 February 2015 (being the last Business Day prior to the commencement of the Offer Period); and
- 39.0 per cent. to the volume weighted average Closing Price of 244.6 pence per Optos Share, for the three month period to 26 February 2015 (being the last Business Day prior to the commencement of the Offer Period).

The Scheme requires the approval of Scheme Shareholders at the Court Meeting and of Optos Shareholders at the Optos General Meeting. You are strongly encouraged to vote at both of these Meetings in person or by proxy.

Further details of the terms of the Transaction are set out in Part Two of this document.

### **3. Background to and reasons for the recommendation of the Transaction**

The Optos Directors have evaluated the offer by Nikon on behalf of the Optos Shareholders as a whole. In deciding to recommend the Transaction to the Optos Shareholders, the Optos Directors have taken into account a range of factors, including those outlined below.

The Optos Directors believe that Optos' prospects as an independent company remain strong in light of the continued success of the Daytona platform and the unveiling of California in 2014, the existing pipeline of devices to be rolled out, the increased penetration of the ophthalmology market and Optos' continued focus on increasing its operating leverage. Optos' continued commitment to ultra-widefield hardware and software innovation has been well received by its customers, as evidenced by the sales performance of Daytona since its launch and the increasing demand for ultra-widefield/OCT technology.

The Optos Directors have also taken into careful consideration the risks inherent in successful execution of Optos' business plan versus the certainty that a cash offer provides; such risks include limited order book visibility, the characteristic second half weighting of the business and the execution risk associated with the business's smaller scale relative to the med-tech industry.

The Optos Directors see a business combination with Nikon as one that could be highly attractive to Optos' customers and employees. Nikon's global scale and significant financial resources would allow Optos to enhance its research and development capabilities and increase its penetration of the ophthalmology market. In addition, Nikon would provide Optos with deeper access to markets worldwide. The Optos Directors believe that adding Optos' specialist expertise in ultra-widefield technology to Nikon's breadth, expertise in high quality imaging and brand recognition provides the opportunity to develop better products for its customers, enhance patient care and accelerate the realisation of Optos' vision to be *The Retina Company*.

The Optos Directors understand that a number of factors, including those outlined above, led Nikon to make an approach for Optos. Subsequent discussions resulted in the proposed recommended offer for Optos by Nikon at a price of 340 pence per Optos Share. While the Optos Directors believe that there may be potential for Optos to achieve continued growth into the longer term, achieving this growth, and the potential valuation increase attached thereto, is uncertain. The Optos Directors therefore believe that the Optos Shareholders should be given the opportunity to realise value from their investment in cash, immediately and at a significant premium to the recently traded price of Optos Shares.

### **4. Management, employees, pensions and locations**

The Optos Directors welcome statements made by Nikon that, following the completion of the Transaction, Nikon will fully safeguard the existing employment rights of all Optos employees, in accordance with contractual and statutory requirements, and that Nikon intends to comply with all of the pensions obligations in relation to Optos' employees and any other members of Optos' pensions scheme. In addition, Nikon has stated that the senior management team of Optos will continue to have an important role in managing Optos' business following completion of the Transaction.

The Optos Directors further note that:

- after completion of the Transaction, Nikon intends to carry out a detailed review of Optos' business in order to determine the best way to integrate Optos into Nikon's medical business;
- Nikon does not have any current plans for headcount reductions at Optos, or to make any material change to the conditions of employment of Optos employees, after the completion of the Transaction; and

- Nikon has no intention to change Optos' principal places of business, including its headquarters in Dunfermline, or to redeploy Optos' fixed assets.

The Optos non-executive directors intend to resign as Optos Directors with effect from completion of the Transaction.

## **5. Optos Share Plans**

Further details of the arrangements proposed to be implemented in relation to the Optos Share Plans in connection with the Transaction are set out in paragraph 10 of Part Two of this document.

## **6. Taxation**

Your attention is drawn to paragraph 18 of Part Two of this document, which contains a summary of limited aspects of the United Kingdom tax treatment of the Transaction. The summary relates only to the position of certain categories of Optos Shareholders (as explained further in paragraph 18 of Part Two of this document), does not constitute tax advice and does not purport to be a complete analysis of all potential United Kingdom tax consequences of the Transaction. If you are in any doubt about your tax position, or you are subject to taxation in any jurisdiction outside the United Kingdom, you are strongly advised to consult an appropriate professional independent financial adviser.

## **7. Optos' current trading and prospects**

Optos' audited accounts for the financial year ended 30 September 2014 reported revenue (including other operating income), underlying gross margin and operating profit (before exceptional and separately disclosed items) for that 12 month period of approximately US\$170.6 million, 57 per cent. and US\$16.3 million respectively. Further details of Optos' financial performance for the financial years ended 30 September 2013 and 30 September 2014 are incorporated by reference into Part Five of this document.

Further to updates provided in Optos' preliminary results announcement on 19 November 2014 and as published in the Optos Annual Report on 20 January 2015, Optos has continued to trade in line with the Optos Directors' expectations for the financial year ending 30 September 2015.

## **8. Delisting and cancellation of trading**

Your attention is drawn to the information relating to the delisting and cancellation of trading of the Optos Shares set out in paragraph 16 of Part Two of this document.

## **9. Overseas shareholders**

Persons resident in, or citizens of, jurisdictions outside the United Kingdom should refer to paragraph 19 of Part Two of this document.

## **10. Meetings and action to be taken by Optos Shareholders**

Notices convening the Court Meeting and the Optos General Meeting are set out in Parts Nine and Ten, respectively, of this document.

Please refer to pages 3 to 5 of this document for details of the actions to be taken by Optos Shareholders in relation to voting at the Meetings.

**It is important that, at the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of the opinion of Scheme Shareholders. You are, therefore, strongly urged to complete, sign and return your Forms of Proxy, or appoint a proxy electronically, as soon as possible.**

## **11. Further information**

You should ensure that you read the remainder of this document (including the information incorporated by reference into this document), including the Explanatory Statement contained in Part Two of this document. Please note that the information contained in the Explanatory Statement is in summary form only and reading the Explanatory Statement is not a substitute for reading the remainder of this document.

## **12. Recommendation**

**The Optos Directors, who have been so advised by Evercore, consider the financial terms of the Transaction to be fair and reasonable. In providing advice to the Optos Directors, Evercore has taken into account the commercial assessments of the Optos Directors.**

**Accordingly, the Optos Directors recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and Optos Shareholders vote in favour of the Special Resolution to be proposed at the Optos General Meeting, as each of the Optos Directors who holds Optos Shares has irrevocably undertaken to do in respect of his or her own beneficial holdings totalling 71,569 Optos Shares (representing approximately 0.1 per cent. of the existing issued ordinary share capital of Optos at close of business on 26 March 2015 (being the latest practicable date prior to the date of this document)).**

Yours faithfully,



**Dr Peter Fellner**

*Chairman*

Optos plc

## PART TWO

### EXPLANATORY STATEMENT

*(In compliance with section 897 of the 2006 Act)*

# EVERCORE

27 March 2015

*To Optos Shareholders and, for information only, to participants in the Optos Share Plans*

Dear Optos Shareholder

#### **Recommended cash acquisition of Optos plc by Nikon Corporation**

##### **1. Introduction**

On 27 February 2015, Optos and Nikon announced that agreement had been reached on the terms of a recommended cash acquisition by which the entire issued and to be issued ordinary share capital of Optos will be acquired by Nikon. It is intended that the Transaction will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the 2006 Act.

**Your attention is drawn to the letter from the Chairman of Optos set out in Part One of this document, which forms part of this Explanatory Statement. That letter contains, among other things, information on the background to and reasons for the unanimous recommendation by the Optos Directors to Scheme Shareholders to vote in favour of the Scheme at the Court Meeting and to Optos Shareholders to vote in favour of the Special Resolution at the Optos General Meeting.**

We have been authorised by the Optos Directors to write to you to explain the terms of the Transaction and the Scheme and to provide you with other relevant information.

Statements made in paragraphs 4, 7, 8, 9, 12 and 13 of this letter reflect the views of the Nikon Directors.

The terms of the Scheme are set out in full in Part Four of this document. Your attention is also drawn to the other parts of this document, including the additional information in Part Seven of this document, which are deemed to form part of this Explanatory Statement.

The Transaction is subject to the Conditions being satisfied or (if capable of waiver) waived and to the further terms set out in Part Three of this document.

Optos Shareholders should read the whole of this document before deciding whether or not to vote in favour of the Scheme at the Court Meetings and the Special Resolution at the Optos General Meeting.

##### **2. Summary of the terms of the Transaction**

Under the terms of the Transaction, which will be subject to the Conditions and further terms set out in Part Three of this document, Scheme Shareholders will be entitled to receive:

**for each Scheme Share            340 pence in cash**

The Transaction values Optos' entire issued and to be issued share capital at approximately £259.2 million and represents a premium of approximately:

- 30.5 per cent. to the Closing Price of 260.5 pence per Optos Share on 26 February 2015 (being the last Business Day prior to the commencement of the Offer Period); and
- 39.0 per cent. to the volume weighted average Closing Price of 244.6 pence per Optos Share, for the three month period to 26 February 2015 (being the last Business Day prior to the commencement of the Offer Period).

The Scheme requires the approval of Scheme Shareholders at the Court Meeting and Optos Shareholders at the Optos General Meeting. You are strongly encouraged to vote at both of these Meetings, in person or by proxy.

Following the Meetings, it is expected that the First Court Hearing to sanction the Scheme will take place on 19 May 2015 and that the Second Court Hearing to confirm the Capital Reduction will take place on 22 May 2015. The Effective Date is expected to be 22 May 2015.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Optos General Meeting (and, if they attended and voted, whether or not they voted in favour), and all of the Scheme Shares will be cancelled and New Optos Shares will be allotted and issued to Nikon. Optos will accordingly become a wholly-owned subsidiary of Nikon.

Upon the Scheme becoming Effective, cheques in respect of the Cash Consideration made out in Sterling will be despatched, at each Scheme Shareholder's own risk, to Scheme Shareholders (or, where appropriate, in the case of Scheme Shareholders who hold their Scheme Shares in uncertificated form (that is, through CREST), credited to their CREST accounts) within 14 days of the Effective Date.

The Scheme will not become Effective unless all the Conditions, including those which are summarised in paragraph 15 of this Part Two, are satisfied or (if capable of waiver) waived by the Long Stop Date.

In so far as a distribution is declared, made, paid or payable by Optos in respect of the Optos Shares after 27 February 2015 (being the date of the Press Announcement), the price payable under the Transaction in respect of the Optos Shares will be reduced by the aggregate amount of the distribution that has been declared, made, paid or is payable. To the extent that a distribution that has been declared, made, paid or is payable is or will be transferred or cancelled pursuant to the Transaction on a basis which entitles Nikon alone to receive the distribution and to retain it, the price payable under the Transaction in respect of the Optos Shares will not be subject to change in accordance with this paragraph.

Nikon has reserved the right, subject to the consent of the Panel, to implement the Transaction by means of a Takeover Offer. In such event, the Transaction will be implemented on the same terms as those which would apply to the Scheme (subject to appropriate amendments, including to reflect the change in the method of effecting the Transaction).

### **3. Irrevocable undertakings and letter of intent**

Nikon has received irrevocable undertakings from each of the Optos Directors who holds Optos Shares to vote in favour of the Scheme at the Court Meeting and any resolutions relating to the Transaction to be proposed at the Optos General Meeting (or, in the event that the Transaction is implemented by the Takeover Offer, accept or procure acceptance of that offer) in respect of the Optos Shares beneficially owned by that Optos Director. Such Optos Shares amount to, in aggregate, holdings of 71,569 Optos Shares, representing approximately 0.1 per cent. of Optos' existing issued share capital as at close of business on 26 March 2015 (being the latest practicable date prior to the date of this document).

Nikon has also received a non-binding letter of intent from Aberforth Partners LLP (on behalf of its clients) to vote in favour of the Scheme at the Court Meeting and any resolutions relating to the Transaction to be proposed at the Optos General Meeting (or, in the event that the Transaction is implemented by the Takeover Offer, accept or procure acceptance of that offer) in respect of aggregate holdings of 9,536,897 Optos Shares, representing approximately 13.0 per cent. of Optos' existing issued share capital as at close of business on 26 March 2015 (being the latest practicable date prior to the date of this document).

Therefore, in total, Nikon has received irrevocable undertakings and a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and any resolutions relating to the Transaction to be proposed at the Optos General Meeting (or, in the event that the Transaction is implemented by the Takeover Offer, accept or procure acceptance of that offer) in respect of aggregate holdings of 9,608,466 Optos Shares, representing approximately 13.1 per cent. of Optos' existing issued share capital as at close of business on 26 March 2015 (being the latest practicable date prior to the date of this document).

Further details of these irrevocable undertakings and the letter of intent are set out paragraph 8 of Part Seven of this document.

#### **4. Background to and reasons for the Transaction**

Optos is a leading retinal imaging company with market-leading optical technology that has a strong platform to serve the fundus camera market. According to a World Health Organization report (August 2014), 285 million people are estimated to be visually-impaired, with this figure expected to grow as a result of diabetes and an ageing population, although 80 per cent. of all visual impairment can be prevented or cured. Optos provides a strong platform to address this trend and the growth expected by Nikon in the retinal diagnostics imaging market. In particular, Optos' ultra-widefield technology provides digital images of approximately 82 per cent. of the entire retina of the eye in a single patient-friendly capture, which enables optometrists and ophthalmologists to reduce the amount of time required for retinal diagnostics and to enhance patient care. The scale and commercial success of Optos' product portfolio is reflected in its leading position in the fundus camera market, where it had a leading global market share\*.

The proposed acquisition of Optos is an important step in Nikon's implementation of its strategic initiative focused on driving sustainable long-term growth that was announced in June 2014, namely "*Next 100 – Transform to Grow*". As part of this initiative, Nikon intends to expand significantly into the high growth medical sector to leverage its optical technologies and know-how into the medical industry. The proposed acquisition of Optos is therefore an important step for Nikon in a number of key respects:

- Establish a major footprint in the medical segment, with a scale platform for future expansion: The acquisition of Optos will provide Nikon with an attractive platform in the medical segment. It will combine Nikon's core competencies in optical technologies with Optos' imaging and diagnostics business. In addition, by leveraging Optos' expertise, Nikon will seek to expand into further medical areas such as internal diagnostics, ophthalmology treatment and regenerative medicine (retina regeneration). Nikon will seek to build an integrated business platform between its diagnostic and treatment platforms.
- Significant collaboration opportunities in product development, research, manufacturing and marketing: Nikon believes that combining ultra-widefield technologies with OCT imaging technology (further described in paragraph 5 below (Information relating to Optos)) has the strong potential to offer ophthalmologists competitive tools for enhanced disease diagnosis. Nikon expects that it can leverage its existing optics expertise to enhance Optos' OCT technology, and to combine this with other technologies such as image processing and precision technologies, to accelerate the development of high precision, reliable and non- or low-invasive medical devices. Separately, Nikon believes that the combination of Nikon and Optos will lead to a number of additional collaboration opportunities, including Optos leveraging Nikon's global sales platform, joint research projects to develop new technologies and in manufacturing.
- Expansion of Nikon's regenerative medical business: Since 2007, Nikon has developed the manufacture and distribution of cell incubator and monitoring systems for live cells (including iPS cells). Moreover, Nikon invested in Healios K.K. in 2013 and is currently funding the development of a regenerative treatment for retinal disease (e.g. age-related macular degeneration) by using iPS cells. By combining Nikon's existing product and technology with Optos' expertise and technology, Nikon plans to expand its regenerative medical business platform.

\* Approximately one-third market share by value globally according to Market Scope's 2014 *Comprehensive Report on the Global Ophthalmic Diagnostic Equipment Market*.

#### **5. Information relating to Optos**

Optos has become a leading retinal imaging company and is recognised as a principal provider of retinal diagnostic devices to eyecare professionals for disease diagnosis and management. The Company has developed a core technology to produce ultra-widefield, high resolution digital images (optomap®) of the eye. Optomaps capture approximately 82 per cent. of the retina and provide detailed information which can enhance the ability for the early detection, management and treatment of disorders and diseases evidenced



in the retina. These include retinal detachments and tears, glaucoma, diabetic retinopathy and age-related macular degeneration. Retinal imaging can also indicate evidence of non-eye or systemic diseases such as hypertension and certain cancers.

