

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Market Act 2000 (as amended), if you are resident in the UK, or, if not, from another appropriately authorised independent financial adviser.**

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**THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE OFFER DOCUMENT.**

20 March 2019

To: *Holder of warrants granted under the warrant instrument dated 18 December 2013*

Dear Warrantholder,

**RECOMMENDED INCREASED CASH OFFER FOR EARTHPORT PLC ("EARTHPORT") BY VISA INTERNATIONAL SERVICE ASSOCIATION ("VISA") A WHOLLY-OWNED DIRECT SUBSIDIARY OF VISA INC. TO BE EFFECTED BY MEANS OF A CONTRACTUAL TAKEOVER OFFER UNDER PART 28 OF THE COMPANIES ACT 2006, AND THE WARRANT TO SUBSCRIBE FOR SHARES DATED 18 DECEMBER 2013 MADE BY EARTHPORT (THE "WARRANT INSTRUMENT")**

**Introduction and background**

We refer to the letter you received dated 25 January 2019 in respect of the recommended cash offer for Earthport by Visa to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Companies Act**") and the Warrant Instrument (the "**Initial Letter**"). This letter replaces and supersedes the Initial Letter, which shall no longer have any force or effect.

On 27 December 2018, the boards of Earthport and Visa announced that they had agreed the terms of a recommended cash offer to be made by Visa, for the entire issued and to be issued ordinary share capital of Earthport at a price of 30 pence per Earthport share (the "**Initial Offer**"). The Initial Offer was to be effected by a court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

On 25 January 2019, Mastercard UK Holdco Limited ("**Mastercard Bidco**") announced an all cash offer for the entire issued and to be issued ordinary share capital of Earthport at a price of 33 pence per Earthport share (the "**Mastercard Offer**").

Following further discussion between Visa and Earthport, on 8 February 2019 Visa announced its intention to make a recommended increased all cash offer for the entire issued and to be issued ordinary share capital of Earthport by Visa at a price of 37 pence per share to be implemented by way of a takeover offer under the UK City Code on Takeovers and Mergers and within the meaning given to that term in Chapter 3 of Part 28 of the Companies Act 2006 (the "**Increased Offer**").

Visa decided to change the method by which the offer is being made to Earthport Shareholders from a court-sanctioned scheme of arrangement under Part 26 of the Companies Act to a contractual offer under Part 28 of the Companies Act.

On 11 February 2019, Visa published an offer document (the "**Offer Document**") containing the full terms of the Increased Offer.

On 8 March 2019, Mastercard Bidco announced that the Mastercard Offer was not capable of being declared unconditional as to acceptances and that the Mastercard Offer had therefore lapsed.

A copy of the Offer Document is enclosed. This letter should be read in conjunction with the Offer Document which can also be found at [www.earthport.com](http://www.earthport.com). Words and expressions defined in the Offer Document have the same meanings when used in this letter, unless otherwise defined.

Under the Increased Offer, which is subject to the Conditions and further terms set out in Appendix I of the Offer Document, Earthport Shareholders will be entitled to receive:

**for each ordinary share in Earthport (a "Share") held, 37 pence in cash ("Offer Price").**

You should note that your Warrants will continue to remain subject to the terms of the Warrant Instrument and, to the extent that any of your Warrants lapse (or have lapsed) pursuant to the terms of the Warrant Instrument, the provisions of this letter (and the Revised Cash Surrender Offer set out below) will not apply.

In the event that the Increased Offer is not declared unconditional in all respects, any acceptance of the Revised Cash Surrender Offer will be of no effect and your Warrants will continue as before.

### **The effect of the Increased Offer on your Warrants**

Based on the register of Warrantholders maintained by Earthport, you are the sole holder of the Warrants. Earthport confirms the following effect of the Increased Offer on your Warrants

Three tranches of Warrants were issued under the Warrant Instrument. Tranche 2 and Tranche 3 have lapsed as a result of the condition to exercise set out in paragraph 2.2(b) and (c) of Schedule 2 of the Warrant Instrument not having been satisfied.

The Warrants represented by Tranche 1 (the "**Tranche 1 Warrants**") granted the Warrantholder the right to subscribe for up to 17,337,748 Shares at 24.2 pence per Share.

