

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") who specialises in advising on the acquisition of shares and other securities.**

This document which comprises an admission document for the purposes of the AIM Rules, has been drawn up in accordance therewith. This document does not contain an offer of transferable securities to the public within the meaning of section 102B of FSMA and does not require a prospectus within the meaning of section 85 of FSMA and is not a prospectus as defined in the AIM Rules. Copies of this document which is dated 6 December 2005 will be available free of charge to the public during normal business hours on any weekday (except Saturdays and public holidays) from the registered office of the Company and from the offices of Teather & Greenwood, Beaufort House, 15 St Botolph Street, London EC3A 7QR from the date of admission for a period of one month from Admission.

**Application has been made for the Ordinary Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the FSA nor the London Stock Exchange have examined or approved the contents of this document. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the ordinary Shares to be admitted to any such exchange. It is expected that the Ordinary Shares will be admitted to trading on AIM on 6 January 2006.**

The AIM Rules are less demanding than those of the Official List and it is emphasised that no application is being made to the official list. Prospective investors should read the whole text of this document and should be aware that investment in the Company is speculative and involves a degree of risk. In particular, prospective investors should consider the section entitled "Risk Factors" set out in Part II of this document. All statements regarding the Company's business should be viewed in the light of these risk factors.

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# **LIBRA RETAIL PLC**

*(Incorporated in England and Wales under the Companies Act 1985 with registered no. 5332938)*

## **The Grafton Investment**

### **Admission to AIM**

### **Change of Name to Leo Insurance Services PLC**

### **Share Consolidation**

### **Allotment of 65,000 new Preference Shares at a price of £1 per share**

### **Placing of 1,443,191 new Ordinary Shares of 1p each**

### **at a price of 14p per share**

**and**

### **Notice of EGM**

### *Nominated Adviser to the Company*

### **Teather & Greenwood Limited**

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#### **Share capital immediately following Admission**

<i>Amount</i>	<i>Authorised Number</i>		<i>Issued and fully paid Amount</i>	<i>Number</i>
£200,000	20,000,000	Ordinary Shares of 1p each	£70,623.81	7,062,381
£65,000	65,000	Preference Shares of £1 each	£65,000.00	65,000

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Teather & Greenwood Limited, which is regulated in the UK by the Financial Services Authority, is acting as the Company's nominated adviser and broker in connection with the proposed Placing and Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person. Teather & Greenwood Limited has not authorised the contents of any part of this document and (without limiting the statutory rights of any person to whom this document is issued) no liability whatsoever is accepted by Teather & Greenwood Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible.

Notice of an Extraordinary General Meeting of the Company to be held at the offices of Dechert LLP, 160 Queen Victoria Street, London, EC4V 4QQ at 11.00 a.m. on 5 January 2006 is set out at the end of this document. A form of proxy to be used in connection with the Extraordinary General Meeting accompanies this document and should be completed by shareholders and returned in accordance with the instructions printed thereon as soon as possible and in any event no later than 11.00 a.m. on 3 January 2006.

This document does not constitute an offer to sell or issue or the solicitation to buy or subscribe for Ordinary Shares to any person in any jurisdiction in which such offer or solicitation is unlawful.

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## DEFINITIONS

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

“Act”	the Companies Act 1985, as amended;
“Admission”	the effective admission of the Ordinary Shares of 1p to trading on AIM pursuant to the AIM Rules;
“Bizspace”	Bizspace plc, a company incorporated in England and Wales with registered number 03990878;
“AIM”	the AIM market of the London Stock Exchange;
“AIM Rules”	the rules for AIM listed companies and their nominated advisers published by the London Stock Exchange governing admission to and the operation of AIM;
“Allotment of Preference Shares”	the proposed allotment and issue of 65,000 Preference Shares to Safeland;
“Board”	the board of directors of the Company for the time being including a duly constituted committee of the directors;
“Change of Name”	the proposed change of name of the Company to Leo Insurance Services plc;
“Company” or “Libra”	Libra Retail Plc, a company incorporated in England and Wales with registered number 5332938;
“CREST”	the electronic, paperless transfer and settlement system to facilitate the transfer of title to shares in uncertificated form, operated by CRESTCo Limited (company number 0287838);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended;
“Directors”	the directors of the Company, whose names are set out on page 6 of this document and “Director” means any one of them;
“Enlarged Ordinary Share Capital”	the issued ordinary share capital of the company after the Resolution has been passed and the Placing has been completed;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the company to be held at 11.00 a.m. on 5 January 2006 pursuant to the notice set out at the back of this document;
“Executive Directors”	Larry Lipman, Errol Lipman, and Paul Davis;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the Extraordinary General Meeting;
“FSA”	Financial Services Authority;
“FSMA”	Financial Services and Markets Act 2000;
“Grafton ”	Grafton Insurance Services Limited, the newly formed company to be owned by Libra and the Management Shareholders;

“Grafton Investment”	the proposed investment in Grafton, details of which are contained in Part I of this document;
“Hercules”	Hercules Property Services plc, a company incorporated in England and Wales with registered number 03142678;
“London Stock Exchange”	London Stock Exchange plc;
“Management Shareholders”	means Terrence Michael Marshall, Paul Stoner and Mark Gerard O’Connell;
“Management Shareholders Agreement”	means the agreement between the Company and the Management Shareholders pursuant to which, subject to shareholders’ approval, the Company will make the Grafton Investment;
“Official List”	the Official List of the UK Listing Authority;
“Ordinary Shares of 0.1p”	ordinary shares of 0.1p each in the capital of the Company prior to the Share Consolidation;
“Ordinary Shares of 1p”	ordinary shares of 1p each in the capital of the Company following the Share Consolidation;
“Placing”	the placing of 1,443,191 Ordinary Shares of 1p by Teather & Greenwood, more particularly described in Part I of this document;
“Placing Price”	14p per Ordinary Share of 1p;
“Preference Shares”	new cumulative redeemable preference shares of £1 each in the capital of the Company;
“Proposals”	the Grafton Investment, the Share Consolidation, the Change of Name, the Allotment of Preference Shares and the Placing;
“Record Date”	5 January 2006;
“Resolution”	the special resolution to be proposed at the EGM to approve the Proposals;
“Safeland”	Safeland plc, a company registered in England under number 2012015 whose registered office is at 94-96 Great North Road, London, N2 0NL, being the former holding company of the Company;
“Share Consolidation”	the consolidation of ten Ordinary Shares of 0.1p each into one Ordinary Share of 1p;
“SHC”	Safeland Holdings Corporation, in which each of Larry Lipman and Errol Lipman holds a one third interest;
“Teather & Greenwood”	Teather & Greenwood Limited, the Company’s nominated adviser and broker for the purposes of the AIM Rules, a member of the London Stock Exchange and regulated in the UK by the FSA;
“UK”	United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000.

## EXPECTED TIMETABLE FOR ADMISSION

Publication of this document	6 December 2005
Last time for receipted Forms of Proxy	11.00 a.m. on 3 January 2006
Extraordinary General Meeting	11.00 a.m. on 5 January 2006
Record Date for the Share Consolidation	Close of business 5 January 2006
Admission and dealings in the Ordinary Shares of 1p expected to commence on AIM and expected date for CREST accounts to be credited	6 January 2006
Certificates in respect of the Ordinary Shares of 1p to be despatched	20 January 2006

## PLACING STATISTICS

Placing price	14p
Number of new Ordinary Shares of 1p being pursuant to the Placing	1,443,191
Number of Ordinary Shares of 1p in issue immediately following the Placing	7,062,381
Market capitalisation following the Placing at the Placing Price	£988,733
Percentage of the Enlarged Issued Share Capital Placed	20.43 per cent.
Estimated gross proceeds of the Placing	£202,047
ISIN number	GB00B0NN1H91

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Larry Glenn Lipman – <i>Executive Chairman</i> Errol Alan Lipman – <i>Executive Director</i> Paul Malcolm Davis – <i>Finance Director</i> Edward George Young – <i>Non-executive Director</i>
<b>Registered and Head Office</b>	94-96 Great North Road London N2 0NL
<b>Company Secretary</b>	Paul Malcolm Davis
<b>Nominated Adviser and Broker</b>	Teather & Greenwood Limited 15 St Botolph Street London EC3A 7QR
<b>Solicitors to the Company</b>	Dechert LLP 160 Queen Victoria Street London EC4V 4QQ
<b>Solicitors to the Nominated Adviser and Broker</b>	Memery Crystal 44 Southampton Buildings London WC2A 1AP
<b>Auditors and Reporting Accountants</b>	Deloitte & Touche LLP Hill House 1 Little New Street London EC4A 3TR
<b>Registrars</b>	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

## PART I

### LETTER FROM THE CHAIRMAN

# Libra Retail Plc

(registered in England and Wales No. 5332938)

#### *Directors*

L G Lipman (*Executive Chairman*)

E A Lipman (*Executive Director*)

P M Davis (*Finance Director*)

E G Young (*Non-executive Director*)

94-96 Great North Road

London

N2 0NL

6 December 2005

Dear Sir or Madam

#### **The Grafton Investment**

#### **Admission to AIM**

#### **Change of Name to Leo Insurance Services Plc**

#### **Share Consolidation**

#### **Allotment of 65,000 Preference Shares at a price of £1 per share**

#### **Placing of 1,443,191 new Ordinary Shares of 1p each at a price of 14p per share**

#### **Notice of EGM**

#### **Introduction**

Your board today announced that the Company had entered into an agreement to invest in Grafton, a new company which is to trade as a property insurance broker. The Company's original admission document, published on 23 March 2005, stated that its strategy was to make at least one acquisition which would be treated as a reverse takeover (as defined by the AIM Rules) by 30 March 2006, and the Grafton Investment will satisfy that objective. Due to the fact that the Grafton Investment constitutes a reverse takeover under the AIM Rules, trading in the Ordinary Shares of 0.1p on AIM will be cancelled and the Company will apply to the London Stock Exchange for its issued and to be issued ordinary share capital to be admitted to trading on AIM. In addition, the Directors believe that it is appropriate to change the name of the Company to Leo Insurance Services Plc, consolidate its share capital and to raise approximately £200,000 to cover the costs of the Proposals. The purpose of this document is to explain the reasons for the Proposals and to give notice of the EGM convened for 11.00 a.m. on 5 January 2006, at Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ.