Optos has a range of US FDA-cleared and EU CE-marked retinal imaging devices that support different customer segments and patient needs including wellness screening carried out by optometrists in primary care settings and secondary care practices clinically managing patients with advanced ocular disease. Its most advanced imaging devices, for disease management and treatment, support ophthalmologists and retinal specialists in the medical care market.

Incorporated in 1992 and domiciled in Scotland, United Kingdom with approximately 390 employees, Optos is listed on the Official List of the London Stock Exchange and its shares were admitted to trading on 15 February 2006. Over the past five years, the Company has significantly broadened its installed customer base from 3,797 to 7,376 through the development of a new range of enhanced compact products, enabling the Company to increase its geographic reach and, importantly, enter new markets, including ophthalmology.

Optos' latest products, Daytona, California and Lotte, represent the next generation of its ultra-widefield retinal imaging technology:

- Daytona, the first of the new generation of products, was launched in March 2012. This new lighter-weight device was scaled to accommodate smaller office spaces whilst maintaining the high quality images of the bigger machine. In addition to a sleeker design and smaller footprint, Daytona also has auto-fluorescence and an improved user interface with an intuitive, workflow-based software.
- California, which will be formally launched later this year, builds on the success of Daytona and features additional functions of fluorescein angiography ("FA") and indocyanine green angiography ("ICG"). This device is targeted at the ophthalmology segment of the market. FA is used to evaluate the vasculature of the retina. Among the common groups of ophthalmologic disease, FA can detect diabetic retinopathy (neovascularization), vein occlusions, retinal artery occlusions, oedema of the optic disc, and tumours. ICG is used for imaging the choroidal vasculature which is important for the diagnosis, management and treatment of certain conditions such as neovascular age-related macular degeneration ("AMD") and disorders with choroidal neovascular membranes.
- Optos also offers OCT devices. OCT delivers an image that shows a three dimensional, cross-sectional view of the retina in the central area of the retina around the optic nerve and macula and is used to detect the presence of and understand the severity of disease, determine treatment approaches and monitor post-treatment effect. The unveiling of Lotte, the next generation ultra-widefield retinal imaging device combined with OCT, is anticipated later this year.

Optos utilises the latest technology to manufacture new products and software that support optomap® as a standard of care, therefore helping eyecare professionals around the world save sight and lives. Furthermore, to demonstrate the importance of imaging the entire retina, Optos continues to strengthen its clinical evidence and expand its disease indications.

For the year ended 30 September 2014, the Optos Group generated revenue (including other operating income) of approximately US\$170.6 million and operating profit (before exceptional and separately disclosed items) of approximately US\$16.3 million.

## **6. Optos Profit Forecast**

On 19 November 2014, Optos released its preliminary results for the year ended 30 September 2014. Included in the related results presentation was the following guidance which, taken together, for the purposes of Rule 28 of the Code constitutes a profit forecast:

*"Revenue & Installed Base*

- *New customer growth slightly above this year*
- *Renewal broadly same but with higher RTO mix*

- *Revenue growth impacted by early corporate renewal & continued reduction in operating lease revenue*
- *Resulting in low single digit revenue growth overall*

#### *Gross Margin*

- *Improving full year benefit of Daytona cost and so targeting 60%*

#### *Overheads*

- *Increase with inflation*

#### *Finance interest/costs*

- *Similar to FY14*

#### *Net debt*

- *Further reduction over the year*

#### *Weighting*

- *As with previous years, revenue expected to be heavily weighted to H2 with consequential impact on profit and cash.”*

Pursuant to Rule 28.1(c) of the Code, the Optos Profit Forecast is repeated in Part Five of this document, together with confirmations by the Optos Directors in the terms required by Rule 28.1(c)(i) of the Code.

## **7. Information relating to Nikon**

Founded in 1917, Nikon is a multinational corporation, headquartered in Tokyo, specialising in the manufacture and sales of optical instruments. Nikon listed on the Tokyo Stock Exchange in May 1949 and, as at 26 March 2015, had a market capitalisation of approximately ¥662 billion (approximately US\$5.5 billion).

In June 2014, Nikon restructured its organisation in order to respond to a rapidly changing business environment and focus on achieving sustainable growth. Nikon’s business framework consists of the following divisions:

- **Imaging Products Business:** focused on digital and film cameras, interchangeable lenses, photographic accessories, speedlights, software and sports optics;
- **Precision Equipment Business:** focused on semiconductor lithography systems and FPD lithography systems;
- **Instruments Business:** focused on microscope solutions (research, clinical & educational microscopes in bioscience, cell incubator, super resolution microscopes for live cell imaging, industrial and stereoscopic microscopes) and industrial equipment (measuring instruments, X-ray/CT inspection systems and surveying instruments); and
- **Other Businesses:** including medical, encoders, ophthalmic lenses, customised products and glass businesses.

In addition to strengthening its core technologies, represented by optical technologies and precision technologies, Nikon also seeks to develop next-generation products in all areas of its business.

For the year ended 31 March 2014, the Nikon Group generated consolidated revenues of approximately ¥981 billion (approximately US\$9.5 billion) and operating income of approximately ¥63 billion (approximately US\$612 million).

During the first three quarters of the current financial year, Nikon’s net sales and operating income fell year-on-year by 15.7 per cent. and 32.1 per cent. respectively, due to a decline in sales of semiconductor

lithography systems and FPD lithography systems by Nikon's Precision Equipment Business and a fall in sales in the Imaging Products Business. Within this, Nikon has maintained momentum in its Instruments Business due to an increase in overseas sales of basic type microscopes and increased sales by the industrial metrology business on the back of a trend of increased investment in electronic components and the automobile industry.

In an announcement on 5 February 2015, Nikon revised its forecast net sales for the fiscal year ending on 31 March 2015 downwards to ¥860 billion due to lower than expected sales of semiconductor lithography systems by the Precision Equipment Business, and a fall in demand for digital cameras with the market for interchangeable lenses having shrunk in Europe and China.

Looking ahead, Nikon expects the decline in sales and operating income in the Imaging Products Business and Precision Equipment Business to continue due to, respectively, severe market conditions in Europe and China and decline in the number of units sold. In the Instruments Business, the microscope-related market is expected to continue to be robust, and the recovery trend in capital investment is forecast to continue in the industrial metrology-related business.

With Nikon's core businesses reaching degrees of maturity, Nikon is continuing to pursue its goal of realising long-term sustainable growth by establishing a new business portfolio through the "Next 100 – Transform to Grow" strategic initiative announced in June 2014.

## **8. Management, employees, pensions and locations**

Nikon is proud of its management and employees and the company that they have built. In turn, Nikon recognises the contributions made by Optos' employees to Optos' success and believes that they are very important to the future development of the Combined Group. Nikon believes that the Transaction will create opportunities for Optos' employees, who will benefit both from the sharing of technologies between Optos and Nikon and from belonging to a larger group with sales of approximately ¥981 billion (approximately US\$9.5 billion) in the year ended 31 March 2014.

Nikon particularly recognises the success of Roy Davis, the Chief Executive Officer of Optos, and his senior management team in positioning Optos as *The Retina Company*. The senior management team of Optos will continue to have an important role in managing Optos' business following completion of the Transaction.

Nikon confirms that, following the completion of the Transaction, Nikon will fully safeguard the existing employment rights of all Optos employees, in accordance with contractual and statutory requirements. In addition, Nikon intends to comply with all of the pensions obligations in relation to Optos' employees and any other members of Optos' pensions scheme.

Nikon has not yet had any discussions with Optos regarding the integration of Optos into Nikon's business and therefore Nikon has not made any decisions about how such integration should be carried out. After completion of the Transaction, Nikon intends to carry out a detailed review of Optos' business in order to determine the best way to integrate Optos into Nikon's medical business, one of Nikon's three businesses identified for growth in Nikon's *Next 100 – Transform to Grow* management plan announced in June 2014.

Nikon does not have any current plans for headcount reductions at Optos, or to make any material change to the conditions of employment of Optos employees, after the completion of the Transaction. The Optos non-executive directors intend to resign as Optos Directors with effect from the completion of the Transaction.

Nikon has no intention to change Optos' principal places of business, including its headquarters in Dunfermline, or to redeploy Optos' fixed assets.

## **9. Management incentivisation arrangements**

Nikon intends to put in place appropriate incentivisation arrangements for the current management of Optos following completion of the Transaction. No discussions have taken place to date between Nikon and Optos management in relation to such arrangements, no agreements or arrangements have been entered into, and there will be no further discussions in relation to any such agreements or arrangements for the remainder of the Offer Period.

## **10. Optos Share Plans**

The Scheme will extend to any Optos Shares unconditionally allotted or issued pursuant to the Optos Share Plans. Participants in the Optos Share Plans will be contacted to explain the effect of the Transaction on, and the proposals made in respect of, their options and awards.

## **11. Optos Directors and the effect of the Scheme on their interests**

Details of the interests of the Optos Directors in Optos Shares are set out in paragraph 3 of Part Seven of this document. Optos Shares held by the Optos Directors will be subject to the Scheme.

Each Optos Director who is an Optos Shareholder has irrevocably undertaken to vote his Optos Shares (or where appropriate, procure the voting of relevant Optos Shares) in favour of the Scheme at the Court Meeting and any resolutions relating to the Transaction at the Optos General Meeting. Further details of these irrevocable undertakings are set out in paragraph 8 of Part Seven of this document.

Particulars of the service contracts and letters of appointment of the Optos Directors are set out in paragraph 5 of Part Seven of this document.

Save as set out above, the effect of the Scheme on the interests of the Optos Directors does not differ from its effect on the like interests of any other person.

In common with other participants in the Optos Share Plans, appropriate proposals will also be made to the Optos Directors in respect of their awards under the Optos Share Plans. Such proposals will be made on the basis set out in paragraph 10 of this Part Two and as summarised in paragraph 9.1(b) of Part Seven of this document.

## **12. Financing of the Transaction**

The cash consideration payable by Nikon under the terms of the Transaction will be provided by Nikon from its own existing cash resources.

Goldman Sachs International, as financial adviser to Nikon, is satisfied that sufficient resources are available to Nikon to satisfy in full the cash consideration payable to Optos Shareholders under the terms of the Transaction.

## **13. Financial effects of the Transaction on Nikon**

As at 31 December 2014, the Nikon Group had a net cash position of approximately ¥122 billion (approximately US\$1.0 billion) based on cash and cash equivalents of approximately ¥235 billion (approximately US\$2.0 billion) and debt of approximately ¥113 billion (approximately US\$0.9 billion). As set out in paragraph 12 of this Part Two, the consideration payable by Nikon under the terms of the Transaction will be provided by Nikon from its own existing cash resources.

Following completion of the Transaction, Nikon will retain a strong balance sheet with substantial financial resources.

Given that the Transaction is being funded from existing cash resources, it is expected to be accretive to Nikon's earnings per share (excluding any exceptional items and goodwill amortisation) from the first full year following completion of the Transaction<sup>1</sup>.

## **14. Structure of the Transaction**

### ***Introduction***

It is intended that the Transaction will be implemented by means of a Court-sanctioned scheme of arrangement between Optos and the Scheme Shareholders under Part 26 of the 2006 Act. The terms of the Scheme are set out in full in Part Four of this document.

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1. This statement should not be construed as a profit forecast or be interpreted to mean that the future earnings per share, profits, margins or cash flows of Nikon will necessarily be greater or less than the historical published earnings per share, profits, margins or cash flows of Nikon.

The purpose of the Scheme is to provide for Nikon to become the holder of the entire issued and to be issued share capital of Optos. This is to be achieved by the cancellation of the Scheme Shares and the application of the reserve arising from such cancellation in paying up in full a number of New Optos Shares (which is equal to the number of Optos Shares cancelled), and issuing the same to Nikon. In consideration for this, the Scheme Shareholders shall receive cash consideration on the basis set out in paragraph 2 of this Part Two.

The Scheme will involve an application by Optos to the Court to sanction the Scheme and confirm the cancellation of the Scheme Shares by the Capital Reduction. To become effective, the Scheme requires, among other things, the approval of a majority in number representing not less than 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders present and voting in person or by proxy at the Court Meeting, which is convened by order of the Court, and the passing of the Special Resolution necessary to implement the Transaction at the Optos General Meeting, requiring the approval of Optos Shareholders representing at least 75 per cent. of the votes cast at the Optos General Meeting. The Optos General Meeting will be held immediately after the Court Meeting. After the Meetings, the Scheme must also be sanctioned by the Court and the associated Capital Reduction must be confirmed by the Court.

Upon the Scheme becoming Effective, it shall be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Optos General Meeting (and, if they attended and voted, whether or not they voted in favour), and the Cash Consideration will be despatched by Nikon to Scheme Shareholders no later than 14 days after the Effective Date.

### *The Meetings*

The Court Meeting and the Optos General Meeting are scheduled to be held at 12.00 noon and 12.15 p.m., respectively, on 23 April 2015 at the offices of Maclay Murray & Spens LLP at Quartermile One, 15 Lauriston Place, Edinburgh EH3 9EP.

Notice of the Court Meeting is set out in Part Nine and notice of the Optos General Meeting is set out in Part Ten of this document. Entitlement to attend and vote at the Meetings and the number of votes which may be cast at them will be determined by reference to the register of members of Optos at 6.00 p.m. on the date which is two days before the relevant meeting or any adjourned meeting (as the case may be).

Neither the Deferred Share, nor any Optos Shares held by Nikon or any other member of the Nikon Group, will be treated as Scheme Shares.

Any member of the Nikon Group which holds Optos Shares will not be entitled to vote at the Court Meeting in respect of the Optos Shares held or acquired by or for it. All Optos Shareholders on the register of members at the Voting Record Time will be entitled to vote at the Optos General Meeting.

### *Court Meeting*

The Court Meeting is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme. At the Court Meeting, voting will be by way of poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the Court Meeting is a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of the opinion of Scheme Shareholders. You are therefore strongly urged to complete, sign and return your Forms of Proxy, or appoint a proxy electronically, as soon as possible.**

### *Optos General Meeting*

The Optos General Meeting has been convened to consider and, if thought fit, pass the Special Resolution (which requires votes in favour representing at least 75 per cent. of the votes cast in person or by proxy) to approve:

- (i) the authorisation of the Optos Directors to take all actions as they may consider necessary or appropriate to bring the Scheme into effect;
- (ii) the cancellation of the Scheme Shares in accordance with the Scheme by way of the Capital Reduction;
- (iii) subject to the Capital Reduction taking effect:
  - (A) the capitalisation of the reserve arising on the Capital Reduction and the issue of New Optos Shares to Nikon and/or its nominee(s) in accordance with the Scheme; and
  - (B) the giving of authority to the Optos Directors pursuant to section 551 of the 2006 Act to allot the New Optos Shares as provided for in the Scheme;
- (iv) certain amendments to the articles of association of Optos as described below; and
- (v) the giving of authority to the Optos Directors to allot the Deferred Share for cash.

The Deferred Share will be allotted and issued to Nikon for a subscription price of 2 pence, payable in cash. By acquiring the Deferred Share prior to the Scheme Record Time, there will be no requirement under section 593 of the 2006 Act for an independent valuation of the New Optos Shares to be allotted to Nikon under the Scheme.

### *Amendments to Optos' articles of association*

The Special Resolution is also proposed to amend Optos' articles of association (a) to set out the terms of the Deferred Share, (b) so that any Optos Shares issued between the time of adoption of Optos' amended articles of association and the Scheme Record Time will be subject to the Scheme and (c) so that any Optos Shares issued to any person other than Nikon or its nominee(s) after the Scheme Record Time will be automatically acquired by Nikon or its nominee(s) on the same terms as under the Scheme. The amendments at (b) and (c) will avoid any person (other than Nikon or its nominee(s)) holding any Optos Shares after completion of the Transaction.

Part (4) of the Special Resolution set out in Part Ten of this document seeks the approval of Optos Shareholders for such amendments.

### *The Court Hearings*

Under the 2006 Act, the Scheme also requires the sanction of the Court. The First Court Hearing will be to seek the sanction of the Scheme. The Second Court Hearing will be to seek the confirmation of the Capital Reduction.

