



# CHARTER

**Directors:**

Lars Emilson, *Chairman*  
Gareth Rhys Williams, *Chief Executive*  
John Biles, *Independent Non-Executive Director*  
Robert Careless, *Finance Director*  
James Deeley, *Commercial Director*  
Grey Denham, *Senior Independent Non-Executive Director*  
John Neill, *Non-Executive Director*  
Andrew Osborne, *Independent Non-Executive Director*  
Manfred Wennemer, *Independent Non-Executive Director*

**Registered Office:**

22 Grenville Street  
St Helier  
Jersey  
JE4 8PX

Charter International plc  
(incorporated and registered in Jersey)  
Registered Number: 100249  
www.charter.ie

18 October 2011

Dear Shareholder

**RECOMMENDED ACQUISITION OF CHARTER INTERNATIONAL PLC BY  
COLFAX UK HOLDINGS LTD (A WHOLLY-OWNED SUBSIDIARY OF COLFAX CORPORATION)**

On 12 September 2011 Charter International plc ("**Charter**") and Colfax Corporation ("**Colfax**") announced that they had reached agreement on the terms of a recommended cash and share offer for the entire issued and to be issued share capital of Charter (the "**Acquisition**"). As outlined in that announcement, the Acquisition is intended to be implemented by means of a scheme of arrangement of Charter under the Companies (Jersey) Law 1991 (the "**Scheme**").

In connection with the Scheme, you will find enclosed:

- (A) a circular to Charter Shareholders (the "**Scheme Circular**"), which includes an explanation of the terms of the Scheme (in Part Two) together with notices of the Court Meeting (in Part Eleven) and Charter General Meeting (in Part Twelve) in connection with the Scheme;
- (B) a prospectus published by Colfax (and for which the Charter Directors take no responsibility) in relation to Colfax and the Colfax common stock which forms part of the consideration under the Scheme;
- (C) a blue Form of Proxy for use in respect of the Court Meeting;
- (D) a white Form of Proxy for use in respect of the Charter General Meeting;
- (E) a reply-paid envelope (for use in the UK only) for the return of the Forms of Proxy; and
- (F) if you hold your Charter Shares in certificated form: (i) a Form of Election in respect of the Mix and Match Facility and the Loan Note Alternative, together with a reply-paid envelope (for use in the UK only) for the return of the Form of Election; and (ii) a copy of the terms and conditions of the Corporate Sponsored Nominee service to be provided to certain Charter Shareholders who hold their Charter Shares in certificated form (for more information please see paragraph 17 of Part Two of the Scheme Circular) (the "**CSN Terms and Conditions**").

If you have not received all of these documents, or for further information, please contact the Shareholder Helpline on the following number:

0870 889 3281 or +44 870 889 3281 if calling from outside the UK.

Calls to the 0870 889 3281 number cost approximately 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the Shareholder Helpline from outside the UK 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 Shareholder Helpline is available to answer questions regarding this letter, the Scheme Circular, the Court Meeting, the Charter General Meeting or the completion and return of the Forms of Proxy or the Form of Election. However, the Shareholder Helpline cannot provide advice on the merits of the Acquisition nor give any financial, legal or tax advice.

Yours faithfully

**Lars Emilson**  
Chairman

*Terms which are used, but not separately defined, in this letter have the meaning given to them in the Scheme Circular.*

*The Charter Directors accept responsibility for the information contained in this letter. To the best of the knowledge and belief of the Charter Directors (having taken all reasonable care to ensure that such is the case), the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information. However, the Charter Directors accept no responsibility for the Colfax Prospectus.*

*The issuance of New Colfax Shares to Scheme Shareholders under the Scheme has not been and will not be registered under the US Securities Act of 1933 and the New Colfax Shares will be issued in reliance upon the exemption from the registration requirements of the US Securities Act of 1933 provided by section 3(a)(10) thereof.*

#### **Disclosure requirements**

*Under Rule 8.3(a) of the City 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 paper 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 paper 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 paper offeror. An "Opening Position Disclosure" by a person to whom Rule 8.3(a) of the City Code 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 paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an "Opening Position Disclosure" must instead make a "Dealing Disclosure".*

*Under Rule 8.3(b) of the City 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 paper offeror must make a "Dealing Disclosure" if the person deals in any "relevant securities" of the offeree company or of any paper 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 paper offeror, save to the extent that these details have previously been disclosed under Rule 8 of the City Code. A "Dealing Disclosure" by a person to whom Rule 8.3(b) of the City Code 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 paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the City Code.*

*"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 of the City Code). 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 Takeover 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. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129.*

*Terms in quotation marks are defined in the City Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8 of the City Code, you should contact an independent financial adviser authorised by the FSA under the Financial Services and Markets Act 2000 or consult the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk) or contact the Panel on telephone number +44 (0) 20 7638 0129.*

*The documents referred to at paragraphs (A) and (B) above and the CSN Terms and Conditions are available at [http://www.charter.ie/chtr\\_int/investors/recommended-acquisition/](http://www.charter.ie/chtr_int/investors/recommended-acquisition/).*