#### **Background**

Your Directors have a large number of connections in the property industry and we believe that we can make use of them to sell property insurance services.

Paul Davis and I, together with Eddie Young, were formerly directors of Hercules where we were, amongst other things, partly responsible for the growth of that group's property insurance business. Whilst we do not suggest that the Company will replicate the success of Hercules' growth, we believe that the experience we gained there can be of value to the Company in its new investment.

#### **Reasons for the Grafton Investment**

The strategy of Grafton is to focus on arranging property insurance for contacts introduced to it by the Executive Directors. This was the basis on which the Hercules group started its insurance broking business and your Directors believe that that formula will be profitable once more.

Grafton will be owned as to 50 per cent. by the Company and as to 50 per cent. by the Management Shareholders, who are individuals with experience in the insurance broking business and who, your directors believe, have the necessary expertise to manage Grafton's broking business. Since Grafton is a newly formed company, with no assets at this stage, the cost of the investment is nominal.

Once the Proposals have been approved by the Company's shareholders, it is envisaged that both Safeland and Bizspace will appoint Grafton to act as their insurance broker for their respective property portfolios. In accordance with common practice within the property industry, commission will be shared between Grafton and the relevant insured party. The agreements with Safeland and Bizspace will be subject to termination by either party on not less than three months notice, save that no notice may expire prior to the eighth anniversary of the date of each agreement, unless Grafton is sold to a third party prior to the sixth anniversary, in which case such notice may expire on or after the sixth anniversary (but not before). The maximum aggregate commission payable to Safeland under the proposed agreement with Safeland is £600,000 and the agreement will terminate upon that limit being achieved. The amount of commission estimated to be payable to Safeland under the agreement is approximately £20,000 per annum. Accordingly, your Directors do not envisage that this upper limit will be exceeded.

My brother Errol and I have interests (through our investments in SHC) in over 50 per cent. of the share capital of Safeland. Due to those interests, the arrangements between Grafton and Safeland will also require the approval of Safeland's shareholders and a separate circular will be sent to them seeking their consent. The agreement between Grafton and Safeland will be entered into following that consent being obtained.

Under the proposed Management Shareholders Agreement, the parties will have the option to require Grafton to be marketed for sale for the period beginning on and from 1 April 2010 and ending on (and including) 30 November 2010. If the best offer received from any potential third party buyer of Grafton is less than Grafton's net income during the twelve months prior to their offer (but is at least equal to 85 per cent. of that income) then the Management Shareholders shall be entitled to purchase the Company's shares in Grafton at the price offered by that third party or if higher for a price equal to Grafton's net income multiplied by the proportion of Grafton's shares then held by the Company.

Grafton will apply to the FSA for authorisation to carry on business as an insurance broker in the UK as soon as possible after entering into the Management Shareholders' Agreement. Until such authorisation is given, it is intended that Grafton will (subject to the appropriate requirements of the FSA being satisfied) operate as an appointed representative of Anthony Jones (UK) Limited, a company in which one of the Management Shareholders is interested, which is authorised and regulated for the purposes of general insurance by the FSA.

### **Other Proposals**

It is proposed to change the name of the Company to Leo Insurance Services Plc to reflect the nature of its new activities. The opportunity is also being taken to consolidate the Company's share capital into 5,619,190 Ordinary Shares of 1p each.

It is also proposed that the Company's articles of association be altered pursuant to the Resolution in order to enable any fractions arising from the Share Consolidation to be aggregated and sold in the market for the benefit of the Company.

### **Terms of the Placing**

The Company and Teather & Greenwood have, on 6 December 2005, entered into a Placing Agreement pursuant to which Teather & Greenwood have agreed, subject to the fulfilment of certain conditions, to use its reasonable endeavours to procure subscribers for the Ordinary Shares of 1p at the Placing Price.

Unicorn Asset Management Limited has agreed, conditionally upon Admission taking place, to subscribe for 1,443,191 Ordinary Shares of 1p each at 14p per share, which will represent 20.43 per cent. of the Enlarged Ordinary Share Capital. This subscription will raise £202,047 for the Company,



which will be used to cover the professional fees and other costs which the Company has incurred in connection with the Proposals.

The Placing is not a rights issue or open offer and no new shares are being offered generally to shareholders, whether on a pre-emptive basis or otherwise. The Directors believe that the considerable additional costs and delay to which a rights issue or an open offer would give rise would not be in the best interests of the Company in the circumstances, given the size of the Placing.

### **Preference Shares**

In order to provide the Company with sufficient funds to meet administration and overhead costs, it is proposed that 65,000 Preference Shares be created, allotted and issued to Safeland at the price of £1 per Preference Share. The Preference Shares provide for a fixed cumulative dividend at a rate of six per cent. per annum on the nominal amount of the Preference Shares which accrues on a daily basis from issue. The Preference Shares can be redeemed by Libra at any time on seven days written notice or at Safeland's request when all or any part of the dividend is in arrears for at least 12 months or, in any event, upon the second anniversary of issue. If the Preference Shares are not redeemed by the appropriate date, the dividend rate will increase to nine per cent. per annum. The Preference Shares do not confer a right to attend, speak or vote at any general meeting of the Company. It is not intended that the Preference Shares will be admitted to trading on AIM.

### **Directors**

Libra is managed by a Board of four Directors, whose details are given below:

*Larry Glenn Lipman, Executive Chairman, aged 49*

I have gained extensive experience of the property market over the last twenty years. I am managing director of Safeland, where my primary focus is on trading opportunities and the assessment of potential investments and refurbishment projects. I am also chairman of Bizspace and, until its recent takeover, was executive chairman of Hercules. I have been closely involved in the successful development and rapid growth of both companies.

*Errol Alan Lipman, Executive Director, aged 47*

Errol gained a diploma in hotel management and catering in 1978. He started to work in the property sector in 1985, when he joined in the sales and rental departments of a local estate agency which Safeland then owned. Errol has been a director of Safeland since its flotation in 1988 and he is primarily responsible for the group's acquisitions and sales of commercial and residential property as well as for the refurbishment and management of the building projects which the Safeland group undertakes from time to time.

*Paul Malcolm Davis, Finance Director, aged 52*

Paul qualified as a chartered accountant in 1975. Having worked as a finance director in the music industry for 14 years at a major publishing house he joined Safeland in 1991 and was appointed finance director in early 1992. Paul is also an executive director of Bizspace and prior to its takeover by Erinaceous plc he was commercial director of Hercules. In each capacity he has had considerable experience in negotiating and arranging corporate transactions and being instrumental in the growth of each of those companies.

*Edward George Young, Non-Executive Director, aged 63*

Edward qualified as a solicitor in 1968 after graduating from University College, London. He is a senior partner of the London firm of solicitors Philippsohn Crawfords Berwald and has extensive experience in commercial property law and practice. He is a senior legal adviser to a major publishing group and holds non-executive directorships on the boards of other companies. In particular, he was a non-executive director of Hercules until its take over by Erinaceous plc last year.

Following James Caan's resignation from the Board, as announced on 4 November 2005, the Company intends to appoint a new non-executive Director to the board in due course.

Details of the fees payable to Directors and their agreements with the Company are set out in paragraph 6 of Part IV of this document.

### **Directors' interests and lock-in arrangements**

After the Share Consolidation and Placing have been implemented, SHC will hold 2,665,926 Ordinary Shares of 1p each representing approximately 37.30 per cent. of the Enlarged Ordinary Share Capital and Unicorn Asset Management Limited will hold 1,443,191 Ordinary Shares of 1p each representing approximately 20.43 per cent. of the Enlarged Ordinary Share Capital. In addition, the Directors' aggregate interest in Ordinary Shares of 1p will amount to 176,183 Ordinary Shares of 1p each representing approximately 2.49 per cent. of the Enlarged Ordinary Share Capital. Safeland will hold 511,919 Ordinary Shares of 1p representing approximately 7.25 per cent. of the Enlarged Ordinary Share Capital. The Directors, Safeland and SHC have agreed not to dispose of any interests in the securities of the Company for a period of 12 months following Admission, save in certain specific circumstances permitted by the AIM Rules.

On 3 February 2005, Errol Lipman, Paul Davis and I were each conditionally granted options over Ordinary Shares of 0.1p worth £175,000 valued by reference to the average closing middle market quotation for an Ordinary Share of 0.1p (as derived from the Official List) for the first three dealing days after the initial admission, which was 1.92p. Each option is exercisable at any time after 18 months and before 10 years following the date of grant.

Further details of the Directors' interests and the lock-up arrangements are set out in paragraphs 5 and 7.5 respectively of Part II of this document.

### **No Past Trading**

The Company has not traded since incorporation, but has incurred and continues to incur expenses.

### **Dividend Policy**

Subject to the payment of the Preference Share dividend, in the medium term it is the Directors' intention to re-invest funds directly into the Company rather than to fund the payment of dividends. Thereafter the payment of dividends will be subject to the availability of distributable reserves whilst maintaining an appropriate level of dividend cover and having regard to the need to retain sufficient funds to finance the development of the Company's activities.

### **Corporate Governance**

The Board recognises the importance of sound corporate governance whilst taking into account the size and nature of the Company. As the Company grows, the Directors intend that the Company should develop policies and procedures which reflect the Combined Code on Corporate Governance published in July 2003 ("the Combined Code") and the Quoted Companies Alliance Guidelines published on 13 July 2005 ("the QCA Guidelines"). The Company intends, following Admission, to comply with the Combined Code and the QCA Guidelines so far as is practicable and appropriate for a public company of its size and nature.

### **Admission, dealings and CREST**

It is expected that Admission will take place and dealings on AIM will commence at 8.00 a.m. on 6 January 2006.