The Warrant Instrument provides that the Shares to be issued on the exercise of the Tranche 1 Warrants should be adjusted in certain prescribed circumstances. Under paragraphs 6.1 and 6.3(c) of Schedule 2 of the Warrant Instrument any issue of Shares (or agreement to issue Shares) for cash on or before 18 December 2018 at a price which is below 90% of the exercise price for Tranche 1 (i.e. less than 21.78 pence per Share) gives rise to an increase to the number of subscription rights for Shares in respect of which the Tranche 1 Warrants are exercisable. The number of Shares subject to the Tranche 1 Warrants is increased (in accordance with paragraph 6.1 of Schedule 2 of the Warrant Instrument) by 4.5% of the number of Shares issued pursuant to the adjustment event (up to a maximum of 11 million additional Shares).

The following share issues by Earthport constitute adjustment events:

- the issue of 125,000,000 Shares at 20 pence per share pursuant to a share placing in October 2017;
- the issue of 440,000 Shares at 17.88 pence per share to a consultant in lieu of fees for the year ending 31 March 2017; and
- the issue of 388,418 Shares at 21.24 pence per share to a consultant in lieu of fees in December 2013.

As a result of these adjustment events the Tranche 1 Warrants should now be read as giving the right to subscribe for an additional 5,662,278 Shares at 24.2 pence per share and is now exercisable over an aggregate of 23,000,026 Shares (the "**Warrant Shares**").

Subject to restrictions on dealings under applicable securities laws, you currently have the right to exercise the Tranche 1 Warrants in respect of some or all of the Warrant Shares by following the exercise process set out in paragraph 4 of Schedule 2 of the Warrant Instrument. This would require you to pay Earthport the aggregate exercise price for the Warrant Shares in respect of which you exercise the Tranche 1 Warrants.

The acquisition by Bidco of the right to cast a majority of the votes capable of being cast on a poll at a general meeting of Earthport, upon completion of the Increased Offer, will be a "Corporate Event" for the purposes of paragraph 7.3 of Schedule 2 of the Warrant Instrument. Accordingly, pursuant to

paragraph 7.4 of Schedule 2 of the Warrant Instrument, if you have not exercised the Tranche 1 Warrants or accepted the Revised Cash Surrender Offer at such time then, immediately upon the Increased Offer becoming or being declared unconditional in all respects, you will be deemed to have exercised all outstanding subscription rights in respect of the Tranche 1 Warrants. Earthport would operate the net exercise provisions under paragraphs 7.4 and 7.5 of Schedule 2 of the Warrant Instrument in relation to such deemed exercise which will result in you having the right to be issued 7,956,765 Shares (which have a value at the Offer Price equal to the amount by which the Warrants are "in the money").

As Earthport does not have available reserves which it is authorised to capitalise to enable the issue of such Shares then, if these provisions are operated, you will be entitled but not obliged to subscribe in cash for such Shares at par (i.e. a subscription price of 10 pence per Share). If you have not elected to so subscribe for Shares, such subscription rights will automatically lapse and cease to be exercisable. **As a result of you needing to pay a subscription price of 10 pence per Share, if you elect to subscribe for Shares in accordance with these provisions, you would not receive the full amount by which Tranche 1 is "in the money" at the Offer Price.**

### **Proposal to make a cash payment in consideration for the surrender of the Warrants**

In order to enable you to realise the full amount that the Tranche 1 Warrants are "in the money", Earthport has agreed with Visa that Visa will pay you such amount (being £2,944,003.33 rounded down to the nearest penny) (the "**Revised Cash Surrender Payment**") in consideration for the surrender of all the Warrants and the waiver of any subscription rights you have under the Warrant Instrument (the "**Revised Cash Surrender Offer**") if the Increased Offer becomes or is declared unconditional in all respects. The Revised Cash Surrender Payment has been calculated by multiplying the amount by which the Offer Price of 37 pence exceeds the Exercise Price for the Tranche 1 Warrants of 24.2 pence and multiplying this by the number of the Warrant Shares (being 23,000,026), giving a total amount of £2,944,003.33 (rounded down to the nearest penny).

If you elect to accept the Revised Cash Surrender Offer you will release and surrender all the Warrants on the Increased Offer becoming or being declared unconditional in all respects and Earthport will procure that Visa will make the Revised Cash Surrender Payment to you within 14 days of such date.

**You may accept the Revised Cash Surrender Offer by executing the enclosed Revised Warrant Surrender Agreement as a deed and returning it by post in the enclosed pre-paid envelope to Andrew Minto at Earthport so as to arrive no later than 1.00 p.m. (London time) on 30 April 2019, being the Closing Date of the Increased Offer (or in the event that the Increased Offer is extended by Visa, such later time and date as the Increased Offer is extended to, provided that it is no later than 1.00 p.m. (London time) on the day on which the Increased Offer becomes or is declared unconditional in all respects).**

**If you do not complete and return the Revised Warrant Surrender Agreement in the way and by the deadline set out above, you may not be able to accept the Revised Cash Surrender Offer.**

### **Alternative courses of action**

If you do not wish to take advantage of the Revised Cash Surrender Offer, you may in any event exercise your Warrants in the normal manner (subject to and in accordance with the terms of the Warrant Instrument). If you do not accept the Revised Cash Surrender Offer or exercise your Warrants then Earthport will operate the provisions of paragraph 7.4 and paragraph 7.5 of Schedule 2 of the Warrant Instrument as set out above.