The First Court Hearing is expected to be held on 19 May 2015 at the Court of Session, Parliament House, Parliament Square, Edinburgh EH1 1RQ. The Second Court Hearing is expected to be held on 22 May 2015, also at the Court of Session. The gap between the two Court Hearings is included to allow the registration of Scheme Shares to be issued under the Optos Share Plans upon (or immediately following) the sanctioning of the Scheme by the Court.

Any Scheme Shareholder or other person who considers that he or she has an interest in the Scheme (each an "**Interested Party**") and who is concerned that the Scheme may adversely affect him or her is entitled to be heard by the Court, as explained below.

If an Interested Party wishes to raise concerns in relation to the Scheme with the Court or to appear at the First Court Hearing, he or she should seek independent legal advice and should lodge written answers to the Petition with the Court at Parliament House, Parliament Square, Edinburgh EH1 1RQ within the period of

time specified in the advertisement of the Petition (which is currently expected to be published on or around 28 April 2015) and pay the required fee. Written answers are a formal Court document which must comply with the rules of the Court and are normally prepared by Scottish counsel.

The practice of the Court is to consider written objections to a scheme of arrangement which are not in the form of written answers and/or to allow a person who has not lodged written answers to appear at a hearing on that scheme. Each Interested Party should note that, despite that practice, the Court might require an Interested Party to lodge written answers in order to raise objections to the Scheme and/or appear at the First Court Hearing.

Nikon has confirmed that it will be represented by counsel at the First Court Hearing to sanction the Scheme, so as to consent to the Scheme and to undertake to the Court to be bound thereby.

If the Court orders the sanction of the Scheme at the First Court Hearing, a certified copy of the First Court Order will be delivered to the Registrar of Companies, although the implementation of the Scheme will remain subject to the Second Court Order. The Scheme and the Capital Reduction will only become Effective after the delivery of a certified copy of the Second Court Order (together with the Statement of Capital) to the Registrar of Companies for registration and, in the case of the Capital Reduction, if the Court so orders for the Scheme to become Effective, the registration of the Second Court Order and the Statement of Capital by the Registrar of Companies. This is expected to occur on 22 May 2015.

As noted above, if the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted in favour of the Scheme at the Court Meeting or in favour of the Special Resolution at the Optos General Meeting (and, if they attended, whether or not they voted in favour).

Unless the Scheme becomes Effective on or before the Long Stop Date, the Scheme will not become Effective and the Transaction will not be effected.

#### ***Modifications to the Scheme***

The Scheme contains a provision for Optos and Nikon jointly to consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, or impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders, unless Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances.

#### ***Alternative means of implementing the Transaction***

Nikon reserves the right, subject to the prior consent of the Panel, to elect to implement the Transaction by way of a takeover offer (as defined in Chapter 3 of Part 28 of the 2006 Act) for the entire issued and to be issued share capital of Optos as an alternative to the Scheme. In such event, the Transaction will be implemented on the same terms as those which would apply to the Scheme (subject to appropriate amendments including (without limitation), and if agreed with the Panel, (a) the inclusion of an acceptance condition set at 90 per cent. of the shares to which the Transaction relates (or such lesser percentage, being more than 50 per cent. as Nikon may decide) and (b) those required by, or deemed appropriate by, Nikon under applicable law, so far as applicable).

### **15. Conditions**

The Transaction is subject to the Conditions and further terms set out in Part Three of this document.

In summary, the implementation of the Scheme is conditional, among other things, upon:

- (a) the approval of the Scheme by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting or at any adjournment of such meeting;

- (b) any resolutions required to approve and implement the Scheme and approve the Capital Reduction being duly passed by the requisite majority at the Optos General Meeting or at any adjournment of that meeting;
- (c) the sanction of the Scheme by the Court and confirmation of the Capital Reduction by the Court (in each case with or without modification (but subject to any such modification being acceptable to Nikon and Optos)) and:
  - (i) the delivery of a copy of each of the Court Orders and of the requisite Statement of Capital to the Registrar of Companies; and
  - (ii) if the Court so orders for the Scheme to become effective, the registration of the Reduction Court Order and the Statement of Capital by the Registrar of Companies;
- (d) the Scheme becoming unconditional and Effective, subject to the Code, by no later than the Long Stop Date; and
- (e) all necessary notifications and filings having been made and all applicable waiting periods (including any extensions thereof) under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the Austrian Cartel Act 2005 (Kartellgesetz) and the rules and regulations made thereunder having expired, lapsed or been terminated as appropriate.

## **16. Delisting and cancellation of trading**

On the basis of the indicative timetable set out on page 2 of this document, the last day of dealings in, and registrations of transfers of, Optos Shares is expected to be at 5.00 p.m. (London time) on the day immediately before the Second Court Hearing, following which the Optos Shares will be temporarily suspended from the Official List and from trading on the London Stock Exchange's main market for listed securities. No transfers of Optos Shares will be registered after that time and date.

Prior to the Scheme becoming Effective, applications will be made to the UK Listing Authority for the cancellation of the listing of Optos Shares on the Official List and to the London Stock Exchange for the cancellation of trading of Optos Shares on the London Stock Exchange's main market for listed securities, in each case to take effect on or shortly after the Scheme becomes Effective.

When the Scheme becomes Effective in accordance with its terms, share certificates in respect of Optos Shares will cease to be valid and entitlements to Optos Shares held within the CREST system will be cancelled.

## **17. Settlement**

Subject to the Scheme becoming Effective, settlement of the Cash Consideration to which any Scheme Shareholder is entitled under the Transaction will be effected by the despatch of cheques or the crediting of CREST accounts as soon as practicable and, in any event, not later than 14 days after the Effective Date.

### ***Scheme Shares held in certificated form***

Where, at the Scheme Record Time, a Scheme Shareholder holds their Scheme Shares in certificated form (that is, not in CREST), settlement of the Cash Consideration to which such Scheme Shareholder is entitled will be despatched by first class post (or by such other method as may be approved by the Panel) to the Scheme Shareholder or its appointed agents. All such cash payments will be made in Sterling by cheque drawn on a branch of a United Kingdom clearing bank.

### ***Scheme Shares held in uncertificated form***

Where, at the Scheme Record Time, a Scheme Shareholder holds their Scheme Shares in uncertificated form, settlement of the Cash Consideration to which such Scheme Shareholder is entitled will be paid by means of a CREST payment in favour of the Scheme Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. Nikon reserves the right to settle all



or any part of the consideration referred to in this paragraph, for all or any Scheme Shareholders, in the manner referred to in the paragraph above, if for any reason, it wishes to do so.

### ***Despatch by post***

Cheques in respect of the Cash Consideration will be despatched to the address appearing on the Optos register of members at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holding). Despatch will be by first class post to the registered address (if the registered address is located in the same country as that in which despatch is occurring), or by airmail (if the registered address is not in the same country).

### ***General***

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

Save with the consent of the Panel, settlement of the Cash Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms set out in this Part Two without regard to any lien, right of set off, counterclaim or analogous right to which Nikon may otherwise be, or claim to be, entitled against any Scheme Shareholder. This is without prejudice to Nikon's entitlement to reduce the amount of consideration payable by an amount equivalent to any dividend declared or paid prior to the Effective Date and retained by any Optos Shareholder.

On the Effective Date, each certificate representing a holding of Scheme Shares will be cancelled and share certificates for such shares will cease to be valid and should be destroyed.

## **18. United Kingdom taxation**

**The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current United Kingdom legislation and HMRC published practice as at 26 March 2015, being the latest practicable date prior to the date of publication of this document, which may change. They summarise certain limited aspects of the United Kingdom taxation treatment of Optos Shareholders. They relate only to the position of Optos Shareholders who are resident in the United Kingdom for taxation purposes at all relevant times and who hold their Optos Shares beneficially as an investment (other than under an ISA or self-invested personal pension) and who have not (and are not deemed to have) acquired their Optos Shares by reason of an office or employment. The comments below apply only to certain categories of persons and, in particular, may not apply to such persons as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules may apply.**

**If you are in any doubt as to your taxation position or if you may be subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.**

### ***United Kingdom taxation of chargeable gains***

An Optos Shareholder's liability to United Kingdom taxation of chargeable gains in respect of the disposal of Optos Shares pursuant to the Transaction will depend on that shareholder's individual circumstances.

The sale of Optos Shares by an Optos Shareholder pursuant to the Transaction will constitute a disposal of his or her shareholding. Such a disposal may give rise to a liability to United Kingdom taxation of chargeable gains depending on the Optos Shareholder's individual circumstances (including the availability of exemptions, reliefs and allowable losses) and, in particular, the Optos Shareholder's base cost in his or her holding of Optos Shares.

For Optos Shareholders within the charge to United Kingdom corporation tax (but which do not qualify for the substantial shareholdings exemption in respect of their Optos Shares) indexation allowance may be available in respect of the full period of ownership of the Optos Shares to reduce any chargeable gain arising (but not to create or increase an allowable loss) on the disposal of Optos Shares.

### ***Optos Share Plans***

Special tax provisions may apply to Optos Shareholders who have acquired or acquire their Optos Shares by exercise of options and/or vesting of awards under the Optos Share Plans, including provisions imposing a charge to United Kingdom income tax and National Insurance contributions when such an award vests or such an option is exercised. Such Optos Shareholders are advised to seek independent professional advice in this regard.

### ***Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)***

No United Kingdom stamp duty or SDRT will be payable by Optos Shareholders as a result of the Transaction.

## **19. Overseas shareholders**

The release, publication or distribution of this document or availability of the Transaction in jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom should therefore inform themselves of, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Optos Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Transaction disclaim any responsibility or liability for the violation of such restrictions by any person.

This document has been prepared for the purposes of complying with Scots law and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom. The contents of this document are not to be construed as legal, business, financial or tax advice.

The Transaction relates to shares of a Scottish public limited company and is proposed to be implemented by means of a scheme of arrangement under Part 26 of the 2006 Act, governed by Scots law. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of, and rules and practices applicable under, the laws of other jurisdictions outside the United Kingdom.

Unless otherwise determined by Nikon or required by the Code, and permitted by applicable law and regulation, the Transaction will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no person may vote in favour of the Transaction by any such use, means, instrumentality or from within a Restricted Jurisdiction. Accordingly, copies of this document and all documents relating to the Transaction are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction, and persons receiving this document or any documents relating to the Transaction (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any such jurisdictions. If, in future, Nikon exercises its right to implement the Transaction by way of the Takeover Offer, the Takeover Offer (unless otherwise permitted by applicable law and regulation) will and may not be made, directly or indirectly, in or into, or by the use of the mails, or by any means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Takeover Offer will not be capable of acceptance from or within any Restricted Jurisdiction or by any such use, means, instrumentality or facilities.

## **20. Governing law**

The Transaction will be governed by Scots law and be subject to the jurisdiction of the Court and to the Conditions. The Transaction is also subject to the applicable rules and regulations of the FCA, the London Stock Exchange and the Code.

## **21. Action to be taken**

Your attention is drawn to pages 3 to 5 of this document, which set out in full the actions you should take in respect of voting on the Transaction and the Scheme.

## **22. Further information**

Apart from completing, signing and returning the Forms of Proxy, you need take no further action at this stage.

A helpline is available for Optos Shareholders on 0871 384 2121 or +44 (0) 121 415 0299 if calling from outside the United Kingdom. Calls to the 0871 number cost 8 pence per minute (excluding VAT) plus network extras. Lines are open from 8.30 a.m. to 5.30 p.m. Monday to Friday (except United Kingdom public holidays). Calls to the helpline from outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline is available to answer questions regarding this document, the Meetings or the completion and return of the Forms of Proxy. However, the helpline cannot provide advice on the merits of the Transaction nor give any financial, legal or tax advice.

The terms of the Scheme are set out in full in Part Four of this document. Your attention is also drawn to the further information contained (or incorporated by reference) in this document which forms part of this Explanatory Statement for the purposes of section 897 of the 2006 Act and, in particular Part Five and Part Seven of this document.

Yours faithfully,

**Julian Oakley**  
*Senior Managing Director*

**Alan Beirne**  
*Managing Director*

for and on behalf of  
**Evercore Partners International LLP**

## PART THREE

### CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE TRANSACTION

#### A. CONDITIONS TO THE TRANSACTION

##### Statutory Conditions

1. The Transaction is subject to the following Conditions:
  - (a) (i) the approval of the Scheme by a majority in number representing not less than 75 per cent. in value of Scheme Shareholders who are on the register of members of Optos at the Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof), and (ii) such Court Meeting (and any adjournment thereof) being held on or before 15 May 2015 (or such later date as may, with the consent of the Court, be agreed between Nikon and Optos);
  - (b) (i) the resolutions required to approve and implement the Scheme and approve the Capital Reduction being duly passed at the Optos General Meeting (or any adjournment thereof) and (ii) such Optos General Meeting (and any adjournment thereof) being held on or before 15 May 2015 (or such later date as may, with the consent of the Court, be agreed between Nikon and Optos);
  - (c) the sanction of the Scheme by the Court and the confirmation of the Capital Reduction by the Court (in each case with or without modification (but subject to such modification being acceptable to Nikon and Optos)) and (A) the delivery of the copies of the Court Orders and of the Statement of Capital for registration to the Registrar of Companies and, (B) if the Court so orders for the Scheme to become Effective, registration of the Second Court Order confirming the Capital Reduction and registration of the Statement of Capital with the Registrar of Companies; and
  - (d) the Scheme becoming unconditional and effective, subject to the Code, by no later than 11.59 p.m. on the Long Stop Date.

##### General Conditions

2. Nikon and Optos have agreed that, subject to the provisions of Part B below and the requirements of the Panel in accordance with the Code, the Transaction will also be conditional upon, and accordingly the necessary actions to make the Transaction Effective will only be taken on, the satisfaction or, where relevant, waiver of the following Conditions:

##### *US merger control*

- (a) all necessary notifications and filings having been made and all applicable waiting periods (including any extensions thereof) under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the rules and regulations made thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the Transaction (including, without limitation, to its implementation and financing) and the acquisition or the proposed acquisition of any shares or other securities in, or control of, Optos by any member of the Wider Nikon Group;

##### *Austrian merger control*

- (b) all necessary notifications and filings having been made and all applicable waiting periods (including any extensions thereof) under the Austrian Cartel Act 2005 (Kartellgesetz) and the rules and regulations made thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the Transaction (including, without limitation, to its implementation

and financing) and the acquisition or the proposed acquisition of any shares or other securities in, or control of, Optos by any member of the Wider Nikon Group;

***Other Third Party clearances***

- (c) (other than in respect of and in connection with the Merger Control Conditions) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having expressly withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order (and, in each case, not having expressly withdrawn the same) which would or might reasonably be expected to:
- (i) make the Transaction, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Optos Group by any member of the Wider Nikon Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or materially restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose additional material conditions or obligations with respect to, the Transaction or the acquisition of any shares or other securities in, or control or management of, any member of the wider Optos Group by any member of the Wider Nikon Group or require material amendment of the Scheme;
  - (ii) require, prevent or materially delay the divestiture (or alter the terms envisaged for such divestiture) by any member of the Wider Nikon Group or by any member of the Wider Optos Group of all or any part of their respective businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their respective assets or properties (or any part thereof) to an extent which is material in the context of the Optos Group taken as a whole or the Nikon Group taken as a whole or in the context of the Transaction (as the case may be);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Nikon Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Optos (or any member of the Wider Optos Group) or on the ability of any member of the Wider Optos Group or any member of the Wider Nikon Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider Optos Group;
  - (iv) other than pursuant to the implementation of the Transaction, require any member of the Wider Nikon Group or the Wider Optos Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Optos Group or any asset owned by any third party;
  - (v) require, prevent or materially delay a divestiture by any member of the Wider Nikon Group of any shares or other securities (or the equivalent) in any member of the Wider Optos Group;
  - (vi) result in any member of the Wider Optos Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is

material in the context of the Optos Group taken as a whole or in the context of the Transaction;

- (vii) impose any material limitation on the ability of any member of the Wider Nikon Group or any member of the Wider Optos Group to conduct, integrate or co ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Nikon Group and/or the Wider Optos Group in a manner which is materially adverse to the Wider Nikon Group and/or the Wider Optos Group in either case taken as a whole; or
- (viii) otherwise affect the business, assets, value, profits or operational performance of any member of the Wider Optos Group or any member of the Wider Nikon Group in each case in a manner which is adverse to and material in the context of the Wider Optos Group taken as a whole or in the context of the Transaction;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any applicable jurisdiction in respect of the Transaction or proposed acquisition of any Optos Shares or otherwise intervene having expired, lapsed, or been terminated;

- (d) no undertakings or assurances having been sought from Nikon, any member of the Wider Nikon Group or any member of the Wider Optos Group by the Secretary of State or any other third party, except on terms satisfactory to Nikon (acting reasonably);
- (e) (other than in respect of or in connection with the Merger Control Conditions) all material notifications, filings or applications which are necessary having been made in connection with the Transaction and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all material statutory and regulatory obligations in any relevant jurisdiction having been complied with and all Authorisations which are necessary in any jurisdiction for or in respect of the Transaction or the proposed acquisition of any shares or other securities in, or control of, Optos by any member of the Wider Nikon Group having been obtained in terms and in a form satisfactory to Nikon (acting reasonably) from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Optos Group or the Wider Nikon Group has entered into contractual arrangements and all such Authorisations which are necessary to carry on the business of any member of the Wider Optos Group in any jurisdiction having been obtained in each case where the consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any Relevant Jurisdiction or have a material adverse effect on the Wider Optos Group or Wider Nikon Group (in each case taken as a whole) or the ability of Nikon to implement the Scheme and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;
- (f) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinder, or other order threatened or issued and being in effect by a court or other Third Party which has the effect of making the Transaction or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider Optos Group by any member of the Wider Nikon Group, or the implementation of either of them, void, voidable, illegal and/or enforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the consummation or the approval of the Transaction or any matter arising from the proposed acquisition of any shares or other securities in, or control or

management of, any member of the Wider Optos Group by any member of the Wider Nikon Group to an extent which is material in the context of the Transaction.