Under the proposed Share Consolidation, for every 10 Ordinary Shares of 0.1p held at the Record Date, 1 new Ordinary Share of 1p will be issued. With effect from the Record Date, existing share certificates for Ordinary Shares of 0.1p will cease to be valid. The Ordinary Shares of 0.1p are expected to be disabled in CREST from 5.00 p.m. on 5 January 2006. Dealings in the Ordinary Shares of 1p are expected to commence at 8.00 a.m. on 6 January 2006.

Ordinary Shareholders who hold their Ordinary Shares of 0.1p in uncertificated form will have their CREST accounts credited with the Ordinary Shares of 1p on 6 January 2006.

Temporary documents of title will not be issued for the Ordinary Shares of 1p following the Consolidation in respect of those Ordinary Shares of 0.1p held in certificated form. Transfers of such

shares will be certified against the register pending receipt of definitive certificates. It is expected that certificates in respect of Ordinary Shares of 1p held in certificated form will be posted by 20 January 2006. Following the Consolidation, existing share certificates will no longer be of value, and, on receipt of certificates for the Ordinary Shares of 1p, should be destroyed.

### **Taxation**

Information regarding taxation is set out in paragraph 10 of Part IV of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. If you are in any doubt as to your tax position you should consult an appropriate professional adviser immediately.

Upon Admission, the Company will be trading in the insurance sector and will not qualify for the Enterprise Investment Scheme ("EIS") relief.

### **Extraordinary General Meeting**

A notice convening an EGM to be held at 11.00 a.m. on 5 January 2006 set out at the back of this document. The Resolution, which will be put to the meeting as a special resolution, incorporates the following proposals:

- (a) the approval of the Management Shareholders Agreement, pursuant to which the Company will invest in Grafton;
- (b) the approval of the proposed arrangements between Grafton and each of Safeland and Bizspace;
- (c) the consolidation of the Company's share capital on the basis of 1 new Ordinary Shares of 1p each for 10 existing Ordinary Shares of 0.1p each;
- (d) the approval of the alterations to the articles of association of the Company incorporating the provisions relating to the treatment of fractions and the newly created Preference Shares;
- (e) the increase of the authorised share capital of the Company from £200,000 to £265,000 by the creation of 65,000 Preference Shares of £1 each;
- (f) the grant of the authority to the directors, pursuant to section 80 of the Act, to allot any relevant securities of the Company up to a maximum aggregate nominal amount of £98,161.54 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company after the date on which such resolution is passed;
- (g) the grant of the authority to the directors, pursuant to section 95 of the Act, to allot equity securities for cash as if section 89(1) of the Act did not apply to the allotment for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company after the date on which such resolution is passed; and
- (h) the change of the name of the Company to Leo Insurance Services plc.

### **Action to be taken**

Enclosed is a form of proxy (coloured) for use at the EGM. You are asked to complete and return it by post to the Company's Registrars: Capita Registrars, Proxy Department, the Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU so as to be received as soon as possible and in any event, not later than 11.00 a.m. on 3 January 2006. Completion of the form of Proxy will not affect your right to attend and vote at the EGM should you wish to do so.

### **Further Information**

Your attention is drawn to the information set out in Parts II to IV of this document.

**Recommendation and Directors Intention**

The Directors consider the Proposals are in the best interests of the Company and its shareholders. Accordingly the Directors unanimously recommend you vote in favour of the resolution to be proposed at the EGM. The Directors have undertaken to vote in favour of the resolution to be proposed at the EGM in respect of their beneficial holdings of 1,761,832 Ordinary Shares of 0.1p in aggregate representing 3.14 per cent. of the existing issued share capital, with the exception of Edward Young who is not beneficially interested in any Ordinary Shares of 0.1p. In addition, SHC, which holds 26,339,257 Ordinary Shares of 0.1p (amounting to 46.87 per cent. of the existing issued ordinary share capital of the Company) has undertaken to the Directors that it will vote in favour of the Resolution.

Yours faithfully

**Larry Lipman**

*Chairman*

Libra Retail Plc

## PART II

### RISK FACTORS

The Directors consider that the following risk factors should be taken into account:

**If you are in any doubt about the action you should take, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom. In addition to the usual risks associated with an investment in a business at an early stage of its development, the Directors consider that the following risk factors are significant to potential investors and should be carefully considered together with all other information contained in this document, prior to investing in Ordinary Shares of 1p. The risks listed do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. There may be additional risks and uncertainty which the Directors currently consider not to be material or of which they are not presently aware and which may also have an adverse effect on the Company.**

#### General

- Whilst the Company is applying for the admission of the Enlarged Ordinary Share Capital to trading on AIM, there can be no assurance that an active trading market in the ordinary shares will develop, or, if developed, that it will be maintained. AIM is a market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List or other exchanges.
- The future success of AIM and liquidity in the market for the ordinary shares in the Company cannot be guaranteed. In particular, the market for the ordinary shares may be, or may become, relatively illiquid (particularly given the lock-in arrangements described in this document) and therefore such shares may be or may become difficult to sell.
- An investment in the Company may not be suitable for all recipients of this document. Accordingly, investors are strongly advised to consult an independent financial adviser authorised for the purposes of FSMA who specialises in the acquisition of shares and other securities in the UK before making any decision to invest.

#### Loss of Key Personnel

- Loss of key management by the Company or Grafton could have adverse consequences for the Company and/or Grafton. In order to avoid incurring expenses and liabilities which they would be unable to meet, neither the Company nor Grafton has entered into long term service agreements with any of its Directors. The retention of their services cannot therefore be guaranteed.

#### Laws and regulation

- The Company and Grafton will be subject to the general laws of the UK and of other jurisdictions in which it operates. Existing and future legislation, regulation and actions could cause additional expense, capital expenditure, restrictions and delays in the activities of those companies, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the services of Company and Grafton entirely or in a material respect.
- Grafton is not yet authorised by the FSA and the formalities for becoming an appointed representative of Anthony Jones (UK) Limited are yet to be completed.

#### Loss of Key Clients

- The Company and Grafton will initially have a small number of clients and the loss of any one of its major clients for whatever reason could cause a material loss of revenue. The loss of a client

could have a material adverse effect on the reputation of Grafton which could limit its ability to attract new clients be operating within the property insurance sector.

#### **Insurance Risk**

- The Company and Grafton will be operating within the property insurance sector and will hence be subject to the business specific risks inherent in the writing of premiums for properties.

**Although the Directors and Proposed Directors will seek to minimise the impact of the risk factors, investment in the Company should only be made by investors able to sustain a total loss of the investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA (who specialises in investments of this nature) before making a decision to invest.**

## PART III

### FINANCIAL INFORMATION ON THE COMPANY

- (i) The following has been extracted from the Introduction to the Alternative Investment Market document for Libra Retail Plc published on 23 March 2005:

The Directors and Proposed Directors  
Libra Retail Plc  
94-96 Great North Road  
London  
N2 0NL

The Directors  
Teather & Greenwood Limited  
Beaufort House  
15 St. Boltoph Street  
London  
EC3A 7QR

23 March 2005

Dear Sirs

#### **Libra Retail Plc**

We report on the financial information set out below. This financial information has been prepared for inclusion in the admission document dated 23 March 2005 (the "Prospectus") relating to the proposed admission to trading on the Alternative Investment Market of the London Stock Exchange of Shares of Libra Retail Plc (the "Company").

#### **Basis of preparation**

The financial information set out in this report is based on the non-statutory financial statements of the Company for the period from incorporation on 14 January 2005 to 31 January 2005, to which no adjustments were considered necessary.

#### **Responsibility**

Such financial statements are the responsibility of the directors of the Company who approved their issue. The Directors and Proposed Directors of the Company are responsible for the contents of the Admission Document in which this report is included. It is our responsibility to compile the financial information set out in our report from the non-statutory financial statements, to form an opinion on the financial information and to report our opinion to you.

#### **Basis of opinion**

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

**Opinion**

In our opinion, the financial information set out below gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at 31 January 2005.

**Consent**

We consent to the inclusion in the Admission Document of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.



## FINANCIAL INFORMATION

### Balance Sheet of the Company as at 31 January 2005

	<i>Notes</i>	<i>As at 31 January 2005 £</i>
<b>Current assets</b>		
Called up share capital not paid		51,192
<b>Net assets</b>		<u>51,192</u>
<b>Capital and reserves</b>		
Called up share capital	5	<u>51,192</u>
<b>Equity shareholders' funds</b>	6	<u>51,192</u>

## NOTES TO THE FINANCIAL INFORMATION

For the period ended 31 January 2005

### 1. Background to the Company

The Company was incorporated on 14 January 2005, under the name of Secure Ventures (No. 4) Plc. The name of the company was changed to Libra Retail Plc on 21 March 2005. For the period from incorporation to 31 January 2005 the company did not trade and recognised no gain or loss. Accordingly no profit and loss account and no statement of total recognised gains and losses are presented.

### 2. Accounting policies

A summary of the principal accounting policies of the company, all of which have been applied consistently throughout the period is set out below.

#### *Accounting convention*

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Taxation*

No charge for taxation has been made since the company recorded neither a profit nor a loss for the period. There is no unprovided deferred taxation.

### 3. Employee information

The Company has no employees.

### 4. Directors' emoluments

None of the directors received any remuneration from the company during the period.

### 5. Called up share capital

	<i>31 January 2005</i>
	£
<b>Authorised:</b>	
200,000,000 ordinary shares of 0.1p each	200,000
<b>Allotted, called up and not paid:</b>	
51,191,902 ordinary shares of 0.1p each	51,192

On 14 January 2005, 2 ordinary shares were issued at par on the incorporation of the company; one share was issued to Paul Davis and one share was issued to Safeland plc. Safeland plc has a beneficial interest in both shares issued on incorporation.

On 17 January 2005 Safeland plc applied for and was allotted 51,191,900 ordinary shares of 0.1p and undertook to pay in cash the par value of the shares applied for. As at 31 January 2005 the shares applied for are considered to be allotted in accordance with the Companies Act 1985.

On 17 January 2005 Safeland plc declared a dividend *in specie* pursuant to which each holder of ordinary shares in the capital of Safeland plc as at the close of business on 2 February 2005 received 2.5 ordinary shares in the company for each ordinary share in the capital of Safeland plc then held.

