

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you should immediately consult your stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in International Biotechnology Trust plc, please hand this document and the accompanying form of proxy to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

## **International Biotechnology Trust plc**

### **PROPOSED REPLACEMENT SHARE REPURCHASE AUTHORITY**

**and**

### **NOTICE OF GENERAL MEETING**

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 2 to 3 of this document and which recommends you to vote in favour of the Resolution to be proposed at the General Meeting.

Notice of a General Meeting of the Company to be held at 2.30 pm on Monday, 24 November 2014 at BNP Paribas Fortis, 5 Aldermanbury Square, London EC2V 7BP is set out at the end of this document. Shareholders will also find enclosed with this document a form of proxy for use in connection with the General Meeting. **To be valid, the form of proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company's Registrars, Equiniti Limited, by no later than 2.30 pm on Saturday, 22 November 2014.** The form of proxy can be returned by delivery to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by completing it online at [www.sharevote.com](http://www.sharevote.com), or in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of Meeting and the CREST manual on the Euroclear website ([www.euroclear.com](http://www.euroclear.com)). Completion and return of a form of proxy will not preclude Shareholders from attending and voting at the General Meeting should they choose to do so. Further instructions relating to the form of proxy are set out in the Notice of the General Meeting and the form of proxy.

**LETTER FROM THE CHAIRMAN OF INTERNATIONAL BIOTECHNOLOGY TRUST PLC  
(the Company)**

*Registered in England and Wales No. 2892872*

**Directors:**

Alan Clifton (Chairman)  
John Aston  
Véronique Bouchet  
David Clough  
Jim Horsburgh

**Registered Office:**

International Biotechnology Trust plc  
55 Moorgate  
London  
EC2R 6PA  
[www.ibtplc.com](http://www.ibtplc.com)

5 November 2014

Dear Shareholder,

**Proposed replacement of share repurchase authority**

**1. Background**

The Company's existing Shareholder authority passed at our Annual General Meeting held on 11 December 2013 (the **2013 AGM**) allows the Company to repurchase up to 8,268,133 of its own Ordinary shares in the market (which represents approximately 14.99% of the Company's issued Ordinary share capital as at 28 October 2013, being the date of the notice of the 2013 AGM).

The Company purchased 5,535,000 Ordinary shares in the period from the 2013 AGM to 5 November 2014 under the existing authority.

The Board of Directors of the Company (the **Board**) believes that it is appropriate that the Company renews and replaces the existing authority to purchase shares with a new authority which will allow the Company to repurchase up to approximately 14.99% of its Ordinary shares (excluding any treasury shares) as at 5 November 2014, such authority to expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 (the **2014 AGM**). The 2014 AGM is scheduled to take place on Tuesday, 16 December 2014 at 12.30 pm at BNP Paribas Fortis, 5 Aldermanbury Square, London, EC2V 7BP.

As part of the Board's strategy for managing the discount between the Company's share price and Net Asset Value, the Board believes that it is desirable to retain flexibility to continue to repurchase Ordinary shares before the 2014 AGM.

The purpose of this letter is to propose a General Meeting of the Company to be held at 2:30 pm on Monday, 24 November 2014 (the **General Meeting**) to seek Shareholder authority to authorise the Company to repurchase up to 7,438,437 Ordinary shares of the Company (being approximately 14.99% of the issued Ordinary share capital of the Company as at 5 November 2014).

## **2. Terms of the proposed share repurchase authority**

The Board intends to exercise the proposed share repurchase authority through working with our Broker to selectively intervene in the market to support the discount level as deemed necessary.

The Board will exercise this authority after careful consideration, taking account of whether the effect would be in the best interests of the Company, and of its Shareholders generally, and could be expected to result in an increase in the asset value per share for the remaining Shareholders.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury (of which up to 10% of the issued share capital may be retained in treasury for potential re-issue at any time) or may be cancelled. No shares held in treasury will be re-issued at a discount wider than the discount prevailing at the time of acquisition.

The minimum price, exclusive of expenses, which may be paid for an Ordinary share is its nominal value (25 pence). The maximum price, exclusive of expenses, which may be paid for an Ordinary share is the highest of (i) an amount equal to 5% above the average market value for an Ordinary share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out at the relevant time.

The authority will expire at the conclusion of the 2014 AGM.

## **3. General Meeting**

Enclosed with this letter are the following documents:

- (A) Notice of the General Meeting, to be held at BNP Paribas Fortis, 5 Aldermanbury Square, London EC2V 7BP, at which a special resolution authorising the repurchase of approximately 14.99 per cent. of the Company's Ordinary shares will be proposed; and
- (B) A form of proxy for use in connection with the General Meeting.

## **4. Recommendation**

**Your Directors consider that the resolution to be proposed at the General Meeting is in the best interests of the Shareholders as a whole and unanimously recommend Shareholders to vote in favour of the resolution, as they intend to do in respect of their own Shareholdings amounting in aggregate to 40,000 Ordinary shares representing approximately 0.08 per cent. of the Company's issued Ordinary shares.**

Yours faithfully,

Alan Clifton  
Chairman

## NOTICE OF MEETING

Notice is hereby given that a General Meeting of International Biotechnology Trust plc (the **Company**) will be held at BNP Paribas Fortis, 5 Aldermanbury Square, London EC2V 7BP on Monday 24 November 2014 at 2.30 pm (the **GM** or **Meeting**). You will be asked to consider and if thought fit to pass the resolution below. The resolution will be proposed as a special resolution.