***Confirmation of absence of adverse circumstances***

- (g) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Optos Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Transaction or the proposed acquisition by any member of the Wider Nikon Group of any shares or other securities in Optos or because of a change in the control or management of any member of the Wider Optos Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Optos Group taken as a whole:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider Optos Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider Optos Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Optos Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any member of the Wider Optos Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Optos Group taken as a whole;
  - (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Optos Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Optos Group otherwise than in the ordinary course of business;
  - (v) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Optos Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
  - (vi) the business, assets, value, financial or trading position, profits or operational performance of any member of the Wider Optos Group being prejudiced or adversely affected;
  - (vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Optos Group other than trade creditors in the ordinary course of business; or
  - (viii) any liability of any member of the Wider Optos Group to make any severance, termination, bonus or other payment to any of its directors or other officers;

***No material transactions, claims or changes in the conduct of the business of the Wider Optos Group***

- (h) except as Disclosed, no member of the Wider Optos Group having since 30 September 2014:
- (i) save as between Optos and its wholly-owned subsidiaries or between such wholly owned subsidiaries and save for the issue of Optos Shares on the exercise of options or vesting of awards granted before 27 February 2015 in the ordinary course, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities;
  - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than to Optos or one of its wholly-owned subsidiaries;
  - (iii) save as between Optos and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so;
  - (iv) save as between Optos and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;
  - (v) save as in the ordinary course of business and as between Optos and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Optos Group or in the context of the Transaction;
  - (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is, in any such case, material in the context of the Optos Group or in the context of the Transaction, or which is or is reasonably likely to be materially restrictive on the business of any member of the Wider Optos Group to an extent which is or is likely to be material to the Optos Group taken as a whole or in the context of the Transaction, or which is or is reasonably likely to be materially restrictive on the business of any member of the Wider Nikon Group;
  - (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider Optos Group which is material in the context of the Wider Optos Group and outside the normal course of business;
  - (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider Optos Group;



- (ix) proposed, provided or modified in any material respect the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider Optos Group;
- (x) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) which is material in the context of the Optos Group taken as a whole or in the context of the Transaction;
- (xi) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (xii) waived, compromised or settled any claim which is material in the context of the Optos Group taken as a whole;
- (xiii) made any material alteration to its articles of association or other constitutional documents;
- (xiv) (other than in respect of an entity which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case to an extent which is material in the context of the Optos Group taken as a whole;
- (xv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xvi) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xvii) terminated or varied the terms of any agreement or arrangement between any member of the Wider Optos Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Optos Group taken as a whole; or
- (xviii) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Optos Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

***No material adverse change***

- (i) since 30 September 2014, and except as Disclosed:
  - (i) there having been no adverse change and no circumstance having arisen which would be reasonably expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits or operational performance of any

member of the Wider Optos Group to an extent which is material to the Optos Group taken as a whole or in the context of the Transaction;

- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider Optos Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Optos Group or to which any member of the Wider Optos Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Optos Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Optos Group which, in any such case, might reasonably be expected to have a material adverse effect on the Optos Group taken as a whole or in the context of the Transaction;
  - (iii) no contingent or other liability having arisen, increased or become apparent which might be likely adversely to affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Optos Group to an extent which is material to the Optos Group taken as a whole or in the context of the Transaction; and
  - (iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Optos Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is likely to have a material adverse effect on the Optos Group taken as a whole or in the context of the Transaction;
- (j) since 30 September 2014, and except as Disclosed, Nikon not having discovered:
- (i) that any financial, business or other information concerning the Wider Optos Group publicly announced or disclosed in writing to any member of the Wider Nikon Group at any time by or on behalf of any member of the Wider Optos Group or to any of their advisers is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not materially misleading;
  - (ii) that any member of the Wider Optos Group is subject to any liability, contingent or otherwise, which is not Disclosed, and which is material in the context of the Optos Group or in the context of the Transaction; or
  - (iii) in relation to any release, emission, accumulation, discharge, disposal or other fact or circumstance which has impaired or is reasonably likely to impair the environment (including property) or harmed or is reasonably likely to harm the health of humans, animals or other living organisms or eco systems, no past or present member of the Wider Optos Group, in a manner or to an extent which is material in the context of the Nikon Group (i) having committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party; and/or (ii) having incurred any liability (whether actual or contingent) to any Third Party; and/or (iii) being likely to incur any liability (whether actual or contingent), or being required, to make good, remediate, repair, re instate or clean up the environment (including any property);

***Intellectual property***

- (k) except as Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Optos Group which would

have a material adverse effect on the Wider Optos Group taken as a whole or is otherwise material in the context of the Transaction, including:

- (i) any member of the Wider Optos Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider Optos Group and material to its business being revoked, cancelled or declared invalid;
- (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider Optos Group to, or the validity or effectiveness of, any of its intellectual property; or
- (iii) any material agreement regarding the use of any intellectual property licensed to or by any member of the Wider Optos Group being terminated or varied;

***Anti-corruption and sanctions***

- (l) except as Disclosed, Nikon not having discovered that:
  - (i) any past or present member of the Wider Optos Group or any person, whilst in the act of performing or having performed services for or on behalf of any member of the Wider Optos Group, is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the United Kingdom Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
  - (ii) any member of the Wider Optos Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended); or
  - (iii) any past or present member of the Wider Optos Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual in breach of any applicable economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; and

***No criminal property***

- (m) except as Disclosed, Nikon not having discovered that any asset of any member of the Wider Optos Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

**B. FURTHER TERMS OF THE TRANSACTION**

1. Subject to the requirements of the Panel in accordance with the Code, Nikon reserves the right to waive, in whole or in part, all or any of the above Conditions, except any Conditions specified in paragraph 1 of this Part Three.
2. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.
3. The Conditions in paragraph 2 above must be fulfilled, determined by Nikon to be fulfilled or, if capable of waiver, waived by Nikon by 5.00 p.m. on the date immediately preceding the date of the First Court Hearing, failing which the Transaction will lapse.
4. The Transaction will lapse if the Scheme does not become effective by 11.59 p.m. on the Long Stop Date.
5. Nikon will be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any Condition by a date earlier than the latest date for the fulfilment of

that Condition notwithstanding that the other Conditions of the Transaction may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that such Condition may not be capable of fulfilment.

6. If any Condition referred to in paragraphs 1(a) to (d) above is not capable of being satisfied by the date specified therein, Nikon shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 8.00 a.m. on the Business Day following the date so specified, stating whether Nikon has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Optos, specified a new date by which that Condition must be satisfied.
7. If Nikon is required by the Panel to make an offer for Optos Shares under the provisions of Rule 9 of the Code, Nikon may make such alterations to any of the above Conditions as are necessary to comply with the Code or applicable law.
8. Nikon reserves the right, subject to the prior consent of the Panel, to elect to implement the Transaction by way of a takeover offer (as defined in Chapter 3 of Part 28 of the 2006 Act) for the entire issued and to be issued share capital of Optos as an alternative to the Scheme. In such event, the Transaction will be implemented on the same terms as those which would apply to the Scheme (subject to appropriate amendments including (without limitation), and if agreed with the Panel, (a) the inclusion of an acceptance condition set at 90 per cent. of the shares to which the Transaction relates (or such lesser percentage, being more than 50 per cent. as Nikon may decide) and (b) those required by, or deemed appropriate by, Nikon under applicable law, so far as applicable).
9. Nikon also reserves the right to elect to implement the Transaction by way of a transfer scheme of arrangement pursuant to Part 26 of the 2006 Act, governed by Scots law, should applicable law or regulation prohibit the implementation of the Transaction by way of a cancellation scheme of arrangement. In such event, the Transaction will be implemented on the same terms as those which would apply to the Scheme (subject to appropriate amendments, including those required by, or deemed appropriate by, Nikon under applicable law).
10. Any Optos Shares acquired by Nikon pursuant to the Transaction will be acquired fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after 27 February 2015.
11. In so far as a distribution is declared, made, paid or payable by Optos in respect of the Optos Shares after 27 February 2015, the price payable under the Transaction in respect of the Optos Shares will be reduced by the aggregate amount of the distribution that has been declared, made, paid or is payable. To the extent that a distribution that has been declared, made, paid or is payable is or will be transferred or cancelled pursuant to the Transaction on a basis which entitles Nikon alone to receive the distribution and to retain it, the price payable under the Transaction in respect of the Optos Shares will not be subject to change in accordance with this paragraph.
12. The Transaction will be governed by Scots law and be subject to the jurisdiction of the Court and to the Conditions set out above. The Transaction is also subject to the applicable rules and regulations of the FCA, the London Stock Exchange and the Code.
13. The availability of the Transaction to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

## PART FOUR

### THE SCHEME OF ARRANGEMENT

#### SCHEME OF ARRANGEMENT (under Part 26 of the Companies Act 2006)

BETWEEN

OPTOS PLC

AND

THE SCHEME SHAREHOLDERS  
(as hereinafter defined)

#### PRELIMINARY

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

<b>“2006 Act”</b>	the Companies Act 2006, as amended from time to time
<b>“Business Day”</b>	has the meaning given to it in the Code
<b>“Capital Reduction”</b>	the reduction of Optos’ share capital to be effected by the proposed cancellation of the Scheme Shares provided for by the Scheme under section 648 of the 2006 Act
<b>“Cash Consideration”</b>	the cash consideration due to Scheme Shareholders pursuant to clause 2 of this Scheme
<b>“certificated form” or “in certificated form”</b>	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST)
<b>“Code”</b>	the City Code on Takeovers and Mergers issued by the Panel
<b>“the Company” or “Optos”</b>	Optos plc, incorporated in Scotland with registered number SC139953 and whose registered office is at Queensferry House, Carnegie Campus, Enterprise Way, Dunfermline, Scotland KY11 8GR, United Kingdom
<b>“Court”</b>	the Court of Session in Edinburgh
<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders to be convened at the direction of the Court pursuant to Part 26 of the 2006 Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof
<b>“CREST”</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertificated form
<b>“Deferred Share”</b>	a deferred share of 2 pence in the capital of the Company to be allotted and issued to Nikon before the Scheme Record Time

<b>“Effective”</b>	in the context of the Transaction, the Scheme having become effective pursuant to its terms
<b>“Effective Date”</b>	the date upon which the Transaction becomes Effective
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“Excluded Shares”</b>	(a) any Optos Shares beneficially owned by Nikon or any subsidiary undertaking of Nikon immediately prior to the Scheme Record Time, (b) any other Optos Shares which Nikon and Optos agree in writing will not be subject to the Scheme and (c) the Deferred Share
<b>“First Court Hearing”</b>	the hearing by the Court of the application to sanction the Scheme
<b>“First Court Order”</b>	the order of the Court to be made at the First Court Hearing, sanctioning the Scheme under Part 26 of the 2006 Act
<b>“Meeting(s)”</b>	the Court Meeting and the Optos General Meeting, together or individually as the context requires
<b>“New Optos Shares”</b>	new ordinary shares of 2 pence each in the capital of Optos to be allotted and issued to Nikon pursuant to clause 1.2 of this Scheme
<b>“Nikon”</b>	Nikon Corporation, incorporated in Japan having its registered office at 4-6, Kanda-Surugadai, Chiyoda-ku, Tokyo 101-0062, Japan
<b>“Nikon Group”</b>	Nikon and its subsidiary undertakings from time to time and, where the context permits, each of them
<b>“Optos General Meeting”</b>	the general meeting of Optos to be convened to consider and, if thought fit, pass, among other things, the Special Resolution in connection with the Scheme and the Capital Reduction, including any adjournment thereof
<b>“Optos Shareholders”</b>	holders of Optos Shares
<b>“Optos Shares”</b>	ordinary shares of 2 pence each in the capital of Optos
<b>“Panel”</b>	the UK Panel on Takeovers and Mergers
<b>“Pounds”, “£”, “Sterling”, “pence” or “p”</b>	the lawful currency of the United Kingdom from time to time
<b>“Press Announcement”</b>	the joint announcement of the Transaction, dated 27 February 2015, issued by Nikon and Optos in accordance with Rule 2.7 of the Code
<b>“Registrar of Companies”</b>	the Registrar of Companies for Scotland
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
<b>“Scheme”</b>	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Optos and Nikon
<b>“Scheme Document”</b>	the document in respect of the Scheme sent to, among others, Optos Shareholders containing and setting out, among other

	things, the full terms and conditions of the Scheme and containing the notices convening the Meetings
<b>“Scheme Record Time”</b>	6.00 p.m. on the Business Day falling immediately before the date of the Second Court Hearing
<b>“Scheme Shareholder” or “Scheme Shareholders”</b>	holders of Scheme Shares
<b>“Scheme Shares”</b>	all Optos Shares: <ul style="list-style-type: none"> <li>(a) in issue as at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and</li> <li>(c) (if any) issued on or after the Voting Record Time and at or prior to the Scheme Record Time, in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,</li> </ul> <p>in each case other than the Excluded Shares</p>
<b>“Second Court Hearing”</b>	the hearing by the Court of the application to confirm the Capital Reduction and approve the Statement of Capital
<b>“Second Court Order”</b>	the order of the Court to be made at the Second Court Hearing, confirming the Capital Reduction and approving the Statement of Capital
<b>“Special Resolution”</b>	the special resolution proposed to be passed at the Optos General Meeting in connection with, among other things, the implementation of the Scheme, approval of the Capital Reduction and certain amendments to be made to the articles of association of Optos, as set out in Part Ten of the Scheme Document
<b>“Statement of Capital”</b>	the statement of capital (approved by the Court) showing with respect to Optos’ share capital, as altered by the Second Court Order confirming the Capital Reduction, the information required by section 649 of the 2006 Act
<b>“subsidiary undertaking”</b>	shall be construed in accordance with the 2006 Act
<b>“Transaction”</b>	the proposed acquisition of the entire issued and to be issued share capital of Optos by Nikon (other than any Excluded Shares) to be effected by means of the Scheme
<b>“uncertificated form” or “in uncertificated form”</b>	in relation to a share or other security, a share or other security title to which is recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
<b>“Voting Record Time”</b>	6.00 p.m. (London time) on the day which is two days before the date of the Court Meeting

(B) References to clauses are to clauses of this Scheme.

(C) References to time are to London time.