On 3 February 2005, as a consequence of the dividend *in specie*, 46,072,710 of the ordinary shares allotted to Safeland plc on 17 January 2005 were issued and registered into the names of the

shareholders of Safeland plc and the remaining 5,119,190 ordinary shares were issued and registered into the name of Safeland plc.

On 3 February 2005 Larry Lipman, Errol Lipman and Paul Davis were each conditionally granted options over ordinary shares worth £175,000 valued by reference to the average closing middle market quotation for an ordinary share for the three dealing days following Admission. Each option is exercisable at any time after 18 months and before 10 years following the date of grant.

**6. Reconciliation of movement in equity shareholders' funds**

	£
At 14 January 2005	–
Issue of ordinary share capital	51,192
	<hr/>
At 31 January 2005	51,192
	<hr/> <hr/>

**7. Post balance sheet events**

The issued share capital was paid by Safeland plc on 23 February 2005.

**8. Ultimate controlling party**

At 31 January 2005, prior to the dividend *in specie*, the Company was a wholly owned subsidiary of Safeland plc.

Yours faithfully

Deloitte & Touche LLP  
*Chartered Accountants*

- (ii) The following has been extracted without material change from the interim report and financial statements of the Company for the period from incorporation on 14 January 2005 to 31 July 2005, prepared in accordance with UK GAAP.

The interim report and financial statements of the Company have been prepared by the Company's management and have been neither audited nor reviewed.

**PROFIT AND LOSS FOR THE PERIOD FROM INCORPORATION ON 14 JANUARY 2005  
TO 31 JULY 2005 (NEITHER AUDITED NOR REVIEWED)**

	<i>Period from incorporation on 14 January 2005 to 31 July 2005 £</i>
Administrative expenses	(32,642)
<b>OPERATING LOSS</b>	<u>(32,642)</u>
Interest receivable and similar income	352
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>(32,290)</u>
Tax on profit on ordinary activities	—
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE PERIOD</b>	<u><u>(32,290)</u></u>
<b>BASIC LOSS PER ORDINARY SHARE (pence)</b>	<u><u>(0.092)</u></u>

**BALANCE SHEET AS AT 31 JULY 2005 (NEITHER AUDITED NOR REVIEWED)**

	<i>31 July 2005 £</i>
<b>CURRENT ASSETS</b>	
Cash at bank and in hand	28,902
<b>CREDITORS: amounts falling due within one year</b>	<u>(5,000)</u>
<b>NET CURRENT ASSETS</b>	<u>23,902</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u><u>23,902</u></u>
<b>CAPITAL AND RESERVES</b>	
Called up share capital	56,192
Profit and loss account	<u>(32,290)</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	<u><u>23,902</u></u>

**CASHFLOW STATEMENT FOR THE PERIOD FROM INCORPORATION ON 14 JANUARY  
2005 TO 31 JULY 2005 (NEITHER AUDITED NOR REVIEWED)**

	<i>Period from incorporation on 14 January 2005 to 31 July 2005 £</i>
<b>Net cash outflow from operating activities</b>	(22,525)
<b>Returns on investment and servicing of finance</b>	
Interest received	352
	<hr/>
<b>Cash outflow before financing</b>	(22,173)
<b>Financing</b>	
Issue of share capital	51,075
	<hr/>
<b>Increase in cash</b>	<u>28,902</u>

## NOTES TO THE INTERIM REPORT

### 1. Basis of preparation

The financial information included in the interim report comprises the profit and loss account, the balance sheets, cash flow statement and notes 1 to 8. These have been prepared in accordance with the normal accounting policies of the Company.

The financial information for the period from incorporation on 14 January 2005 to 31 July 2005 does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. No statutory accounts have yet been prepared for the Company, as this is the first period since incorporation. The financial information for period from incorporation on 14 January 2005 to 31 July 2005 is unaudited and has not been reviewed by the Company's auditors.

Copies of this statement are being sent to all shareholders and are available to the public for collection at the company's registered office at 94-96 Great North Road, London N2 0NL.

### 2. Segmental information

The company has not yet traded. Operating loss and net assets are derived from startup activities, predominantly the issue of share capital and administrative fees. All activities occur in the UK.

### 3. Loss per share

The loss per share for the period is calculated based upon the following information.

	<i>Period from incorporation on 14 January 2005 to 31 July 2005 £</i>
<b>Basic loss per share</b>	
Loss after taxation	(32,290)
Weighted average number of shares in issue during the period	<u>34,750,773</u>
Weighted average number of dilutive share options in issue during the period	<u>–</u>

### 4. Reconciliation of movements in shareholders' funds

	<i>Period from incorporation on 14 January 2005 to 31 July 2005 £</i>
Retained loss for the period	(32,290)
Issue of shares on incorporation	51,192
Issue of shares in the period	<u>5,000</u>
Net addition to shareholders' funds	<u>23,902</u>
Opening shareholders' funds	–
Closing shareholders' funds	<u>23,902</u>

**5. Reconciliation of operating loss to net cash outflow from operating activities**

	<i>Period from incorporation on 14 January 2005 to 31 July 2005 £</i>
Operating loss	(32,642)
Increase in creditors	5,000
Issue of shares to settle expenses	5,000
Write off of share capital debtor	117
Net cash outflow from operating activities	<u>(22,525)</u>

**6. Reconciliation of net cash flow to movement in net funds**

	<i>Period from incorporation on 14 January 2005 to 31 July 2005 £</i>
Increase in cash for the period	<u>28,902</u>
Change in net funds resulting from cash flows	28,902
Net debt brought forward	–
Net funds carried forward	<u>28,902</u>

**7. Analysis of net debt**

	<i>At 14 January 2005 £</i>	<i>Cash flows 2005 £</i>	<i>At 21 July 2005 £</i>
Cash in hand and at bank	–	28,902	28,902
Debt due after one year	–	–	–
Debt due within one year	–	–	–
Total	<u>–</u>	<u>28,902</u>	<u>28,902</u>

**8. Statement of movements on share capital and reserves**

	<i>Called up share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
Shares issued on incorporation	51,192	–	51,192
Shares issued in period	5,000	–	5,000
Retained loss for the period	–	(32,290)	(32,290)
At 31 July 2005	<u>56,192</u>	<u>(32,290)</u>	<u>23,902</u>



## PART IV

### ADDITIONAL INFORMATION

#### 1. Responsibility statement

The Directors of the Company whose names appear on page 6 of this document accept individual and collective responsibility for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. The Company's incorporation and share capital

- (a) The Company was incorporated and registered in England and Wales under the Act on 14 January 2005 with registered number 5332938 as a public limited company under the name Secure Ventures (No. 4) plc. The liability of the members of the Company is limited.
- (b) The principal legislation under which the Company operates is the Act and regulations made thereunder.
- (c) The registered office and principal place of business of the Company is at 94-96 Great North Road, London N2 0NL and its telephone number is 020 8515 1600.
- (d) At the date of incorporation, the Company had an authorised share capital of £200,000 divided into 200,000,000 Ordinary Shares of 0.1p each (of which two shares were issued to the subscribers of the Memorandum of Association).
- (e) A certificate enabling the Company to commence business and to borrow under section 117 of the Act was issued by the Registrar of Companies on 17 January 2005.
- (f) On 3 February 2005, 46,072,710 Ordinary Shares of 0.1p were issued pursuant to the dividend in specie declared by Safeland on 17 January 2005 (the "Safeland Dividend") and 5,119,190 Ordinary Shares of 0.1p were issued to Safeland. Ordinary shares in each of Taurus Storage plc, Sagittarius Professional Services plc, Pisces Property Services plc, Aries Insurance plc, Secure Ventures (No. 6) plc and Secure Ventures (No. 7) plc (each a "Demerged Safeland Company" and together the "Demerged Safeland Companies") were also issued fully paid on 3 February 2005 pursuant to the Safeland Dividend.
- (g) By written resolutions of the Company passed on 14 January 2005:
  - (i) the Directors were authorised to allot relevant securities (as defined in section 80(2) of the Act) pursuant to section 80 of the Act up to a maximum nominal amount of £199,999.98 such authority to expire, unless sooner revoked or varied by the Company in general meeting, on 30 June 2006; and
  - (ii) the Directors were empowered to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority referred to in paragraph (g)(i) above as if section 89(1) of the Act did not apply to such allotment.
- (h) The Company was admitted to trading on AIM on 30 March 2005 and the Ordinary Shares of 0.1p are currently traded upon AIM. Upon this original admission, 5,000,000 Ordinary Shares of 0.1p were issued fully paid to Teather & Greenwood. On completion of the Grafton Investment, which constitutes a reverse takeover under the AIM Rules, trading in the existing ordinary share capital will be cancelled.
- (i) Since the date of the Company's incorporation:
  - (i) save as disclosed above, no share or loan capital of the Company has been issued for cash or other consideration and no such issues are proposed;

- (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company.
- (j) Except for the ordinary shares in the Company which are the subject of options granted to the Executive Directors (details of which are set out in paragraph 5 below) and the options granted to Teather & Greenwood (details of which are set out in paragraph 7 below), no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- (k) There are no listed or unlisted securities issued by the Company not representing share capital.
- (l) The Company does not hold any treasury stock.
- (m) The Ordinary Shares in the Company's capital are all in registered form.

### **3. Memorandum and Articles of Association**

#### **(a) *Memorandum of Association***

The Memorandum of Association of the Company provides that the Company's principal objects are to carry on all or any of the business of a holding and investment company. The objects of the Company are set out in clause 4 of its Memorandum of Association.

#### **(b) *Articles of Association***

The Articles of Association which were adopted on incorporation, include provisions to the following effect:

##### **(i) *Meetings***

An annual general meeting shall be held once in every year at such time and place as may be determined by the Directors. All other general meetings are called extraordinary general meetings. The Directors may whenever they think fit, and shall on requisition in accordance with the statutes, convene an extraordinary general meeting with proper expedition.

Three members present in person or by proxy and entitled to vote shall be quorum for all purposes.