Please note that if you accept the Revised Cash Surrender Offer you will not be issued any Shares in Earthport.

If you do not wish to accept the Revised Cash Surrender Offer but wish to exercise the Warrants or exercise the subscription rights under paragraphs 7.4 and 7.5 of Schedule 2 of the Warrant Instrument (in return for the payment by you of the subscription price of 10 pence per share) on the Increased Offer becoming or being declared unconditional in all respects, please contact Andrew Minto at Earthport at [andrew.minto@earthport.com](mailto:andrew.minto@earthport.com) as soon as possible.

**If you do nothing your subscription rights in respect of your Warrants will cease to be exercisable and will lapse in accordance with the terms of the Warrant Instrument.**

#### **Independent financial advice**

If you are in any doubt as to the course of action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser. You should note that none of the directors or employees of Earthport or Visa are authorised to give any tax, financial or investment advice.

#### **Action to be taken**

In order to accept the Revised Cash Surrender Offer, you must execute and return the Revised Warrant Surrender Agreement. This should be signed by one of your directors in the presence of an independent witness (someone aged 18 or older and not their spouse or civil partner or a member of their immediate family) and return it by post in the enclosed pre-paid envelope to Andrew Minto at Earthport so as to arrive no later than **1.00 p.m. (London time) on 30 April 2019 (or in the event that the Increased Offer is extended by Visa, such later time and date as the Increased Offer is extended to, provided that it is no later than 1.00 p.m. (London time) on the day on which the Increased Offer becomes or is declared unconditional in all respects)**, Visa shall be entitled to rely on the terms of the Revised Warrant Surrender Agreement and enforce its terms subject to the payment of the Revised Cash Surrender Payment.

**If the duly executed Revised Warrant Surrender Agreement is not received by Andrew Minto at Earthport by the deadline set out above, you will be deemed not to have accepted the Revised Cash Surrender Offer. Whilst you may still be able to exercise your Warrants or subscription rights prior to the Increased Offer becoming or being declared unconditional in all respects in accordance with the 'Alternative courses of action' stipulated above, you will not be able to take advantage of the Revised Cash Surrender Offer.**

**It is important that you take action as soon as possible. If you fail to take any action, your subscription rights in respect of your Warrants will lapse in due course and cease to be of any value.**

#### **Further assistance**

If you have any query regarding the contents of this letter or the Revised Warrant Surrender Agreement not requiring the giving of financial, tax or investment advice, you should contact Andrew Minto at Earthport at [andrew.minto@earthport.com](mailto:andrew.minto@earthport.com).

**If you are in any doubt about the proposal in this letter, you should consult a duly authorised independent financial adviser immediately.**

#### **Recommendation by the Earthport Directors**

The Earthport Directors, who have been so advised by Rothschild & Co as to the financial terms of the Revised Cash Surrender Offer, consider those terms to be fair and reasonable. In providing advice to the Earthport Directors, Rothschild & Co has taken into account the commercial assessments of the Earthport Directors.

The Earthport Directors recommend that you accept the Revised Cash Surrender Offer in this letter.

Yours faithfully,

For and on behalf of  
**EARTHPORT PLC**

For and on behalf of  
**VISA INTERNATIONAL SERVICE ASSOCIATION**

**Notes:**

- (a) The Earthport Directors, whose names are set out in paragraph 2.2 of Appendix V of the Offer Document, each accept responsibility for the information contained in this document (including any expressions of opinion) except for information for which the Visa Responsible Persons accept responsibility. To the best of the knowledge and belief of the Earthport Directors (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) 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.
- (b) The Visa Responsible Persons, whose names are set out in paragraph 2.1 of Appendix V of the Offer Document, accept responsibility for the information contained in this document relating to the Visa Group. To the best of the knowledge and belief of the Visa Responsible Persons (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.
- (c) Rothschild & Co, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Earthport and for no one else in connection with the Acquisition and the proposal contained in this document and will not be responsible to anyone other than Earthport for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the proposal contained in this document, the contents of this document or any other matters referred to in this document.
- (d) Rothschild & Co has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.