- (D) The issued share capital of the Company as at the close of business on 26 March 2015 (the last practicable date prior to this Scheme) was £1,462,435.02, divided into 73,121,751 Optos Shares, all of which were credited as fully paid and none of which were held in treasury.
- (E) It is proposed that the Deferred Share be issued to Nikon for cash before the Scheme Record Time.
- (F) As at the date of this Scheme, no member of the Nikon Group beneficially owns any Optos Shares.
- (G) Nikon has agreed to appear by counsel at the First Court Hearing and to undertake to the Court to be bound by this Scheme, and to execute and do, or procure to be executed and done, all such documents, acts or things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.
- (H) The provisions of this Scheme are subject to the Court confirming the Capital Reduction provided for by clause 1.1 and, accordingly, they cannot become effective and be implemented until a certified copy of the Second Court Order (together with the Statement of Capital) has been delivered to, and, if the Second Court Order so requires, registered by the Registrar of Companies.

### **1. Cancellation of Scheme Shares**

- 1.1 The share capital of the Company shall be reduced by cancelling all of the Scheme Shares.
- 1.2 Subject to and conditional on the Capital Reduction taking effect as referred to in clause 1.1 above (and notwithstanding any provision in the Company's articles of association to the contrary), the reserve arising as a result of the Capital Reduction shall forthwith be capitalised and applied in paying up in full at par such number of New Optos Shares as is equal to the aggregate number of Scheme Shares cancelled pursuant to clause 1.1, which shall be allotted and issued credited as fully paid (free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights attaching thereto) to Nikon and/or its nominee(s) (as Nikon may direct) and shall be registered in the name of Nikon and/or its nominee(s) in the register of members of the Company in consideration for the sums to be paid by Nikon as set out in clause 2.

### **2. Consideration for the cancellation of Scheme Shares**

In consideration of the cancellation of the Scheme Shares and the allotment and issue of the New Optos Shares to Nikon (and/or its nominee(s)) as provided in clause 1, Nikon shall provide or procure that there shall be paid to or for the account of each holder of Scheme Shares whose name appears in the register of members of Optos at the Scheme Record Time, in accordance with the provisions of clause 3:

**for each Scheme Share      340 pence in cash**

### **3. Settlement**

- 3.1 Where, at the Scheme Record Time, a Scheme Shareholder holds the Scheme Shares in certificated form, settlement of the consideration to which the Scheme Shareholder is entitled pursuant to this Scheme shall be settled by cheque despatched, at the Scheme Shareholder's own risk, by not later than 14 days after the Effective Date by first class post to the address appearing in the register of the Company at the Scheme Record Time (or, in the case of joint holders, to the holder whose name stands first in such register in respect of the joint holding concerned). All cheques shall be in Sterling drawn on the branch of a United Kingdom clearing bank. Payments made by cheque shall be payable to the Scheme Shareholder concerned or, in the case of joint holders, jointly to all holders. The encashment of any such cheque as is referred to in this clause 3.1 shall be a complete discharge of Nikon's obligation under this Scheme to pay the monies represented thereby. Nikon shall not be responsible for any loss or delay in the transmission or delivery of any cheques sent in accordance with this clause 3.1 which shall be sent at the risk of the persons entitled thereto.



- 3.2 Where, at the Scheme Record Time, a Scheme Shareholder holds the Scheme Shares in uncertificated form, settlement of the cash consideration to which the Scheme Shareholder is entitled pursuant to this Scheme shall be effected through CREST by Nikon procuring the creation of a CREST payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Scheme Shares in respect of the consideration due to him by not later than 14 days after the Effective Date. The creation of such an assured payment arrangement shall be a complete discharge of Nikon's obligations under this Scheme with reference to payments through CREST. Nikon reserves the right to pay any consideration referred to in this clause 3.2 to all or any relevant Scheme Shareholders who hold Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in clause 3.1 of this Scheme if, for any reason, it wishes to do so.
- 3.3 Insofar as a distribution is declared, made, paid or payable by Optos in respect of the Optos Shares after 27 February 2015, the price payable under the Scheme in respect of the Scheme Shares will be reduced by the aggregated amount of the distribution that has been declared, made, paid or payable. To the extent that a distribution that has been declared, made, paid, or is payable, is or will be transferred or cancelled pursuant to the Scheme on a basis which entitles Nikon alone to receive the distribution and to retain it, the price payable under the Scheme in respect of the Scheme Shares will not be subject to change in accordance with this paragraph.

#### **4. Share certificates and cancellation of CREST entitlements**

With effect from, and including, the Effective Date:

- (a) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares shall be bound at the request of the Company to deliver up the same for cancellation to the Company, or, as it may direct, to destroy the same;
- (b) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form; and
- (c) as regards certificated Scheme Shares, appropriate entries will be made in the register of members of the Company with effect from the Effective Date to reflect their cancellation.

#### **5. The Effective Date**

- 5.1 If the Court orders the sanction of this Scheme at the First Court Hearing, a certified copy of the First Court Order will be delivered to the Registrar of Companies. This Scheme and the Capital Reduction, which it includes, shall only become Effective after a certified copy of the Second Court Order (together with the Statement of Capital) has been delivered to the Registrar of Companies for registration and, in the case of the Capital Reduction, if the Court so orders for the Scheme to become Effective, when such certified copy of the Second Court Order and the Statement of Capital shall have been registered by the Registrar of Companies.
- 5.2 Unless this Scheme becomes Effective on or before 31 August 2015 or such later date, if any, as the Company and Nikon may agree and the Panel and the Court may allow, this Scheme shall not become effective.

#### **6. Modification**

The Company and Nikon may, at any hearing to sanction the Scheme, jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

#### **7. Governing law**

This Scheme is governed by the law of Scotland and is subject to the jurisdiction of the Court.

Dated 27 March 2015

## PART FIVE

### FINANCIAL INFORMATION RELATING TO THE OPTOS GROUP

The following sets out financial information in respect of the Optos Group as required by Rule 24.3 of the Code. The documents referred to below (or parts thereof), the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code.

<i>Information incorporated by reference</i>	<i>Hyperlinks</i>	<i>Page numbers</i>
Annual Report and Financial Statements 2014	<a href="https://www.optos.com/Global/documents/Annual%20Report%20and%20Accounts%202014%20amended.pdf">https://www.optos.com/Global/documents/Annual%20Report%20and%20Accounts%202014%20amended.pdf</a>	74-117
Annual Report and Financial Statements 2013	<a href="https://www.optos.com/Global/documents/Annual_Report_and_accounts_2013.pdf">https://www.optos.com/Global/documents/Annual_Report_and_accounts_2013.pdf</a>	71-114

The information above is available free of charge in a read only, printable format from the hyperlinks set out above.

#### **Availability of hard copies**

A person who has received this document may request a copy of any documents or information incorporated by reference into this document. A copy of any such documents or information incorporated by reference into this document will not be provided unless requested from the Company's registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephone to the helpline on 0871 384 2121 if calling from within the United Kingdom or +44 (0) 121 415 0299 if calling from outside the United Kingdom. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except United Kingdom public holidays). Calls to the helpline from within the United Kingdom cost 8 pence per minute (excluding VAT) plus network extras. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the Transaction nor give any financial, legal or tax advice.

#### **No incorporation of website information**

Save as set out above, neither the content of Optos' website, nor the content of any website accessible from hyperlinks on Optos' website, is incorporated into, or forms part of, this document.

#### **Optos Profit Forecast**

On 19 November 2014, Optos released its preliminary results for the year ended 30 September 2014. Included in the related results presentation was the following guidance which, taken together, for the purposes of Rule 28 of the Code constitutes a profit forecast:

##### *"Revenue & Installed Base*

- *New customer growth slightly above this year*
- *Renewal broadly same but with higher RTO mix*
- *Revenue growth impacted by early corporate renewal & continued reduction in operating lease revenue*
- *Resulting in low single digit revenue growth overall*

##### *Gross Margin*

- *Improving full year benefit of Daytona cost and so targeting 60%*

#### *Overheads*

- *Increase with inflation*

#### *Finance interest/costs*

- *Similar to FY14*

#### *Net debt*

- *Further reduction over the year*

#### *Weighting*

- *As with previous years, revenue expected to be heavily weighted to H2 with consequential impact on profit and cash.”\**

### **Assumptions**

The Optos Directors prepared the Optos Profit Forecast:

- (a) on the basis of the following assumptions:
  - (i) the successful launch of two new products and, in particular, the California device;
  - (ii) increased penetration into the ophthalmology market through the California device, as well as further growth within national accounts; and
  - (iii) that there would be no macro-economic or other event which would have a material impact on the Optos Group’s financial results;
- (b) taking into account the principal risks and uncertainties described in the Optos Group’s preliminary annual results for the year ended 30 September 2014, which were published on 19 November 2014; and
- (c) based on a consistent application of the Optos Group’s current accounting policies and practices.

The Optos Directors hereby confirm that:

- the Optos Profit Forecast remains valid;
- the Optos Profit Forecast has been properly compiled on the basis of the assumptions stated; and
- the basis of accounting used in the Optos Profit Forecast is consistent with Optos’ accounting policies.

## PART SIX

### FINANCIAL INFORMATION RELATING TO THE NIKON GROUP

The following sets out financial information in respect of the Nikon Group as required by Rule 24.3 of the Code. The documents referred to below (or parts thereof), the contents of which have previously been announced through the Timely Disclosure Network operated by the Tokyo Stock Exchange, are incorporated by reference into this document pursuant to Rule 24.15 of the Code.

<i>Information incorporated by reference</i>	<i>Hyperlink</i>	<i>Page numbers</i>
2013 Annual Report	<a href="http://nikon.com/about/ir/ir_library/ar/pdf/ar2013/13annual_e.pdf">http://nikon.com/about/ir/ir_library/ar/pdf/ar2013/13annual_e.pdf</a>	26 to 60
2014 Annual Report	<a href="http://nikon.com/about/ir/ir_library/ar/pdf/nr2014/14annual_e.pdf">http://nikon.com/about/ir/ir_library/ar/pdf/nr2014/14annual_e.pdf</a>	44 to 80
Half Yearly Results to 30 September 2014	<a href="http://nikon.com/about/ir/ir_library/result/pdf/2015/15_2qf_c_e.pdf">http://nikon.com/about/ir/ir_library/result/pdf/2015/15_2qf_c_e.pdf</a>	1 to 12
Third Quarter Results to 31 December 2014	<a href="http://nikon.com/about/ir/ir_library/result/pdf/2015/15_3qf_c_e.pdf">http://nikon.com/about/ir/ir_library/result/pdf/2015/15_3qf_c_e.pdf</a>	1 to 12

The information above is available free of charge in a read only, printable format from the hyperlinks set out above.

#### **Availability of hard copies**

A person who has received this document may request a copy of any documents or information incorporated by reference into this document. A copy of any such documents or information incorporated by reference into this document will not be provided unless requested from Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephone to the helpline on 0871 384 2121 if calling from within the United Kingdom or +44 (0) 121 415 0299 if calling from outside the United Kingdom. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except United Kingdom public holidays). Calls to the helpline from within the United Kingdom cost 8 pence per minute (excluding VAT) plus network extras. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the Transaction nor give any financial, legal or tax advice.

#### **No incorporation of website information**

Save as set out above, neither the content of Nikon's website, nor the content of any website accessible from hyperlinks on Nikon's website, is incorporated into, or forms part of, this document.

## PART SEVEN

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Optos Directors, whose names are set out in paragraph 2.1 below, each accept responsibility for the information contained in this document other than the information for which responsibility is taken by others pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the Optos 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 Nikon Directors, whose names are set out paragraph 2.2 below, each accept responsibility for the information contained in this document relating to Nikon, the Nikon Group and themselves and their immediate families, related trusts and connected persons. To the best of the knowledge and belief of the Nikon Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1 The Optos Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Dr Peter Fellner	Chairman and Non-Executive Director
Roy Davis	Chief Executive Officer
Rob Kennedy	Chief Financial Officer
John Goddard	Non-Executive Director
Dr Peter Kehoe	Non-Executive Director
David Wilson	Non-Executive Director
Rosalyn Wilton	Non-Executive Director

Optos' registered office is at Queensferry House, Carnegie Campus, Enterprise Way, Dunfermline, Scotland KY11 8GR, United Kingdom. The registered number of Optos is SC139953.

- 2.2 The Nikon Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Makoto Kimura	Chairman of the Board, Representative Director
Kazuo Ushida	Representative Director
Junichi Itoh	Representative Director
Yasuyuki Okamoto	Director
Norio Hashizume	Director
Hiroshi Ohki	Director
Takaharu Honda	Director
Tomohide Hamada	Director
Toshiyuki Masai	Director
Kenji Matsuo	Director
Koukei Higuchi	Director

Nikon's registered office is at 4-6, Kanda-Surugadai, Chiyoda-ku, Tokyo 101-0062, Japan.

### 3. Interests and dealings in relevant Optos securities

#### 3.1 Definitions

For the purposes of paragraph 3 and paragraph 4 of this Part Seven:

**acting in concert** with Optos or Nikon, as the case may be, means any person acting or deemed to be acting in concert with Optos or Nikon, as the case may be, for the purposes of the Code in respect of the Transaction;

**arrangement** includes an indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or to refrain from dealing;

**connected persons** means those persons in whose interests in securities the Optos Directors (or Nikon Directors, as the case may be) are taken to be interested in pursuant to Part 22 of the 2006 Act;

**connected adviser** has the meaning given in the Code;

**dealing** or **dealt** has the meaning given in the Code;

**derivative** has the meaning given in the Code;

**disclosure date** means 26 March 2015 (being the latest practicable date prior to the date of publication of this document);

**disclosure period** means the period commencing on 27 February 2014 (being the date 12 months prior to the commencement of the Offer Period) and ending on the disclosure date;

references to a person having an **interest** in relevant securities has the meaning given in the Code;

**relevant securities** means:

- (a) Optos Shares and any other securities of Optos conferring voting rights;
- (b) equity share capital of Optos or, as the context requires, Nikon; and
- (c) securities of Optos or, as the context requires, Nikon, carrying conversion or subscription rights into any of the foregoing; and

**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 Interests in Optos Shares

##### *Optos*

As at the disclosure date, the interests of the Optos Directors and their respective immediate families, related trusts and connected persons were as follows.

Issued share capital

<i>Name</i>	<i>Number of Optos Shares</i>
Roy Davis	54,069
Dr Peter Kehoe	5,000
Rosalyn Wilton	12,500

The Optos Performance Share Plan 2007 (options)

<i>Name</i>	<i>No. of Shares</i>	<i>Date of grant</i>	<i>Date exercisable</i>	<i>Exercise price</i>	<i>Normal lapse date</i>
Roy Davis	490,000	10 Mar 2009	10 Mar 2012	£0.02	10 Mar 2019
Roy Davis	125,000	15 Dec 2009	15 Dec 2012	£0.02	15 Dec 2019
Roy Davis	191,595	22 Nov 2012	22 Nov 2015	£0.02	22 Nov 2022
Roy Davis	189,944	6 Dec 2013	6 Dec 2016	£0.02	6 Dec 2023
Roy Davis	160,568	24 Nov 2014	24 Nov 2017	£0.02	24 Nov 2024
Robert Kennedy	30,057	22 Nov 2012	22 Nov 2015	£0.02	22 Nov 2022
Robert Kennedy	120,111	6 Dec 2013	6 Dec 2016	£0.02	6 Dec 2023
Robert Kennedy	105,022	24 Nov 2014	24 Nov 2017	£0.02	24 Nov 2024

The Optos Share Option Plan 2007 (options)

<i>Name</i>	<i>No. of Shares</i>	<i>Date of grant</i>	<i>Date exercisable</i>	<i>Exercise price</i>	<i>Normal lapse date</i>
Roy Davis	17,341	22 Nov 2012	22 Nov 2015	£1.73	21 Nov 2022
Robert Kennedy	4,878	23 Nov 2011	22 Nov 2014	£2.05	22 Nov 2021
Robert Kennedy	9,132	24 Nov 2014	24 Nov 2017	£2.19	23 Nov 2024

The Optos Sharesave Scheme (options)

<i>Name</i>	<i>No. of Shares</i>	<i>Date of grant</i>	<i>Date exercisable</i>	<i>Exercise price</i>	<i>Normal lapse date</i>
Roy Davis	7,142	20 Dec 2013	1 Feb 2017	£1.26	1 Aug 2017
Robert Kennedy	2,857	20 Dec 2013	1 Feb 2017	£1.26	1 Aug 2017
Robert Kennedy	5,142	20 Dec 2014	1 Feb 2018	£1.75	1 Aug 2018

Optos Plc Deferred Bonus Plan (awards)

<i>Name</i>	<i>No. of Shares held by EBT*</i>	<i>Matching Share award</i>	<i>Total</i>	<i>Date of grant</i>	<i>Date of vesting</i>	<i>Normal lapse date</i>
Roy Davis	14,948	14,948	29,896	11 Dec 2012	11 Dec 2015	11 Dec 2015
Roy Davis	19,250	19,250	38,500	19 Dec 2014	19 Dec 2017	19 Dec 2017
Robert Kennedy	12,173	12,173	24,346	19 Dec 2014	19 Dec 2017	19 Dec 2017

\* The Optos plc 2011 Employee Benefit Trust

*Nikon*

As at the disclosure date, neither Nikon nor any of the Nikon Directors nor, so far as the Nikon Directors are aware, any party acting in concert with Nikon had (a) any interest in any Optos Share or (b) any short position in Optos Shares.