The provisions of the Articles relating to general meetings apply as nearly as possible to any separate meeting of the holders of any class of shares but the necessary quorum is two persons holding or representing by proxy one third in nominal amount of the issued shares of the class except where there is only one holder of the relevant class of shares in which case the quorum shall be that holder.

##### **(ii) *Changes of capital***

(1) The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount.

(2) The Company may by special resolution reduce its share capital or any capital redemption fund, share premium account or other undistributable reserve subject to authority required by law. Subject to applicable law, and to sanction by an extraordinary resolution, the Company may purchase its own shares.

##### **(iii) *Votes of members***

Subject to statute and any special rights or restrictions as to voting attached to any class of shares, at any general meeting, on a show of hands, every member who is present in person has one vote and, in the case of a poll, every member present in person or by proxy has one vote for every share of which he is the holder. No member is entitled to attend or vote at a general meeting either personally or by proxy if he or any person appearing to be interested in shares held by him has been duly served with a notice under section 212 of the Act and is in default for the prescribed period in supplying to the Company the information required thereby or, unless the Directors determine otherwise, if any calls from him have not been paid.

(iv) *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital up to an amount not exceeding three times the Company's adjusted share capital and reserves and, subject to applicable law, to issue debenture and other loan stock and debentures and other securities.

(v) *Directors*

- (1) A Director is not required to hold any qualification shares.
- (2) The amount of any fees payable to Directors shall be determined by the Directors provided that they shall not in any year exceed an aggregate amount of £200,000 or such other sum as may from time to time be approved by ordinary resolution. Any such fees shall be divisible among the Directors as they may agree, or failing agreement, equally. The Directors are also entitled to be repaid all reasonable expenses incurred by them respectively in the performance of their duties. Any Director holding an executive office or otherwise performing services which in the opinion of the Directors are outside the scope of his ordinary duties as a Director may be paid such remuneration as the Directors may determine.
- (3) The Directors may establish and maintain the establishment of any non-contributory or contributory pension or superannuation funds for the benefit of, and give donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of, or Directors or officers of and holding any salaried employment or office in, the Company or any other company which is its holding company or in which the Company or such holding company has any interest or which is allied to or associated with the Company or of any company which is a subsidiary undertaking of the Company or of any such other company ("associated companies") and the families and dependents of any such persons; and the Directors shall have power to purchase and maintain insurance against liability for any persons who are or were at any time Directors, officers, employees or auditors of, the Company or, its associated companies and for trustees of any pension fund in which employees of the Company or its associated companies are interested.
- (4) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including the office of chairman, deputy chairman, managing director or chief executive) on such terms and for such period as they may determine.
- (5) Subject to the provisions of applicable law and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
  - (A) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (B) may be a director or other officer of, or employed by, or a party to, any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested;
  - (C) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company and in any such case on such terms as to remuneration and otherwise as the Directors may arrange; and
  - (D) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

- (6) Provided that a Director has disclosed to his or her fellow Directors reasonable details of a proposed contract, opportunity, transaction or arrangement, and provided also that a majority of the other Directors so agree, a Director shall be allowed to offer such proposed contract, opportunity, transaction or arrangement to an Other Demerged Safeland Company and such Director shall not be accountable to the Company for so doing.
  - (7) Save as specifically provided in the Articles, a Director may not vote in respect of any contract, transaction or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company. A Director will not be counted in the quorum of a meeting in relation to any resolution on which he is debarred from voting.
  - (8) Subject to applicable law, a Director is (in the absence of some other material interest than is indicated below) entitled to vote (and will be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
    - (A) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request or for the benefit of the Company or of its subsidiary undertakings;
    - (B) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
    - (C) any contract, transaction, arrangement or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
    - (D) any contract, transaction, arrangement or proposal to which the Company is or is to be a party concerning any other body corporate in which he (together with any persons connected with him) do not to his knowledge hold an interest in shares (as that term is used in Part VI of the Act) representing one per cent. or more of either any class of the equity share capital or the voting rights in such body corporate;
    - (E) any contract, transaction, arrangement or proposal for the benefit of the employees of the Company or any of its subsidiary undertakings and which does not award any Director any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
    - (F) any contract, transaction, arrangement or proposal concerning any insurance against liability which the Company is empowered to purchase and/or maintain for, or for the benefit of, any Directors or group of persons who include Directors.
  - (9) A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed by the meeting without any vote being given against it, and any resolution moved in contravention of this provision of the Articles shall be void.
  - (10) The Articles provide that statutory provisions which would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as a Director on account of his having reached any specified age, or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall not apply to the company.
- (vi) *Transfer of shares*

All transfers of shares may be effected by transfer in writing in any usual form or in any other form acceptable to the Directors and shall be executed by or on behalf of the transferor and, if the share is partly paid, the transferee. The Articles do not contain any restriction on the

transferability of fully paid shares, provided that the Company has no lien over the shares, the instrument of transfer is in favour of not more than four transferees and in respect of only one class of shares and is duly stamped (if so required), the provisions in the Articles relating to the deposit of instruments of transfer accompanied by the relevant share certificate have been complied with and the member is not in default of any notice duly served under section 212 of the Act as referred to in the Articles.

(vii) *Pre-emption rights*

The Articles do not contain any provisions which set out a procedure for the exercise of pre-emption rights for members in addition to that provided for by the Act.

(viii) *Redemption*

There are no provisions relating to the redemption of ordinary shares in the Company.

(ix) *Suspension of rights*

If a member or any other person appearing to be interested in shares held by such shareholder has been duly served with notice under section 212 of the Act and is in default in supplying to the Company within such period as may be specified in such notice the information thereby required or make a statement which is false or inadequate in any material way, then (if the Directors so resolve) such member shall not be entitled to be present or to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice (the “default shares”) and (where the holding represents at least 0.25 per cent. of the issued shares of that class) the payment of dividends may be withheld, and such transfers of the shares of that member may not be registered unless: (i) the member is not himself in default in supplying the information requested and the shares transferred are not default shares; or (ii) the transfer is an approved transfer.

(x) *Dividends*

Subject to the provisions of any relevant legislation, the Company may by ordinary resolution, from time to time, declare dividends to be paid in accordance with the respective rights of the members but no dividend shall be declared in excess of the amount recommended by the Board.

Dividends shall be apportioned and paid proportionately to the amounts paid up on the ordinary shares in the Company during any portion or portions of the period in respect of which the dividend is paid.

Any dividend which has remained unclaimed for a period of 12 years from the date the dividend was declared or became due for payment, shall be forfeited and cease to remain owing by the Company and shall revert to the Company.

There is no fixed date on which an entitlement to a dividend arises in respect of ordinary shares in the Company.

(xi) *Distribution of assets on a winding-up*

If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution and, subject to any other sanction required by any relevant legislation:

- (1) divide among the members in specie or in kind the whole or any part of the assets of the Company and may, for such purpose, value any assets and determine how such division shall be carried out as between the members or different classes of members; and
- (2) vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, may determine.

(xii) *Forfeiture and Lien*

- (1) If a member fails to pay in full any call or installment of a call on the due date for payment, the Board may at any time serve a notice on him/her requiring payment and stating that in the event of non-payment in accordance with such notice the shares on

which the call was made will be liable to be forfeited. Any share so forfeited may be disposed of by the Company within three years, otherwise it shall be cancelled.

- (2) The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently or not) called or payable at a fixed time in respect of such share.
- (3) The Company may sell in such manner as the Board thinks fit any share on which the Company has a lien fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell.

(xiii) *CREST*

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form.

## 5. Directors' and other interests

- (a) The interests of the Directors and their immediate families (which are beneficial interests save as indicated below) in the issued share capital of the Company which would be required to be notified to the Company pursuant to sections 324 and 328 of the Act or which would be required to be entered in the register of Directors' interests maintained by the Company pursuant to section 325 of the Act, including, so far as the Directors are aware, after making due and careful enquiry, interests of persons connected (within the meaning of section 346 of the Act) with the Directors which interests, if such connected persons were Directors, would be required to be disclosed pursuant to the Act, and the existence of which is known to or could with reasonable diligence be ascertained by the Directors, both as at the date of this document and as they will be immediately after Admission, are as follows:

<i>Director</i>	<i>As at the date of this document</i>		<i>After Admission</i>			
	<i>No. of Ordinary Shares of 1p<sup>(4)</sup></i>	<i>Percentage of current issued share capital</i>	<i>No. of Ordinary Shares of 1p</i>	<i>Percentage of Enlarged Ordinary Share Capital</i>	<i>No. of options over Ordinary Shares of 1p</i>	<i>Options as a Percentage of issued ordinary share capital</i>
L G Lipman <sup>(1,2)</sup>	22,040	0.39%	22,004	0.31%	913,044 <sup>(3)</sup>	9.32%
P M Davis	24,346	0.43%	24,346	0.34%	913,044 <sup>(3)</sup>	9.32%
E A Lipman <sup>(1,2)</sup>	129,833	2.31%	129,833	1.84%	913,044 <sup>(3)</sup>	9.32%

Notes:

- (1) Larry Lipman and Errol Lipman also each have a one-third beneficial interest in the issued share capital of SHC. Details of SHC's interests in ordinary shares in the Company are set out in paragraph 5(c) below.
- (2) Larry Lipman and Errol Lipman are each connected with Safeland (for the purposes of Section 346 of the Act). Details of Safeland's interests in ordinary shares in the Company are set out in paragraph 5(c) below.
- (3) See paragraph 5(b) below in relation to options held by the Executive Directors.
- (4) Assumes that the Share Consolidation has taken place.
- (5) "issued ordinary share capital" assumes Enlarged Ordinary Share Capital plus exercise of options held by the Executive Directors.