### SPECIAL RESOLUTION

THAT, the Company be generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 (the **Act**), in replacement of any existing authority which is hereby revoked, to make one or more market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25 pence each in the capital of the Company, subject to the following restrictions and provisions:

- (a) the maximum number of Ordinary shares hereby authorised to be purchased is 7,438,437 (being approximately 14.99% of the issued Ordinary share capital at the date of this Notice);
- (b) the maximum price, exclusive of expenses, which may be paid for any such Ordinary share shall be the higher of:
  - (i) an amount equal to 105% of the average of the closing middle market quotations for an Ordinary share (as derived from the London Stock Exchange Daily Official List) for the five Business Days immediately preceding the day on which that Ordinary share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out;
- (c) the minimum price which may be paid for such Ordinary share is 25 pence per share; and
- (d) the authority conferred hereby shall expire at the end of the Annual General Meeting of the Company to be held in 2014 (unless previously revoked, varied or extended by the Company in General Meeting), except that the Company may before such expiry enter into a new contract or contracts to purchase such Ordinary shares under the authority conferred hereby that will or may be executed wholly or partly after the expiry of such authority and the Company may make a purchase of Ordinary shares in pursuance of any such contract or contracts as if the authority had not expired.

By order of the Board

**BNP Paribas Secretarial Services Limited**  
Company Secretary

Registered Office:  
55 Moorgate  
London EC2R 6PA

5 November 2014

# Notice of Meeting

## Notes

1. Ordinary Shareholders are entitled to attend and vote at the Meeting and to appoint one or more proxies or corporate representatives to exercise all or any of their rights to attend, speak and vote on their behalf at the Meeting but only if each proxy or corporate representative is appointed to vote on separate or separate blocks of shares registered to the Shareholder. A proxy need not be a Member of the Company. A proxy form is enclosed accordingly. To be valid, the form of proxy should be completed, signed and returned in accordance with the instructions printed thereon.
2. Any person to whom this Notice is sent, who is a person nominated under Section 146 of the Companies Act 2006 (the Act) to enjoy information rights (a Nominated Person) may, under an agreement between him or her and the Shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the GM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

The statement of the rights of Ordinary Shareholders in relation to the appointment of proxies in this note does not apply to Nominated Persons. The rights described in this note can only be exercised by Ordinary Shareholders of the Company.

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those Shareholders registered in the Register of Members of the Company at 6.00 pm on Saturday, 22 November 2014, or 6.00 pm two days prior to the date of an adjourned Meeting, shall be entitled to attend and vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to the Register of Members after 6.00 pm on Saturday, 22 November 2014 shall be disregarded in determining the right of any person to attend and vote at the Meeting. The voting record date has been determined as Saturday, 22 November 2014.
4. In the case of joint holders of a share the vote of the first named on the Register of Members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
5. Members (and any proxies or corporate representatives appointed) agree, by attending the Meeting, that they are expressly requesting and are willing to receive any communications relating to the Company's securities made at the Meeting.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the GM to be held on Monday, 24 November 2014 and any adjournment(s) thereof by using the procedures described in the CREST Manual on the Euroclear website ([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 using 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 instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 issuer's agent (ID RA19) by 2.30 pm on Saturday, 22 November 2014. 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 Applications Host) from which the issuer'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 UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is 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.

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.

7. You may not use any electronic address provided either in the Notice of Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
8. As at 5 November 2014, 49,622,663 Ordinary shares of 25 pence were in issue and 2,720,000 Ordinary shares were held in treasury. Accordingly, the total number of voting rights of the Company as at 5 November 2014 is 49,622,663.
9. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests of the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the FCA. As a result, any Member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the FCA.
10. A map of the location of the GM venue is shown on page 8 and will assist Shareholders who wish to attend the GM. A personalised proxy form will be sent to each registered Shareholder with this Notice of Meeting, and instructions on how to vote will be contained thereon.
11. Shareholders are advised that they have the right to have questions answered at the GM. The Company must cause to be answered any such question relating to the business being dealt with at the GM but no such answer need be given if:
  - (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
  - (b) the answer has already been given on the Company's website ([www.ibtplc.com](http://www.ibtplc.com)) in the form of an answer to a question; or
  - (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

The Board encourages Shareholders to submit any questions they may wish to raise at the GM in writing to the Company Secretary in advance of the Meeting. The Company Secretary can be contacted by writing to: BNP Paribas Secretarial Services Limited, 55 Moorgate, London EC2R 6PA or by email at [secretarialservice@uk.bnpparibas.com](mailto:secretarialservice@uk.bnpparibas.com).

12. As soon as practicable following the GM, the results of the voting at the Meeting and the number of votes cast for and against and the number of votes withheld in respect of each resolution will be announced via a Regulatory Information Service and placed on the Company's website.
13. A copy of this Notice, and other information by Section 311A of the Act, can be viewed and/or downloaded at [www.ibtplc.com](http://www.ibtplc.com) and, if applicable, any Members' statements, resolutions or matters of business received by the Company after the date of this Notice will be available on the Company's website [www.ibtplc.com](http://www.ibtplc.com).

*Registered Office:*

55 Moorgate  
London EC2R 6PA

## Location of Meeting

BNP Paribas Fortis, 5 Aldermanbury Square, London EC2V 7BP