**3.3 General**

Save as disclosed in this paragraph 3 of this Part Seven, as at the disclosure date:

- (a) neither Nikon nor any other member of the Nikon Group, nor any of the Nikon Directors nor (in the case of the Nikon Directors) any member of their respective families or related trusts or companies or (so far as the Nikon Directors are aware having made due and careful enquiry) other connected persons, nor any person acting in concert with Nikon, nor any person with whom Nikon or any person acting in concert with Nikon had a dealing arrangement (save for the irrevocable undertakings described at paragraph 8 of this Part Seven), had any right to subscribe for, or had any short position in relation to, or was interested in, directly or indirectly, any relevant securities of Optos nor had any such person dealt in any relevant securities of Optos during the disclosure period;

- (b) neither Optos, nor any of the Optos Directors, nor (in the case of the Optos Directors) any member of their respective families or related trusts or companies or (so far as the Optos Directors are aware having made due and careful enquiry) other connected persons, nor any person acting in concert with Optos, nor any person with whom Optos or any person acting in concert with Optos had a dealing arrangement, was interested in, directly or indirectly, nor had any right to subscribe for, or any short position in relation to, any relevant securities of Optos and nor had any such person dealt in any relevant securities of Optos from the beginning of the Offer Period;
- (c) neither Optos, nor any of the Optos Directors, nor (in the case of the Optos Directors) any member of their respective families or related trusts or companies or (so far as the Optos Directors are aware having made due and careful enquiry) other connected persons nor any person acting in concert with Optos, nor any person with whom Optos or any person acting in concert with Optos had a dealing arrangement, was interested in, directly or indirectly, nor had any right to subscribe for, or any short position in relation to, any relevant securities of any member of the Nikon Group and nor had any such person dealt in any relevant securities of the Nikon Group from the beginning of the Offer Period;
- (d) neither Optos, nor Nikon nor any member of the Nikon Group, nor any person acting or presumed to be acting in concert with Optos or with Nikon had borrowed or lent (including for these purposes any financial collateral arrangements) any relevant securities in Optos (save for any borrowed shares which have been either on-lent or sold);
- (e) save for the irrevocable undertakings given by Optos Directors as described in paragraph 8 of this Part Seven, there is no arrangement relating to relevant securities in Optos which exists between any member of the Nikon Group or any person acting in concert with Nikon and any other person, nor between Optos or any person acting in concert with Optos and any other person; and
- (f) Optos has not redeemed or purchased any relevant securities of Optos during the disclosure period.

#### **4. Persons acting in concert**

- 4.1 In addition to the Optos Directors and members of the Optos Group (and their directors), for the purposes of the Code, the following persons and persons affiliated with them are deemed to be acting in concert with Optos in respect of the Transaction:

<i>Name</i>	<i>Type of company</i>	<i>Registered office</i>	<i>Relationship to Optos</i>
Evercore	Financial services	15 Stanhope Gate London W1K 1LN	Lead financial adviser
Numis Securities Limited	Financial services	The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT	Joint corporate broker and joint financial adviser
Peel Hunt LLP	Financial services	Moor House 120 London Wall London EC2Y 5ET	Joint corporate broker and joint financial adviser

- 4.2 In addition to the Nikon Directors and members of the Nikon Group (and their directors), for the purposes of the Code, the following persons and persons affiliated with them are deemed to be acting in concert with Nikon in respect of the Transaction:

<i>Name</i>	<i>Type of company</i>	<i>Registered office</i>	<i>Relationship to Nikon</i>
Goldman Sachs International	Financial services	Peterborough Court, 133 Fleet Street, London EC4A 2BB	Financial adviser



<i>Name</i>	<i>Type of company</i>	<i>Registered office</i>	<i>Relationship to Nikon</i>
Goldman Sachs Japan Co., Ltd.	Financial services	Roppongi Hills Mori Tower 46th Floor, 6-10-1 Roppongi, Minato-ku Tokyo 106-6147, Japan	Financial adviser

## 5. Directors' service contracts and emoluments

### 5.1 *Executive directors*

Roy Davis's service contract, which is dated 17 March 2009 but commenced on 17 November 2008, does not provide for a fixed term. Under the terms of the contract and pursuant to the most recent annual review carried out by the Company's Remuneration Committee, since 1 October 2014 Mr Davis has been entitled to an annual base salary of £351,645 (prior to 1 October 2014 his base salary was £340,000). The contract is terminable on six months' notice, save in the event of a change in control where Optos must give Mr Davis a further six months' notice. Under the terms of the contract, Optos has the right to make a payment to Mr Davis in lieu of the required notice period. The payment is a sum in cash (payable in certain instalments) equal to the gross salary and the value of all bonus payments, benefits and holiday entitlements owed in respect of such notice period.

Robert Kennedy's service contract, dated 16 October 2013, does not provide for a fixed term. Under the terms of the contract and pursuant to the most recent annual review carried out by the Company's Remuneration Committee, since 1 October 2014 Mr Kennedy has been entitled to an annual base salary of £230,000 (prior to 1 October 2014 his base salary was £215,000). The contract is terminable on six months' notice, save in the event of a change in control where Optos must give Mr Kennedy a further six months' notice. Under the terms of the contract, Optos has the right to make a payment to Mr Kennedy in lieu of the required notice period. The payment is a sum in cash (payable in certain instalments) equal to the salary owed in respect of such period (but excluding the value of all bonus payments, benefits and holiday entitlements owed in respect of such notice period).

In addition to the current annual base salary set out above, Mr Davis and Mr Kennedy are also entitled to:

- a discretionary cash bonus up to a maximum potential bonus of 100 per cent. of basic annualised salary based on, among other things, a number of key performance indicators;
- private medical insurance for themselves, their partner and dependent children;
- life assurance equal to four times annual basic salary; and
- employer contributions to a defined contribution pension scheme.

Mr Davis and Mr Kennedy also participate in the Optos Plc Deferred Bonus Plan, Optos Performance Share Plan 2007, Optos Share Option Plan 2007, Optos Sharesave Scheme and are eligible to participate in any other executive bonus or incentive schemes that may be operated by Optos from time to time.

### 5.2 *Non-executive directors*

<i>Name</i>	<i>Date of current appointment</i>	<i>Date current appointment terminates</i>	<i>Annual fee</i>	<i>Notice period</i>
Dr Peter Fellner	1 January 2013	31 December 2015	£100,000	6 months
John Goddard <sup>(1)</sup>	1 June 2014	31 May 2017	£44,500	3 months
Dr Peter Kehoe	1 October 2013	31 September 2016	£37,000	3 months
David Wilson <sup>(2)</sup>	1 June 2014	31 May 2017	£42,000	3 months
Rosalyn Wilton <sup>(3)</sup>	1 August 2013	31 July 2016	£44,500	3 months

(1) John Goddard's annual fee includes a supplement of £7,500 in respect of his role as Chairman of the Audit Committee.

(2) David Wilson's annual fee includes a supplement of £5,000 in respect of his role as Senior Independent Director to the Board

(3) Rosalyn Wilton's annual fee includes a supplement of £7,500 in respect of her role as Chairman of the Remuneration Committee

- 5.3 The Optos non-executive directors' terms of appointment do not contain any provisions relating to benefits, commission, profit sharing or early termination.
- 5.4 Save as disclosed above, there are no service contracts between any Optos Director and Optos and no such contract has been entered into or amended or any Optos Director's remuneration increased within the six months immediately prior to the date of publication of this document.

## 6. Middle market quotations

The following table shows the closing middle market prices for Optos Shares as derived from the Daily Official List for: (a) the first dealing day of each of the six months immediately prior to the date of this document; (b) 26 February 2015 (being the last Business Day prior to the commencement of the Offer Period); and (c) the disclosure date:

<i>Date</i>	<i>Price per Optos Share (p)</i>
1 September 2014	195.75
1 October 2014	197.13
3 November 2014	228.50
1 December 2014	236.00
2 January 2015	254.75
2 February 2015	247.00
26 February 2015	262.75
26 March 2015	345.00

## 7. Ratings

- 7.1 No ratings agency has publicly accorded Optos with any current credit rating outlook.
- 7.2 No ratings agency has publicly accorded Nikon with any current credit rating outlook.

## 8. Irrevocable undertakings and letter of intent

- 8.1 The following Optos Shareholders have given irrevocable undertakings: (i) to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the Optos General Meeting in relation to the following Optos Shares; or (ii) if the Scheme is subsequently structured as a Takeover Offer, to accept the Takeover Offer:

### *Optos Directors*

<i>Name</i>	<i>Number of Optos Shares</i>	<i>Percentage of issued share capital as at the disclosure date</i>
Roy Davis	54,069	0.07%
Dr Peter Kehoe	5,000	0.01%
Rob Kennedy	0	0.00%
Rosalyn Wilton	12,500	0.02%

\* This number includes the number of Optos Shares (if any) held by family members/trusts/nominees of the relevant director to which the irrevocable undertaking also relates.

- 8.2 The irrevocable undertakings given by Optos Directors will cease to be binding in the event that: (i) the Scheme lapses or is withdrawn in accordance with its terms and Nikon (and/or a wholly-owned subsidiary of Nikon) does not elect to implement the Transaction by way of the Takeover Offer or otherwise; or (ii) the Scheme has not become effective by 11.59 p.m. on 31 August 2015 (or such later time or date as agreed between Nikon and Optos, with the approval of the Court and/or the Panel if required); or (iii) Nikon confirms or publicly announces that it does not intend to proceed with the

Transaction; or (iv) any competing offer for the entire issued and to be issued ordinary share capital of Optos is made which is declared wholly unconditional (if implemented by takeover offer) or otherwise becomes effective (if implemented by scheme of arrangement).

- 8.3 The following Optos Shareholder has given a non-binding letter of intent: (i) to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the Optos General Meeting in relation to the following Optos Shares; or (ii) if the Scheme is subsequently structured as a Takeover Offer, to accept the Takeover Offer.

***Institutional shareholder***

<i>Name</i>	<i>Number of Optos Shares</i>	<i>Percentage of issued share capital as at the disclosure date</i>
Aberforth Partners LLP (on behalf of its clients)	9,536,897	13.04%

**9. Material contracts**

***Optos***

- 9.1 Save for those contracts summarised in this paragraph 9.1, no member of the Optos Group has, during the period commencing on 27 February 2013 (being the date two years before the commencement of the Offer Period) and ending on 26 March 2015 (being the latest practicable date before the date of this document), entered into any material contract otherwise than in the ordinary course of business:

(a) *Confidentiality Agreement*

Nikon and Optos have entered into a confidentiality agreement dated 22 January 2015 pursuant to which Nikon has undertaken to keep confidential information relating to Optos and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation (the “**Confidentiality Agreement**”). The Confidentiality Agreement also includes other customary obligations on Nikon, including the non-solicitation of certain senior management of the Optos Group and certain standstill obligations, each subject to customary carveouts. Unless terminated earlier, the confidentiality and non-solicitation obligations will remain in force for 12 months from the date of the agreement. The standstill obligations are no longer in force.

(b) *Bid Conduct Agreement*

Nikon and Optos have also entered into a bid conduct agreement dated 27 February 2015 pursuant to which Nikon and Optos have agreed: (i) certain matters relating to the treatment of the Optos Share Plans and the scope of the proposal to be made by Nikon to participants in the Optos Share Plans; (ii) certain provisions relating to the satisfaction of the Conditions that relate to antitrust clearances; and (iii) that Optos may purchase director and officer liability run-off insurance policies, subject to certain agreed parameters (the “**Bid Conduct Agreement**”).

***Nikon***

- 9.2 Save as disclosed below and except for the Confidentiality Agreement and the Bid Conduct Agreement, no member of the Nikon Group has, during the period commencing on 27 February 2013 (being the date two years before the commencement of the Offer Period) and ending on 26 March 2015 (being the latest practicable date before the date of this document), entered into any material contract otherwise than in the ordinary course of business.

*Capital and Business Alliance Agreement*

On 14 February 2014 Nikon entered into a capital and business alliance agreement with JEOL Ltd. (“**JEOL**”). Under the terms of the agreement, Nikon agreed to subscribe for, and JEOL agreed to allot to Nikon, 8,000,000 shares in JEOL for a consideration of ¥2.9 billion (approximately US\$0.02 billion).

Pursuant to the terms of the agreement, the parties agreed to collaborate in (i) sales; (ii) identifying new business opportunities (such as building correlative microscopy linking JEOL's electron microscopes and Nikon's optical microscopes); (iii) generating new business; and (iv) identifying new markets in the health and medical fields.

The agreement also grants certain rights in favour of Nikon in relation to the operation of JEOL (including rights to appoint a director), provided that Nikon's holdings in JEOL do not fall below half the number of shares it subscribed for pursuant to the agreement.

Subject to earlier termination, the agreement will continue to be in force until June 2018 and, thereafter, shall be automatically renewed on an annual basis.

## **10. Cash confirmation**

Goldman Sachs International, as financial adviser to Nikon, has confirmed that it is satisfied that sufficient resources are available to Nikon to enable it to satisfy, in full, the Cash Consideration payable to Optos Shareholders under the terms of the Transaction.

## **11. Significant change**

Save as disclosed in this document, the Optos Directors are not aware of any significant change in the financial or trading position of Optos which has occurred since 30 September 2014 (being the date to which the last financial information of Optos was prepared).

## **12. Other information**

- 12.1 Evercore has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of the references to its name in the form and context in which they are included.
- 12.2 Each of Goldman Sachs International and Goldman Sachs Japan Co., Ltd. has given and has not withdrawn its written consent to the issue of this document and the inclusion herein of the references to its name in the form and context in which they are included.
- 12.3 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Nikon or any person acting in concert with it, and any of the Optos Directors, recent directors of Optos, Optos Shareholders or recent shareholders of Optos, or any person interested or recently interested in Optos Shares, having any connection with, or dependence upon, the Transaction.
- 12.4 No agreement, arrangement or understanding exists whereby the beneficial ownership of any of the Optos Shares to be acquired by Nikon pursuant to the Transaction will be transferred to any other person.
- 12.5 No proposal exists in connection with the Transaction that any payment or other benefit be made or given to any Optos Director as compensation for loss of office or as consideration for or in connection with his retirement from office.

## **13. Fees and expenses**

- 13.1 The aggregate fees and expenses which are expected to be incurred by Optos in connection with the Transaction are estimated to amount to be approximately £6,182,000 (excluding applicable VAT). This aggregate number consists of the following categories:
  - (a) financial and corporate broking advice: approximately £5,042,000 (excluding applicable VAT);<sup>(1)</sup>
  - (b) legal advice: approximately £855,000 (excluding applicable VAT);<sup>(2)</sup>
  - (c) public relations advice: £110,000 (excluding applicable VAT);<sup>(2)</sup> and

(1) *The final amount of fees for financial and corporate broking advice will be dependent upon the level of discretionary fees paid.*

(2) *These services are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the latest practicable date prior to the date of publication of this document and an estimate of further time required.*

- (d) other costs and expenses (including registrars/receiving agent fees and printing costs): approximately £175,000 (excluding applicable VAT).