- (b) Larry Lipman, Errol Lipman and Paul Davis have each conditionally been granted options over ordinary shares in the Company worth £175,000 (valued by reference to the the average closing middle market quotation for an ordinary share (as derived from the official list) for the first three dealing days after the initial admission which was 1.92p "**Exercise Price**") pursuant to option agreements made with the Company on 3 February 2005. Each option is exercisable at par at any time after 18 months and before 10 years following the date of grant. If Larry Lipman, Errol Lipman or Paul Davis ceases to be a director of the Company then their option lapses save where such cessation is as a result of: (i) ill health, permanent incapacity or retirement; (ii) death; (iii) a takeover; (iv) a scheme of arrangement; or (v) a proposal for the voluntary winding up of the Company, in which case specific provisions govern the timing and extent of the exercise of the options. The options are only exercisable if, for a period of five consecutive dealing days prior to the date on which Larry Lipman, Errol Lipman or Paul Davis seeks to exercise the options, the

average of the closing middle market quotation for an Ordinary Share shall be at least 15 per cent. higher than the Exercise Price. In the event of any capitalisation issue, rights issue, consolidation or sub-division of shares or a reduction of capital, the subscription price and/or the number of ordinary shares subject to an option and/or the other terms on which the option may be exercised may be adjusted by the Company to such extent and in such manner as the Company's auditors shall confirm in writing to be fair and reasonable provided that the subscription price shall not be reduced below the nominal value of a share.

- (c) Save for the interests shown below and those of the Directors shown in paragraph 5 (a) above, as at 5 December 2005 (being the latest practicable date prior to the publication of this document), so far as the Directors are aware, no person other than those listed below has any interest (within the meaning of Part VI of the Act) in the issued Ordinary Shares of 0.1p which amounts to 3 per cent. or more of the issued Ordinary Shares of 0.1p. No person holding such an interest has different voting rights to the holders of Ordinary Shares of 0.1p. Save as disclosed in paragraph 5 (a) above and as disclosed below, the Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

<i>Shareholder</i>	<i>As at the date of this document</i>		<i>After Admission</i>	
	<i>No. of Ordinary Shares of 1p<sup>(1)</sup></i>	<i>Percentage of current issued share capital</i>	<i>No. of Ordinary Shares of 1p</i>	<i>Percentage of Enlarged Issued Share Capital</i>
Safeland Holdings Corp.	26,633,926	46.87%	2,633,926	37.30%
Safeland plc	511,919	9.11%	511,919	7.25%
Teather & Greenwood Limited	484,961	8.63%	484,961	6.87%
P. O'Reilly	178,462	3.18%	178,462	2.53%
Unicorn Asset Management	–	–	1,443,191	20.43%

Notes:

- (1) Assumes that the Share Consolidation has taken place.

## 6. Directors' details

- (a) On 22 March 2005, Larry Lipman, Errol Lipman and Paul Davis each executed agreements with the Company and Safeland (their employer) pursuant to which they were appointed as executive chairman, executive director and finance director of the Company respectively.

Each of them will be required to spend such time as will be required to fulfil their respective roles save that Safeland can require them to devote their time, during any particular period when circumstances dictate, to Safeland or any of its subsidiaries. Currently they do not receive any additional remuneration working for the Company from either Safeland or the Company.

Under the terms of agreements, each of Larry Lipman, Errol Lipman and Paul Davis will seek the approval of the board of Safeland before any of them introduces to the Company the opportunity to purchase any suitable property of which they become aware in their capacity as directors of Safeland. Should Larry Lipman, Errol Lipman or Paul Davis obtain an opportunity to purchase property in the course of their duties as directors of the Company which they wish to offer to Safeland (because, for example, the opportunity is unsuitable for the Company) they will first seek the approval of the non-executive directors of the Company.

The Company entered into a letter of appointment with Edward Young which took effect from the original admission and is subject to three months' notice of termination by either party. Mr Young receives an annual fee of £5,000 and travel and other reasonable expenses. The Company intends to appoint a second non-executive director who, together with Mr Young, will form the remuneration, audit and nominations committees of the Company.

None of the Directors has a contract of employment or letter of appointment with the Company with a notice or contract period of one year or more or with provisions for predetermining compensation on termination of an amount which equals or exceeds one year's salary and benefits in kind.

- (b) It is estimated that the aggregate remuneration and benefits in kind (including bonuses and profit shares) to be paid to the Directors for the year ending 31 December 2005 will be approximately £5,000.
- (c) Save as set out below, the Directors or Proposed Directors have not held any directorships of any company (other than the Company) or partnerships in the last five years:

<i>Director</i>	<i>Current Directorships and interests in partnerships</i>	<i>Directorships (and partnerships) resigned during the past five years</i>
Larry Glenn Lipman	Aries Insurance Services Plc Ashlane Properties Limited Avonbridge Property Company Limited Bestview Properties Limited Bizspace Plc Bizspace (NE) Limited Bizspace Southern Limited Bizspace Trading Limited Blendbest Limited Bluebelt Limited Brands Hatch (2003) Limited Branmay Limited Bridgelink Limited Bronzebelt Limited Burnham Limited Cabaret Properties Limited Castle Park Properties Limited CFC (21) Limited CFC (22) Limited CFC (23) Limited CFC (24) Limited CFC (25) Limited CFC (26) Limited CFC (27) Limited CFC (28) Limited CFC (29) Plc CFC (30) Plc CFC (31) Plc CFC (32) Plc CFC (33) Plc Clearstand Properties Limited Cloverdale Estates Limited Clovergen Properties Limited Cornergate Properties Limited Cranmer Finance Limited Crownsgate Properties Limited Daisylane Limited Dayblue Limited Deepdale Properties Limited Deltahawk Property Company Limited Deltamile Limited Deltariver Limited DGA Insurance Services Limited Eagleworld Limited Espazio Srl (Italy) Espazio S.A (Luxembourg) Evenwood Estates Limited Extrasharp Limited	187-193 Great Portland Street Limited 24 Ellerdale Road Management Limited 25-34 Craven Street Limited 3A-D Heathurst Road Limited Amicrest Recovery 52 Limited Arden House Estates and Management Limited Argonaut Properties Limited Avenue Schools Limited Beaconview Services Limited Belvedere Court Management Limited Belvedere Court Management No. 2 Limited Bickerton Group Limited Briardale Developments Limited Caroline Registrars Limited Clearstand Properties Limited David Glass Associates Plc Dayblue Limited Deacon Insurance Services Ltd DGA Insurance Services Limited Dunlop Heywood & Co Ltd Dunlop Heywood Lorenz Limited Dunlop Heywood Residential Ltd Envesta Plc Fable Estates Limited Flowline Properties Limited H P S Property Limited Hampton Court 5 Limited Handsoff Limited Hathaway Properties Limited Headline Investments Limited Hercules Properties Limited Hercules Property Company Limited Hercules Property Services Plc Hercules Telecom Limited Heritage Insurance Services Limited Limecorp Limited Long Term Reversions Limited Longstone Property Company Limited Maidwheel Limited Marinekirk Properties Limited Matjo Properties Limited Metrostore Limited Notewell Limited Olivegate Properties Limited



<i>Director</i>	<i>Current Directorships and interests in partnerships</i>	<i>Directorships (and partnerships) resigned during the past five years</i>
Larry Glenn Lipman (continued)	Finlaw 219 Limited	Property Connection Limited
	Finlaw Forty-One Limited	Regalbond Properties Limited
	Flowline Properties Limited	Redgate Property Company Limited
	Foxglade Properties Limited	Resolute Property Management Limited
	Fruitcage Limited	Safeland (Ground Rents No.2) Limited
	Gatecross Properties Limited	Safestore Plc
	Glenhurst Financial Services Limited	Safestore Trading Plc
	Goldenblaze Limited	Senitel Square Management Limited
	Goldenlane Limited	Silverlake Properties Limited
	Goodview Properties Limited	Simmons & Partners Limited
	Greenlake Property Company Limited	Starmodex Limited
	Greenstrata Limited	Sudbury Court Management Limited
	Grovgate Properties Limited	Swanlane Estates Limited
	Havenside Limited	Tech-Is Limited
	Herald Estates Limited	Techbill Limited
	Hillcross Properties Limited	Tulipwood Limited
	Hollyberry Properties Limited	Waterglen Limited
	Homedene Properties Limited	Woodrose Properties Limited
	Ivygate Developments Limited	
	Laburnum Properties Limited	
	Linkway Financial Services Ltd	
	Mermaid Townhouse Hotels Limited	
	Microstore Self Storage Limited	
	Neric Properties Limited	
	Novacross Properties Limited	
	Oakmoor Financial Services Limited	
	Parkbench Limited	
	PartWen Limited	
	Pink Affinity Limited	
	Pisces Property Services Plc	
	Placeadmit Limited	
	Protea Properties Limited	
	Pullpower Limited	
	Rainbow Estates Limited	
	Rainbow Estates (Gaynes Park) Limited	
	Rainbow Estates (Truro House) Limited	
	Ravenblack Properties Limited	
	Redcrest Estates Limited	
	Safeland (Ground Rents) Ltd	
	Safeland Investments Limited	
	Safeland Plc	
	Safeland Properties Limited	
	Saffron Developments Limited	
	Sagittarius Professional Services Plc	
	Secure Ventures (No. 6) Plc	
	Secure Ventures (No. 7) Plc	
	Serviced Office Group Plc	
	Serviced Office Space Limited	
	Space Centres Limited	

<i>Director</i>	<i>Current Directorships and interests in partnerships</i>	<i>Directorships (and partnerships) resigned during the past five years</i>
Larry Glenn Lipman (continued)	Spinmaster Limited Spypost Limited Stargazer Property Company Limited Sudbury Court Management Limited Superior Properties Limited Swanlane Estates Limited Taurus Storage Plc Teamred Limited Ultroflow Limited Vitascan Properties Limited Wavelink Property Company Westglade Property Company Limited	
Paul Malcolm Davis	Aries Insurance Services Plc Bizspace Plc Bizspace North East Limited Bizspace Letchworth Limited Bizspace Trading Limited Bizspace Southern Limited Blackhawk Estates Limited Branmay Limited Bridgelink Limited Cecil Square Cleaning Company Limited CFC (21) Limited CFC (22) Limited CFC (23) Limited CFC (24) Limited CFC (25) Limited CFC (26) Limited CFC (27) Limited CFC (28) Limited CFC (29) Plc CFC (30) Plc CFC (31) Plc CFC (32) Plc CFC (33) Plc Cloverdale Estates Limited Cloverglen Properties Limited Crownsgate Properties Limited Daisylane Limited Dayblue Limited Deepdale Properties Limited Deltamile Limited Deltariver Limited Eagleworld Limited Espazio S.A (Luxembourg) Espazio Srl (Italy) Evenline Properties Limited Finlaw 219 Limited Georgian House Cleaning Company Limited Glenhurst Financial Services Limited	187-193 Great Portland Street Limited 24 Ellerdale Road Management Limited ABCDEFG Plc Alexandra Court (Bournemouth) Management Company Limited Apex Court (Christchurch) Management Company Limited Ardon House Estates and Management Limited Amicrest Recovery 52 Limited Beaconview Services Limited Belvedere Court Management Limited Belvedere Court Management No. 2 Limited Benjamin Court (Christchurch) Management Company Limited Bethany Court Management Company Limited Bickerton Group Limited Blackhawk Estates Limited Bridge 23 Management Limited Cadogan Insurance Services Limited Caroline Registrars Limited Catherines Management Limited Cedra Court Management Company Limited Charlton Management Limited Chester House (Bournemouth) Management Limited Crescent 25 Management Limited Crestwater Properties Limited D.O.R. (Northern) Limited David Glass Associates Plc Dayblue Limited Deacon Insurance Services (Holdings) Limited Deacon Insurance Services Limited Diverse Services Limited

<i>Director</i>	<i>Current Directorships and interests in partnerships</i>	<i>Directorships (and partnerships) resigned during the past five years</i>
Paul Malcolm Davis <i>(continued)</i>	Goldenblaze Limited	Drummond Road Management Company Limited
	Goldenlane Limited	Dunlop Heywood Lorenz Executive Board Limited
	Hollyberry Properties Limited	Dunlop Heywood Lorenz Limited
	Ivygate Developments Limited	Dunlop Heywood Residential Limited
	Mermaid Townhouse Hotels Limited	Duoquote Limited
	Microstore Self Storage Limited	Elmdon Towers Management Limited
	Namegrace Limited	Emily Court (Parkstone) Management Limited
	Nether Close Management Co. Limited	Envesta Plc
	Partwen Limited	Eveline Properties Limited
	Pink Affinity Limited	Fable Estates
	Pisces Property Services Plc	Farr Corporate Risks Limited
	Rainbow Estates (Truro House) Limited	Farr Holdings Limited
	Riverpath Properties Limited	Farr Plc
	Safeland Plc	FIIB Limited
	Sagittarius Professional Services Plc	Fishermans Wharf Management Limited
	Secure Ventures (No. 6) Plc	Georgian House Cleaning Company Limited
	Secure Ventures (No. 7) Plc	General Works (UK) Limited
	Serviced Office Group Plc	Gladelane Investments Limited
	Serviced Office Space Limited	Gross Fine
	Space Centres Limited	Gross Fine (Holdings) Limited
	Streethandy Trading Limited	Gross Fine Management Limited
	Taurus Storage Plc	Gross Fine Services Limited
		Halebrose Grange Management Company Limited
		Hampton Court S Limited
		Handsoff Limited
		Harman Healy Limited
		Harvestglen Properties Limited
		Headline Investments Limited
		Hercules Property Company Limited
		Hercules Property Services Plc
		Hercules Telecom Limited
		Heritage Insurance Services Limited
		HPS Property Limited
		HPS (no 1) Limited
		HPS (no 2) Limited
		HPS (no 3) Limited
		HPS (no 4) Limited
		Ivyglade Limited
		Limecorp Limited
		Long Term Reversions Limited
		Maidwheel Limited
		Mainguild Limited
		Melrose (Bournemouth) Management Limited
		Metrostore Limited
		Michael Courcier & Partners Limited

<i>Director</i>	<i>Current Directorships and interests in partnerships</i>	<i>Directorships (and partnerships) resigned during the past five years</i>
Paul Malcolm Davis <i>(continued)</i>		Milford Management Company Limited Milton 38 Managers Limited Namegrave Limited Posts Management Limited Property Connection Limited Purbeck Management Limited Queens Park Management Company Limited Redvers Management Limited Resident Association Management Limited Safestore Trading Plc Serviced Office Group Limited Serviced Office Space Limited Simmonds & Partners Limited Starmodex Limited St James Court (Bournemouth) Management Limited Streethandy Trading Limited Starmodex Limited Surrey 26 Management Limited Swanmore 50 Management Limited Swiftlease Property Management Limited Taskfine Limited Techbill Limited The Allens Management Limited The London Silver Vaults and Chancery Lane Safe Deposit Company Limited Vineries 47 Management Limited Waterglen Limited Wood & Co (Surveyors) Limited Wood Carewell Managements Limited Wood Group Trustees Limited Wood Insurance Brokers Limited Wood Management Limited Wood Managements Group Limited Wood Management Trustees Limited Wood Trustees Limited
Errol Alan Lipman	Aries Insurance Services Plc Castlepark Properties Limited CFC 25 Limited CFC 27 Limited CFC 29 Plc CFC 30 Plc CFC 31 Plc CFC 32 Plc CFC 33 Plc Evenwood Estates Limited Goodview Properties Limited Pisces Property Services Plc Protea Properties Limited	Fable Estates Limited Hathaway Properties Limited Heritage Insurance Services Limited Honeyglen Properties Limited Redgate Property Company Limited Regalbond Properties Limited Resolute Property Management Limited Scampston Mews Management Limited Serviced Office Group Plc Silverlake Properties Limited

<i>Director</i>	<i>Current Directorships and interests in partnerships</i>	<i>Directorships (and partnerships) resigned during the past five years</i>
Errol Alan Lipman <i>(continued)</i>	Ramview Limited Riverpath Properties Limited Safeland Investments Limited Safeland Plc Safeland Properties Limited Saffron Developments Limited Sagittarius Professional Services Plc Secure Ventures (No. 6) Plc Secure Ventures (No. 7) Plc Stargazer Property Company Limited Taurus Storage Plc	
Edward George Young	Chain Stop Limited End-A-Chain Limited Philippsohn Crawfords Berwald Sagittarius Professional Services Plc Taurus Storage Plc The Windowgleam Company Ltd WGC Ltd W.G.C. Investments Ltd	Guestlake Limited Hercules Property Services Plc The Supplies House Limited

- (d) Save as disclosed in Part IV of this document, no Director has, or has had, any interest, direct or indirect, in any transaction which is, or was, unusual in its nature or conditions or is, or was, significant to the business of the Company.
- (e) None of the Directors has any unspent convictions in relation to indictable offences, nor has any of them been personally bankrupt or in an individual voluntary arrangement with creditors.
- (f) None of the Directors has been a director of a company or a partner in a partnership at the time or within 12 months preceding the time at which the company or partnership entered into receivership, compulsory liquidation, creditors voluntary liquidation, administration, a company voluntary arrangement or a partnership voluntary arrangement or any composition or arrangement with creditors generally or any class of creditors.
- (g) No Director has had a receivership of any of his assets or of any assets of any partnership in which he was a partner at the time of or within twelve months of such receivership.
- (h) None of the Directors has been publicly criticised by a statutory or regulatory authority (including recognised professional bodies), disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- (i) There are no outstanding loans granted by the Company to any of the Directors nor has any guarantee been provided by the Company for the benefit of any Director.

## **7. Material contracts**

The following contracts, not being contracts in the ordinary course of business have been entered into by the Company since its incorporation and which are, or may be, material:

### **7.1 Introduction Agreement**

On 23 March 2005, Teather & Greenwood and the Company entered into an Introduction Agreement. Under this agreement, the Company confirmed that it had instructed Teather & Greenwood to apply to the London Stock Exchange for admission and gave certain customary

warranties to Teather & Greenwood in relation to the accuracy of information contained in the admission document and agreed to indemnify Teather & Greenwood on customary terms against certain losses arising from, *inter alia*, the application for admission. Pursuant to this agreement the Company paid Teather & Greenwood a corporate advisory fee in consideration for the services provided thereunder.

## 7.2 **Placing Agreement**

On 6 December 2005, Teather & Greenwood and the Company entered into a Placing Agreement. Under this agreement, which is conditional upon, *inter alia*, Admission becoming effective by not later than 8.00 a.m. on 6 January 2006 or such later date as the Company and Teather & Greenwood may agree being not later than 8.00 a.m. on 20 January 2006. Teather & Greenwood has agreed to use reasonable endeavours to procure subscribers for the Placing Shares proposed to be issued by the Company at the Placing Price.

The Company has agreed to pay Teather & Greenwood a corporate advisory fee in consideration for the services provided under the Placing Agreement together with its disbursements. The Company has given certain customary warranties to Teather & Greenwood in relation to the accuracy of information contained in this document, the proposed business of the Company and Admission, and has, in addition, agreed to indemnify Teather & Greenwood on customary terms against certain losses arising from, *inter alia*, the application for Admission. The Placing Agreement contains certain provisions which enable Teather & Greenwood to terminate the Placing Agreement including circumstances where any warranties are found to be untrue or inaccurate in any material respect.

## 7.3 **Management Shareholders Agreement**

On 5 December 2005, the Company entered into the Management Shareholders Agreement. This agreement is subject to Shareholders' approval and relates to the investment by the Company in Grafton, a newly formed property insurance broker which is to be owned as to 50 per cent. by the Management Shareholders and as to the other 50 per cent. by the Company. Under this agreement either party will have an option to require the sale of the entire issued share capital of Grafton. The Company's option to do so will commence on 1 April 2010 and, if the Company has failed to exercise its option by 1 June 2010, the Management Shareholders will have a similar option. Any sale process is intended to be completed on or about the fifth anniversary of the date of the agreement. If the best offer received from a third party buyer for Grafton is less than Grafton's net turnover for 12 months prior to such offer (but more than 85 per cent. of such turnover) the Management Shareholders shall then be entitled to purchase the Company's shares in Grafton at the price offered by that third party or, if higher, for a price equal to Grafton's net income multiplied by the proportion of Grafton's shares then held by the Company. For these purposes net turnover is the aggregate of commissions received for placing business with insurance companies less the amount of commission shared with the various insured parties on whose behalf the insurance is placed during the twelve months immediately prior to any sale.