13.2 The aggregate fees and expenses which are expected to be incurred by Nikon in connection with the Transaction are estimated to amount to the sum of: (i) approximately ¥775 million to ¥830 million (approximately US\$6.5 million to US\$7.0 million<sup>(3)</sup>); (ii) approximately £1.42 million (approximately US\$2.11 million); (iii) approximately €10,000 (approximately US\$10,864) and (iv) approximately US\$2.03 million, in each case excluding applicable VAT and other taxes. This aggregate amount consists of the following categories:

- (a) financial and corporate broking advice: approximately ¥525 million to ¥550 million (approximately US\$4.4 million to US\$4.6 million), excluding applicable VAT and other taxes;<sup>(4)</sup>
- (b) accounting advice: approximately ¥57.7 million (approximately US\$0.5 million), excluding applicable VAT and other taxes;
- (c) legal advice: an amount equal to the sum of approximately £1.42 million (approximately US\$2.11 million), approximately €10,000 (approximately US\$10,864), approximately ¥1.1 million (approximately US\$9,214) and approximately US\$825,000, in each case excluding applicable VAT and other taxes;<sup>(5)</sup> and
- (d) other professional services: an amount equal to the sum of approximately ¥191 million to ¥221 million<sup>(6)</sup> (approximately US\$1.6 million to US\$1.9 million) and US\$1.2 million, in each case excluding applicable VAT and other taxes.

13.3 There is no agreement or arrangement to which Nikon is a party which relates to the circumstances in which it may or may not invoke a Condition to the Transaction.

#### **14. Bases of calculations and sources of information**

Unless otherwise stated in this document:

- (a) the value attributed to the fully diluted share capital of Optos is based on:
  - (i) 73,121,751 Optos Shares in issue; and
  - (ii) 3,101,671 Optos Shares to be issued on the vesting of options or awards under the Optos Share Plans (assuming completion of the Transaction on 22 May 2015),in each case, as at 26 March 2015, being the last practicable dealing date prior to the date of this document;
- (b) all prices for Optos Shares have been derived from the Daily Official List and, unless otherwise stated, represent Closing Prices on the relevant date(s);
- (c) the volume weighted average Closing Price per Optos Share for the three month period to 26 February 2015 is derived from data provided by Bloomberg;
- (d) all share prices expressed in pence have been rounded to the nearest penny and all percentages have been rounded to one decimal place;

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(3) Amounts have been translated into US\$ at the following exchange rates: US\$1:£0.6745:¥119.38:€0.9205, as sourced from Bloomberg on 26 March 2015 (being the latest practicable date prior to the date of publication of this document).

(4) The final amount of fees for financial and corporate broking advice will be dependent upon the level of discretionary fees paid.

(5) These services are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the latest practicable date prior to the date of publication of this document and an estimate of further time required.

(6) The final amount of these fees will be dependent on agreement of the scope of services to be provided.

- (e) save for financial information falling within paragraph (f) below, where amounts are translated from Japanese Yen to US Dollars in this announcement, an exchange rate of ¥119.38:US\$1 has been used, as sourced from Bloomberg on 26 March 2015;
- (f) save for the financial information falling within paragraph (g) below, the financial information relating to Nikon is extracted from the audited consolidated financial statements of Nikon for the relevant years (original Japanese versions), prepared in accordance with Japanese GAAP and subject to the ¥:US\$ exchange rate set out in those statements;
- (g) the financial information in paragraph 13 of Part Two of this document is extracted from Nikon's Financial Results for the Third Quarter of the year ending 31 March 2015, prepared in accordance with Japanese GAAP; and
- (h) the financial information relating to Optos is extracted from the audited consolidated financial statements of Optos for the relevant years, prepared in accordance with IFRS.

#### **15. Documents available for inspection**

Up to and including the Effective Date (or the date on which the Scheme lapses or is withdrawn, whichever is earlier), copies of the following documents can be viewed on Nikon's and Optos' websites, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at [www.nikon.com/news](http://www.nikon.com/news) (English language) or [www.nikon.co.jp/news](http://www.nikon.co.jp/news) (Japanese language) and [www.optos.com](http://www.optos.com) respectively:

- (a) the articles of association of each of Optos and Nikon;
- (b) a draft of the articles of association of Optos as proposed to be amended at the Optos General Meeting;
- (c) the Optos financial information incorporated by reference;
- (d) the Nikon financial information incorporated by reference;
- (e) the Press Announcement;
- (f) the irrevocable undertakings and letter of intent referred to in paragraph 8 above;
- (g) the material contracts referred to in paragraphs 9.1(a) and (b);
- (h) the written consents referred to in paragraph 12 above; and
- (i) this document and the Forms of Proxy.

#### **16. Date of publication**

This document is published on 27 March 2015.

## PART EIGHT

### DEFINITIONS

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

<b>“2006 Act”</b>	the Companies Act 2006, as amended from time to time
<b>“Annual Report and Accounts of Optos”</b>	the annual report and audited consolidated accounts of the Optos Group for the year ended 30 September 2014
<b>“associated undertaking”</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations)
<b>“Authorisations”</b>	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals
<b>“Bid Conduct Agreement”</b>	the bid conduct agreement between Nikon and Optos dated 27 February 2015, a summary of which is set out in paragraph 9.1(b) of Part Seven of this document
<b>“Business Day”</b>	has the meaning given to it in the Code
<b>“Capital Reduction”</b>	the reduction of Optos’ share capital to be effected by the proposed cancellation of the Scheme Shares provided for by the Scheme under section 648 of the 2006 Act
<b>“Cash Consideration”</b>	the cash consideration due to Scheme Shareholders pursuant to clause 2 of the Scheme
<b>“certificated form” or “in certificated form”</b>	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST)
<b>“Closing Price”</b>	the closing middle market price of an Optos Share as derived from the Daily Official List on any particular date
<b>“Code”</b>	the City Code on Takeovers and Mergers issued by the Panel
<b>“Combined Group”</b>	the Nikon Group and the Optos Group following the Effective Date
<b>“the Company” or “Optos”</b>	Optos plc, incorporated in Scotland with registered number SC139953 and whose registered office is at Queensferry House, Carnegie Campus, Enterprise Way, Dunfermline, Scotland KY11 8GR, United Kingdom
<b>“completion of the Transaction”</b>	the Transaction becoming Effective
<b>“Conditions”</b>	the conditions to the Transaction set out in Part Three of this document
<b>“Court”</b>	the Court of Session in Edinburgh
<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders to be convened at the direction of the Court pursuant to Part 26 of the 2006 Act, notice of which is set out in Part Nine of this document, for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof

<b>“Court Orders”</b>	the First Court Order and the Second Court Order
<b>“CREST”</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertificated form
<b>“CREST Proxy Instruction”</b>	a proxy appointment or instruction made using the CREST service
<b>“Daily Official List”</b>	the daily official list of the London Stock Exchange
<b>“Dealing Disclosure”</b>	has the same meaning as given in Rule 8 of the Code
<b>“Deferred Share”</b>	a deferred share of 2 pence in the capital of the Company to be allotted and issued to Nikon before the Scheme Record Time
<b>“Disclosed”</b>	information: (a) which had been fairly disclosed in the virtual data room operated by Sterling Data Rooms to which Nikon has access prior to 25 February 2015; (b) disclosed in any public announcement by Optos to a Regulatory Information Service prior to 6.00 p.m. on 25 February 2015; (c) disclosed in the Annual Report and Accounts of Optos; or (d) disclosed in the Press Announcement
<b>“Effective”</b>	in the context of the Transaction: (a) if the Transaction is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (b) if the Transaction is implemented by way of the Takeover Offer, the Takeover Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Code
<b>“Effective Date”</b>	the date upon which the Transaction becomes Effective
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“Euros” or “€”</b>	the lawful currency of the member states of the European Union that have adopted the single currency from time to time
<b>“Evercore”</b>	Evercore Partners International LLP, lead financial adviser to Optos
<b>“Excluded Shares”</b>	(a) any Optos Shares beneficially owned by Nikon or any subsidiary undertaking of Nikon immediately prior to the Scheme Record Time; (b) any other Optos Shares which Nikon and Optos agree in writing will not be subject to the Scheme; and (c) the Deferred Share
<b>“Explanatory Statement”</b>	the explanatory statement relating to the Transactions, as set out in Part Two to this document which, together with the documents incorporated therein, constitutes the explanatory statement relating to the Scheme as required by section 897 of the 2006 Act
<b>“FCA”</b>	the Financial Conduct Authority or its successor from time to time
<b>“FCA Handbook”</b>	the FCA’s Handbook of rules and guidance as amended from time to time
<b>“First Court Hearing”</b>	the hearing by the Court of the application to sanction the Scheme
<b>“First Court Order”</b>	the order of the Court to be made at the First Court Hearing, sanctioning the Scheme under Part 26 of the 2006 Act



<b>“Forms of Proxy”</b>	the forms of proxy in connection with each of the Court Meeting and the Optos General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended
<b>“Hearings”</b>	the First Court Hearing and the Second Court Hearing
<b>“IFRS”</b>	international accounting standards and international financial reporting standards and interpretations thereof, approved or published by the International Accounting Standards Board and adopted by the European Union
<b>“ISA”</b>	individual savings account
<b>“London Stock Exchange”</b>	London Stock Exchange plc or its successor
<b>“Long Stop Date”</b>	31 August 2015, or such later date (if any) as may be agreed between Nikon and Optos which the Panel and, if required, the Court may permit
<b>“Meetings”</b>	the Court Meeting and the Optos General Meeting, together or individually as the context requires
<b>“Merger Control Conditions”</b>	the Conditions set out in paragraphs 2(a) and 2(b) of Part Three of this document
<b>“New Optos Shares”</b>	the new Optos Shares to be issued in accordance with the Scheme
<b>“Nikon”</b>	Nikon Corporation, incorporated in Japan having its registered office at 4-6, Kanda-Surugadai, Chiyoda-ku, Tokyo 101-0062, Japan
<b>“Nikon Directors”</b>	the directors of Nikon as at the date of this document
<b>“Nikon Group”</b>	Nikon and its subsidiary undertakings from time to time and, where the context permits, each of them
<b>“OCT”</b>	optical coherence tomography
<b>“Offer Period”</b>	the offer period (as defined in the Code) relating to Optos, which commenced on 27 February 2015
<b>“Official List”</b>	the Official List of the FCA
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the Code
<b>“Optos Board”</b>	the board of Optos Directors
<b>“Optos Directors”</b>	the directors of Optos as at the date of this document
<b>“Optos General Meeting”</b>	the general meeting of Optos to be convened to consider and if thought fit pass the Special Resolution, including any adjournment thereof
<b>“Optos Group”</b>	Optos, its subsidiaries and subsidiary undertakings
<b>“Optos Profit Forecast”</b>	the statement in italics and marked with an asterisk in Part Five of this document
<b>“Optos Share Plans”</b>	the Optos Performance Share Plan 2007, the Optos Share Option Plan 2007, the Optos plc Deferred Bonus Plan, the Optos Sharesave Scheme, the Optos plc 2012 Employee Stock Purchase Plan and the Optos plc Pre-IPO option plan

<b>“Optos Shareholders”</b>	holders of Optos Shares
<b>“Optos Shares”</b>	ordinary shares of 2 pence each in the capital of Optos
<b>“Official List”</b>	the Official List of the FCA
<b>“Panel”</b>	the UK Panel on Takeovers and Mergers
<b>“Petition”</b>	the application to the Court for it to sanction the Scheme and confirm the Capital Reduction
<b>“Pounds”, “£”, “Sterling”, “pence” or “p”</b>	the lawful currency of the United Kingdom from time to time
<b>“Press Announcement”</b>	the joint announcement of the Transaction, dated 27 February 2015, issued by Nikon and Optos in accordance with Rule 2.7 of the Code
<b>“Registrar”</b>	Equiniti Limited, having their registered office at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
<b>“Registrar of Companies”</b>	the Registrar of Companies in Scotland
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
<b>“Regulatory Information Service”</b>	a regulatory information service as defined in the FCA Handbook
<b>“Restricted Jurisdictions”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Transaction is sent or made available to Optos Shareholders (or other persons with information rights) in that jurisdiction
<b>“Scheme”</b>	the proposed scheme of arrangement under Part 26 of the 2006 Act between Optos and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Optos and Nikon
<b>“Scheme Document”</b>	this document sent to, among others, Optos Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Meetings
<b>“Scheme Record Time”</b>	6.00 p.m. on the Business Day falling immediately before the date of the Second Court Hearing
<b>“Scheme Shareholders”</b>	holders of Scheme Shares
<b>“Scheme Shares”</b>	Optos Shares: <ul style="list-style-type: none"> <li>(a) in issue as at the date of this document;</li> <li>(b) (if any) issued after the date of this document and prior to the Voting Record Time; and</li> <li>(c) (if any) issued on or after the Voting Record Time and at or prior to the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,</li> </ul> <p>but in each case other than the Excluded Shares</p>

<b>“Second Court Hearing”</b>	the hearing by the Court of the application to confirm the Capital Reduction and approve the Statement of Capital
<b>“Second Court Order”</b>	the order of the Court to be made at the Second Court Hearing, confirming the Capital Reduction and approving the Statement of Capital
<b>“Significant Interest”</b>	a direct or indirect interest of 20 per cent. or more of the voting or equity capital or the equivalent of such undertaking
<b>“Special Resolution”</b>	the special resolution proposed to be passed at the Optos General Meeting in connection with, among other things, the implementation of the Scheme, approval of the Capital Reduction and certain amendments to be made to the articles of association of Optos
<b>“Statement of Capital”</b>	the statement of capital (approved by the Court) showing with respect to Optos’ share capital, as altered by the Second Court Order confirming the Capital Reduction, the information required by section 649 of the 2006 Act
<b>“subsidiary”, “subsidiary undertaking”, “undertaking” and “associated undertaking”</b>	shall be construed in accordance with the 2006 Act
<b>“Takeover Offer”</b>	should the Transaction be implemented by way of a takeover offer (as defined in Chapter 3 of Part 28 of the 2006 Act), the takeover offer to be made by or on behalf of Nikon to acquire the entire issued and to be issued ordinary share capital of Optos including, where the context so requires, any subsequent revision, variation, extension or renewal thereof
<b>“Takeover Offer Document”</b>	the document containing the terms and conditions of the Takeover Offer
<b>“Transaction”</b>	the proposed acquisition by Nikon of the entire issued, and to be issued, share capital of Optos not already owned by or on behalf of the Nikon Group by means of the Scheme or (should Nikon so elect, subject to the consent of the Panel) by way of the Takeover Offer
<b>“uncertificated form” or “in uncertificated form”</b>	in relation to a share or other security, a share or other security title to which is recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Listing Authority”</b>	the FCA acting in its capacity as the competent authority for listing under FSMA
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>“US Dollars” or “US\$”</b>	the lawful currency of the United States from time to time
<b>“US Exchange Act”</b>	the United States Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended
<b>“Voting Record Time”</b>	6.00 p.m. on the day which is two days before the date the Court Meeting or adjournment thereof (as the case may be)

**“Wider Nikon Group”**

Nikon and its associated undertakings and any other body corporate, partnership, joint venture or person in which Nikon and such undertakings (aggregating their interests) have a Significant Interest

**“Wider Optos Group”**

Optos and its associated undertakings and any other body corporate, partnership, joint venture or person in which the Optos and such undertakings (aggregating their interests) have a Significant Interest

**“Yen” or “¥”**

the lawful currency of Japan from time to time

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this document. All references to time in this document are to London time unless otherwise stated.

## PART NINE

### NOTICE OF COURT MEETING

#### Optos plc

*(Registered in Scotland with Company Registration Number SC139953)*

**NOTICE IS HEREBY GIVEN** that, by an order dated 26 March 2015 (the “**Order**”), the Court of Session in Edinburgh has directed that a meeting (the “**Court Meeting**”) be convened of the “**Scheme Shareholders**” (as defined in the Scheme of Arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) pursuant to Part 26 of the Companies Act 2006 (the “**2006 Act**”) proposed to be made between Optos plc (the “**Company**”) and the Scheme Shareholders and that such Court Meeting will be held at the offices of Maclay Murray & Spens LLP at Quatermile One, 15 Lauriston Place, Edinburgh EH3 9EP on 23 April 2015 at 12.00 noon, at which place and time all Scheme Shareholders are requested to attend.

At the Court Meeting, the following resolution will be proposed:

“That the scheme of arrangement dated 27 March 2015 (the “**Scheme**”), between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and, for the purposes of identification, signed by the chairman hereof, in its original form or with, or subject to, any modification, addition or condition approved or imposed by the Court and jointly consented to by the Company and Nikon Corporation, be approved and the directors of the Company be authorised to take all such actions as they consider necessary or appropriate for carrying the Scheme into effect.”

Voting on the resolution will be by poll which may be conducted as the chairman of the Court Meeting shall determine. For the Court Meeting (or any adjournment thereof) to be properly convened, a quorum of two persons entitled to vote on the business to be transacted, each being a Scheme Shareholder, the proxy of a Scheme Shareholder or (where the Scheme Shareholder is a corporation) a duly authorised representative must be present.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the 2006 Act are incorporated in the document of which this notice forms part.

By the Order, the Court has appointed Dr Peter Fellner or, failing him, Roy Davis, or, failing him, Rob Kennedy, to act as chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the result thereof to the Court.

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

Dated: 27 March 2015

**Allen & Overy LLP**  
One Bishops Square  
London  
E1 6AD

**Maclay Murray & Spens LLP**  
Quatermile One  
15 Lauriston Place  
Edinburgh  
EH3 9EP

Solicitors for the Company

Solicitors for the Company

#### Notes:

- (i) *Entitlement to attend and vote at the Court Meeting (or, if it is adjourned, at any adjourned meeting) (and the number of votes which may be cast thereat) will be determined by reference to the number of Scheme Shares (as defined in the Scheme of Arrangement) registered in the name of a Scheme Shareholder in the register of members of the Company at 6.00 p.m. on 21 April 2015 or, in the case of an adjourned meeting, at 6.00 p.m. on the day which is two days before the date of the adjourned meeting. In each case, changes to the register of members of the Company after 6.00 p.m. on the relevant date will be disregarded in determining the right to attend and vote at the Court Meeting.*
- (ii) *In the case of Scheme Shareholders who hold their Scheme Shares jointly (“**Joint Holders**”), the vote of the senior Joint Holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other Joint Holder(s)*

and, for this purpose, seniority will be determined by the order in which the names in respect of the joint holding stand in the register of members of the Company.

- (iii) Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not and whether a Scheme Shareholder or not, as their proxy to attend, speak and vote on their behalf. A BLUE Form of Proxy for use at the Court Meeting accompanies this notice. Completion and return of a BLUE Form of Proxy will not prevent a Scheme Shareholder from attending and voting at the Court Meeting, or any adjournment thereof, in person if he or she wishes to do so.
- (iv) Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares. Scheme Shareholders are also entitled to appoint more than one proxy, provided that no more than one proxy is appointed to exercise the rights attached to each Scheme Share. In order to be valid completed and signed BLUE Forms of Proxy must be lodged with Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 12.00 noon on 21 April 2015 or, in the case of an adjourned meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting, all in accordance with the instructions printed on the BLUE Form of Proxy. If BLUE Forms of Proxy are not so lodged or sent, they may be handed to Equiniti Limited on behalf of the chairman of the Court Meeting at the Court Meeting before the start of the Court Meeting, or if the Court Meeting is adjourned, before the start of that adjourned meeting.
- (v) Scheme Shareholders may register their proxy appointments electronically via the [www.sharevote.co.uk](http://www.sharevote.co.uk) website, where full details of the procedure are given. Scheme Shareholders who are not registered to vote electronically will need to enter the Voting ID, Task ID and Shareholder Reference Number set out in their personalised BLUE Form of Proxy which accompanies this document. Alternatively, Scheme Shareholders who have already registered with Equiniti's Shareview Service can appoint a proxy by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the link to vote. The onscreen instructions give details on how to complete the appointment process. In order to be valid, such appointments must be registered by no later than 12.00 noon on 21 April 2015 or, in the case of an adjourned meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting. Scheme Shareholders are advised to read the terms and conditions of use carefully. Electronic communication facilities are available to all Scheme Shareholders.
- (vi) Scheme Shareholders who are CREST members and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (which can be viewed at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (vii) In order for a proxy appointment or instruction made by means of the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrar, Equiniti Limited (ID RA19) by no later than 12.00 noon on 21 April 2015 or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (viii) CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (ix) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
- (x) Any corporation which is a Scheme Shareholder can appoint one or more corporate representatives in writing (which written appointment the Company may require to be produced to the Company's registrar, Equiniti Limited, before the start of the Court Meeting) who may exercise on its behalf all of its powers as a Scheme Shareholder to attend, speak and vote at the Court Meeting, provided that they do not do so in relation to the same Scheme Shares. Only one such corporate representative shall be counted in determining, for the purpose of section 899(1) of the 2006 Act, whether a majority in number of Scheme Shareholders has approved the Scheme. If any corporation (which is a Scheme Shareholder) wishes to appoint a proxy, the BLUE Form of Proxy must be executed under its common seal or signed by an officer, attorney or other person duly authorised by the corporation, stating their capacity.

## PART TEN

### NOTICE OF OPTOS GENERAL MEETING

#### OPTOS PLC

**Notice is hereby given** that a general meeting of Optos plc (the “**Company**”) will be held at the offices of Maclay Murray & Spens LLP at Quartermile One, 15 Lauriston Place, Edinburgh EH3 9EP on 23 April 2015 at 12.15 p.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part, being the “**Scheme Document**”) convened for 12.00 noon (on the same day and at the same place) shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

#### SPECIAL RESOLUTION

THAT, for the purpose of giving effect to the scheme of arrangement (the “**Scheme**”) dated 27 March 2015 between the Company and Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, in its original form or with or subject to such modification, addition or condition as may be agreed between the Company and Nikon Corporation (“**Nikon**”) and approved or imposed by the Court:

- (1) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into full effect;
- (2) the share capital of the Company be reduced by cancelling the Scheme Shares (as defined in the Scheme);
- (3) subject to, and forthwith upon, the reduction of share capital referred to in paragraph (2) above taking effect and notwithstanding anything to the contrary in the articles of association of the Company:
  - (a) the reserve arising in the accounting records of the Company as a result of the reduction of share capital referred to in paragraph (2) above be capitalised and applied in paying up in full at par such number of new ordinary shares of 2 pence each in the capital of the Company (the “**New Optos Shares**”) as shall be equal to the aggregate number of ordinary shares of 2 pence each cancelled pursuant to paragraph (2) above, such New Optos Shares to be allotted and issued credited as fully paid (free from any liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights attaching thereto) to Nikon and/or its nominee(s) in accordance with the Scheme; and
  - (b) the directors of the Company be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006, as amended from time to time (the “**2006 Act**”) to exercise all the powers of the Company to allot the New Optos Shares referred to in paragraph (3)(a), provided that:
    - (i) the maximum aggregate nominal amount of the shares that may be allotted under this authority shall be the aggregate nominal amount of the New Optos Shares created pursuant to paragraph (3)(a) above;
    - (ii) this authority shall expire (unless previously revoked, varied or renewed) on the fifth anniversary of the date on which this resolution is passed; and
    - (iii) this authority shall be in addition, and without prejudice, to any other authority under section 551 of the 2006 Act previously granted and in force on the date on which this resolution is passed;

- (4) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 135 after article 134 (and amending the remainder of the articles and any cross references thereto accordingly):

**“SCHEME OF ARRANGEMENT AND DEFERRED SHARE**

**135 Scheme of Arrangement**

- 135.1 In this Article 135, references to the Scheme are to the scheme of arrangement dated 27 March 2015 under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) as it may be modified or amended in accordance with its terms, and expressions defined in the Scheme shall have the same meanings in this Article 135.
- 135.2 Notwithstanding either any other provision of these Articles or the terms of any resolution, whether ordinary or special, passed by the Company in a general meeting, if the Company issues any ordinary shares (other than to Nikon or its nominee(s)) on or after the adoption of this Article 135 and on or prior to the Scheme Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or any subsequent holder or holders of such ordinary shares shall be bound by the Scheme accordingly.
- 135.3 Notwithstanding any other provision of these Articles but subject to paragraph 135.4 below, if any ordinary shares are issued by the Company to any person (other than Nikon or its nominee(s)) (the “**New Member**”) after the Scheme Record Time, such New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) will, provided the Scheme shall have become effective, be obliged to transfer forthwith all the ordinary shares held by the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) (the “**Disposal Shares**”) to Nikon (or as Nikon may otherwise direct in writing) who shall be obliged to acquire all of the Disposal Shares in consideration of and conditional on the payment by or on behalf of Nikon to the New Member of an amount in cash for each Disposal Share equal to the consideration that the New Member would have been entitled to had each Disposal Share been a Scheme Share.
- 135.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the consideration per Disposal Share to be paid under paragraph 135.3 above shall be adjusted by the Directors in such manner as the auditors of the Company or an independent investment bank selected by the Company may determine to be fair and reasonable to the New Member to reflect such reorganisation or alteration. References in this Article 135 to ordinary shares shall, following such adjustment, be construed accordingly.
- 135.5 To give effect to any transfer required by this Article 135, the Company may appoint any person as attorney for the New Member to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of Nikon and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Disposal Shares in Nikon and pending such vesting to exercise all such rights to the Disposal Shares as Nikon may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of Nikon) be entitled to exercise any rights attaching to the Disposal Shares unless so agreed by Nikon. The Company may give good receipt for the purchase price of the Disposal Shares and may register Nikon as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for any Disposal Shares. Nikon shall settle or procure the settlement of the consideration due under this Article 135 by such date as Nikon shall agree with the Company



and in any event within 14 days of the date on which the Disposal Shares are issued to the New Member.

135.6 If the Scheme shall not have become effective by the date referred to in clause 5.2 of the Scheme, (or such later date, if any, as Nikon and the Company may agree and the Court and the Panel on Takeovers and Mergers may allow) this Article 135 shall be of no effect.

135.7 Notwithstanding any other provision of these Articles, both the Company and the Directors may refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.

135.8 Notwithstanding any other provision of these Articles, both the Company and the Directors may refuse to register the transfer of any ordinary shares other than as provided by this Article 135.”; and

(5) with effect from the passing of this special resolution:

(a) the articles of association of the Company be amended to include the rights attaching to a deferred share of 2 pence (the “**Deferred Share**”), by the adoption and inclusion of the following new Article 136 after new Article 135 above:

**“136 Deferred Share**

A deferred share of 2 pence (the “**Deferred Share**”) shall have all the rights of an ordinary share, save that:

136.1 the holder of the Deferred Share shall not be entitled to receive a dividend or other distribution or to have any other right to participate in the profits of the Company;

136.2 the holder of the Deferred Share shall have no right to attend or vote at any general meeting of the Company; and

136.3 on a return of capital or winding up of the Company, the holder of the Deferred Share shall be entitled, subject to the payment to the holders of all other classes of shares of the amount paid up or credited as paid up on such shares, to repayment of the amount paid up or credited as paid up on the Deferred Share, but shall have no further or other right to participate in the assets of the Company.”;

(b) the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the 2006 Act to allot the Deferred Share provided that:

(i) this authority shall expire on the fifth anniversary of the date of this resolution; and

(ii) this authority shall be in addition and without prejudice to any authority under section 551 of the 2006 Act previously granted and in force on the date on which this resolution is passed; and

(c) pursuant to and during the period of the authority, the Directors be empowered to allot the Deferred Share wholly for cash as if section 561(1) of the Companies Act 2006 did not apply to any such allotment.

27 March 2015

*Registered Office:*  
Queensferry House  
Carnegie Campus  
Enterprise Way  
Dunfermline  
KY11 8GR

**By Order of the Board**  
**Robert Kennedy**  
*Chief Financial Officer and Company Secretary*

Registered in Scotland, Company Registration No. SC139953

**Notes:**

- (i) *A shareholder who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and speak and vote on his/her behalf. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to a different share or shares held by him/her. A proxy need not be a shareholder of the Company.*
- (ii) *A WHITE Form of Proxy for use by shareholders in connection with the meeting is enclosed with this document. To be valid, the WHITE Form of Proxy should be completed and signed and sent or delivered, together with any power of attorney or other authority (if any) under which it is signed or an extract from the Books of Council and Session or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or authority, in accordance with the instructions contained therein, so as to reach the Company's registrar, Equiniti Limited, at the address stated thereon, not later than 12.15 p.m. on 21 April 2015 or, in the case of an adjourned meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting. Shareholders may also vote or lodge their proxy electronically via the internet or through CREST in accordance with notes (iii) and (iv) below.*
- (iii) *Shareholders may register their proxy appointments electronically via the [www.sharevote.co.uk](http://www.sharevote.co.uk) website, where full details of the procedure are given. Shareholders who are not registered to vote electronically will need to enter the Voting ID, Task ID and Shareholder Reference Number set out in their personalised WHITE Form of Proxy which accompanies this document. Alternatively, shareholders who have already registered with Equiniti Limited's Shareview Service can appoint a proxy by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on the link to vote. The onscreen instructions give details on how to complete the appointment process. In order to be valid, such appointments must be registered by no later than 12.15 p.m. on 21 April 2015 or, in the case of an adjourned meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting. Shareholders are advised to read the terms and conditions of use carefully. Electronic communication facilities are available to all Shareholders.*
- (iv) *Shareholders who are CREST members and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available by logging on to [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.*
- (v) *In order for a proxy appointment or instruction made by means of the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's registrar, Equiniti Limited (ID RA19) by no later than 12.15 p.m. on 21 April 2015 or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.*
- (vi) *CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.*
- (vii) *The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).*
- (viii) *Completing and returning a WHITE Form of Proxy will not prevent a shareholder from attending in person at the meeting referred to above and voting should he or she wish to do so.*
- (ix) *Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of section 360B of the 2006 Act, the Company specifies that only those shareholders entered on the register of members of the Company as at 6.00 p.m. on 21 April 2015 or, in the event that the meeting is adjourned, on the register of members at 6.00 p.m. on the day falling two days before the date of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the entries on the register of members after 6.00 p.m. on 21 April 2015 or, in the event that the meeting is adjourned, on the register of members at 6.00 p.m. (UK time) on the day falling two days before the date of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the articles of association of the Company or other instrument to the contrary.*
- (x) *In the case of shareholders who hold their shares jointly ("**Joint Holders**"), the vote of the senior Joint Holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other Joint Holder(s) and, for this*

*purpose, seniority will be determined by the order in which the names in respect of the joint holding stand in the register of members of the Company.*

- (xi) *If you are not a shareholder but you have been nominated by a shareholder to enjoy information rights, you do not have the right to appoint a proxy. However, see note (xii) below.*
- (xii) *If you are a person who has been nominated under section 146 of the 2006 Act to enjoy information rights:*
  - (a) *you may have a right under an agreement between you and the shareholder who has nominated you to enjoy information rights (“**Relevant Member**”) to be appointed or to have someone else appointed as a proxy for the meeting;*
  - (b) *if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.*

*Nominated persons are reminded that they should contact the Relevant Member (and not the Company) on matters relating to their investments in the Company.*

- (xiii) *Any corporation which is a shareholder can appoint one or more corporate representatives in writing (which written appointment the Company may require to be produced to Company’s registrar, Equiniti Limited, before the start of the meeting) who may exercise on its behalf all of its powers as a shareholder to attend, speak and vote at the meeting, provided that they do not do so in relation to the same shares. If the shareholder is a corporation and wishes to appoint a proxy, the WHITE Form of Proxy must be executed under its common seal or signed by an officer, attorney or other person duly authorised by the Corporation stating their capacity.*
- (xiv) *This Special Resolution will be put to vote on a poll. On a poll, each shareholder has one vote for every share held.*
- (xv) *Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a shareholder attending the meeting. However, shareholders should note that no answer need be given in the following circumstances:*
  - (a) *if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information;*
  - (b) *if the answer has already been given on a website in the form of an answer to a question; or*
  - (c) *if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.*
- (xvi) *As at 26 March 2015 (being the latest practicable date prior to publication of this Notice) the Company’s issued share capital consisted of 73,121,751 ordinary shares of 2 pence each, carrying one vote each, of which none is a treasury share. Therefore, total voting rights in Optos as at 26 March 2015 are 73,121,751.*
- (xvii) *This Notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 26 March 2015, being the last business day prior to the printing of this Notice, can be found on the Company’s website [www.optos.com](http://www.optos.com).*
- (xviii) *A member may not use any electronic address provided either in this Notice of General Meeting or any related documents to communicate with the Company for any purpose other than those expressly stated.*