## 7.4 **Teather & Greenwood Option Agreements**

Pursuant to an agreement entered into on 23 March 2005 between the Company and Teather & Greenwood, the Company granted an option to Teather & Greenwood, to subscribe for such number of ordinary shares in the Company (at nominal value) as is equivalent to 3 per cent. of the issued share capital of the Company as at the date of the original admission. This option is exercisable for a period of 18 months from the date of the original admission.

Furthermore, Teather & Greenwood was granted an option (exercisable on the date of completion of the first acquisition which is completed by the Company at any time following the original admission, the size of which exceeds 75 per cent. in any one of the class tests contained within schedule 3 to the AIM Rules,) to subscribe for such number of ordinary shares in the Company as is equivalent to one per cent. of the issued ordinary share capital of the Company on completion of such acquisition, such option is exercisable for a period of 18 months following the date of the completion of the acquisition at an exercise price per ordinary share under option as is equivalent to the price at which ordinary shares in the Company are issued under, pursuant to, or in connection with, the relevant acquisition. The proposed investment in Grafton will constitute an acquisition exceeding 75 per cent. in the class tests and therefore completion of the Grafton Investment will result in this option becoming exercisable.

## 7.5 *Lock-up Agreements*

On 23 March 2005 the Directors, Safeland and SHC entered into agreements with Teather & Greenwood and the Company pursuant to the terms of which they have each undertaken that they will not, subject to certain limited exceptions, dispose of any ordinary shares in the Company (or any interest therein) prior to 30 March 2006.

Further, the Directors, Safeland and SHC have entered into agreements with Teather & Greenwood and the Company dated 6 December 2005 pursuant to the terms of which they have each undertaken that they will not, subject to certain limited exceptions, dispose of any ordinary shares in the Company (or any interest therein) prior to the date falling on the first anniversary following Admission.

## 8. **Litigation**

The Company is not nor has it been engaged in any governmental, legal or arbitration proceedings which may have or have had during the period from its incorporation until 2 December 2005 (the latest practicable date prior to the printing of this document) a significant effect on the financial position or profitability of the Company nor, so far as the Directors are aware, are any such proceedings pending or threatened by or against the Company.

## 9. **Working capital**

In the opinion of the Directors, having made due and careful enquiry and after taking into account the existing bank and other facilities available to the Company the working capital available to the Company is sufficient for its present requirements (that is for at least 12 months from Admission).

## 10. **Taxation**

**The following statements are intended only as a general guide to the UK tax position in relation to persons who are resident and ordinarily resident in the UK for UK tax purposes and who are beneficial owners of ordinary shares in the Company. They may not apply to certain shareholders, such as dealers in securities. They are based on current UK legislation and Inland Revenue practice at the date of this document. Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than the UK, should consult his or her professional advisers immediately.**

### (a) *Dividends*

Under current UK tax legislation, no tax is withheld from dividends paid by the Company.

UK resident individual shareholders are treated as having received income of an amount equal to the sum of the dividend and its associated tax credit, the rate of tax credit being 10 per cent. of the sum of the dividend and the tax credit (i.e., the tax credit will be one ninth of the dividend). The tax credit will effectively satisfy a UK resident individual shareholder's lower and basic rate (but not higher rate) income tax liability in respect of the dividend. UK resident individual shareholders who are subject to tax at the higher rate will have to account for additional tax. The special rate of tax set for higher rate taxpayers who receive a dividend is 32.5 per cent. of the sum of the dividend and the tax credit. After taking account of the 10 per cent. tax credit, such a taxpayer would have to account for additional tax of 22.5 per cent. of the sum of the dividend and the tax credit. In determining what tax rates apply to a UK resident individual shareholder, dividend income is treated as his top slice of income.

UK-exempt approved pension funds and charities will not be liable to income tax or corporation tax on dividends received by them and will not be entitled to claim a refund of all or part of the tax credits in respect of those dividends. A UK resident (for tax purposes) corporate shareholder will generally not be liable to UK corporation tax on any dividend received from another UK resident corporate.

(b) **Capital Gains**

*Consequence of the disposal of shares*

UK resident individual holders of ordinary shares in the Company may, depending on their personal circumstances, be liable to capital gains tax on any chargeable gain realised on the disposal of their ordinary shares in the Company whilst they are resident or ordinarily resident for tax purposes in the UK, subject to any allowances, reliefs (such as business asset taper relief) or exemptions that may be available to them. UK resident corporate holders of ordinary shares in the Company may be liable to corporation tax on chargeable gains realised on the disposal of their ordinary shares in the Company, subject to certain reliefs and exemptions.

An Ordinary Shareholder who is not resident in the UK but who carries on a trade, profession or vocation in the UK through a branch or agency, or in the case of a corporate shareholder, carries on a trade in the UK through a permanent establishment and has used, held or acquired their ordinary shares in the Company for the purposes of such trade, profession or vocation or such agency, may be subject to UK taxation on chargeable gains arising from the sale of their ordinary shares in the Company.

An Ordinary Shareholder who is an individual and who has on or after 17 March 1998 ceased to be resident or ordinarily resident in the UK for a period of less than five years and who disposes of ordinary shares in the Company during that period may also be liable to UK taxation on chargeable gains arising from the sale of their ordinary shares in the Company on his or her return to the UK.

(c) **Stamp duty and stamp duty reserve tax**

No charge to stamp duty or stamp duty reserve tax (“SDRT”) will arise on the listing of ordinary shares in the Company. Transfers of or sale of ordinary shares in the Company will be subject to *ad valorem* stamp duty (payable by the purchaser and generally at the rate of 0.5 per cent. of the stamp duty consideration given). An unconditional agreement to transfer such shares, if not completed by a duly stamped stock transfer form within two months of the day on which such agreement is made or becomes unconditional, will be subject to SDRT (payable by the purchaser and generally at the rate of 0.5 per cent.). However, if within six years of the date of the agreement, an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on the instrument any liability to SDRT will be cancelled or repaid. Paperless transfers of ordinary shares in the Company within CREST will generally be charged to SDRT (generally at the rate of 0.5 per cent.) rather than stamp duty. CREST is obliged to collect SDRT on relevant transactions settled within the system.

**11. Consent**

Teather & Greenwood has given and not withdrawn its written consent to the issue of this document and the references to itself in the form and context in which they appear.

**12. General information**

- (a) No cash, securities or other benefits have been paid, issued or given since incorporation, nor are any proposed to be paid, issued or given to any such promoter in his capacity as a promoter.
- (b) Save as disclosed in this document, no person (other than professional advisers named in this document and trade suppliers) has:
- (i) received, directly or indirectly, from the Company since incorporation; or
  - (ii) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission, any of the following:
    - (1) fees totaling £10,000 or more;
    - (2) securities in the Company with a value of £10,000; or
    - (3) any other benefit with the value of £10,000 or more at the date of Admission.



- (c) The financial information relating to the Company set out in Part III does not comprise statutory accounts as referred to in section 240 of the Act. No statutory accounts have ever been prepared for the Company.
- (d) The total costs, charges and expenses (including professional fees, stamp duty, and stamp duty reserve tax and costs of printing and distribution of documents) payable by the Company in relation to Admission are estimated to amount to £174,180 (excluding value added tax).
- (e) The Company is not dependent on any patents or any other intellectual property rights, licences or particular contracts, which are or may be of fundamental importance to the Company's business.
- (f) There have been no significant recent trends concerning the development of the Company's business since its incorporation.
- (g) The Company has no significant investments in progress.
- (h) Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 July 2005, being the date to which the latest unaudited interim non-statutory financial statements were proposed.

6 December 2005

# LIBRA RETAIL PLC

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at 11.00 a.m. on 5 January 2006 at Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

### SPECIAL RESOLUTION

THAT:

- (a) the Management Shareholders Agreement (as defined in the circular to shareholders dated 6 December 2005) pursuant to which the Company will invest in Grafton Insurance Services Limited, a new company which is to trade as a property insurance broker, in the form produced to the meeting and initialled by the Chairman for the purposes of identification (subject to such variations which may be approved by the directors of the Company, provided that such variations are not material or inconsistent with the information relating to that agreement which is contained in the circular to shareholders dated 6 December 2005) be and is hereby approved and ratified;
- (b) the proposed arrangements pursuant to which Grafton Insurance Services Limited will act as property insurance broker for each of Bizspace plc and Safeland plc on the terms described in the circular to shareholders dated 6 December 2005 be and hereby are approved;
- (c) every 10 authorised (whether issued or unissued) ordinary shares of 0.1p each be consolidated into one ordinary share of 1p each;
- (d) the articles of association of the Company be altered by:
- (i) the insertion of the following paragraph as a new article 4A:

**“4A Fractions**

Whenever as the result of any consolidation or division or sub-division of shares any members of the Company would become entitled to fractions of shares, the Directors may on behalf of those members deal with such fractions as they shall determine and in particular may sell the shares representing the fractions to any person (including, subject to the provisions of the Statutes, the Company) for the best price reasonably obtainable and pay and distribute the net proceeds of the sale in due proportions amongst those members (except that any amount otherwise due to a member, being less than £3.00 or such other nominal sum as the Directors may from time to time determine, may be retained for the benefit of the Company). For the purpose of giving effect to any such sale the Directors may, in respect of certificated shares, authorise some person to execute a transfer of the shares sold on behalf of the members so entitled to, or, in respect of uncertificated shares nominate any person to transfer such shares in accordance with the facilities and requirements of the relevant system concerned or, in either case, in accordance with the directions of the purchaser thereof or any other person nominated by the purchaser and may cause the name of the purchaser or his nominee to be entered in the Register as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money nor shall the title of the transferee to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. For the purposes of this Article, any shares representing fractional entitlements to which any member would, but for this Article, become entitled may be issued in certificated form or uncertificated form.

- (ii) the insertion of the following paragraph as a new article 4B:

**“4B.1 Dividends and income**

4B.1.1 The company shall, in priority to any payment of dividend to the holders of all other shares in the capital of the company, pay to the holders of the Preference Shares out of the profits available for distribution in respect of each financial year of the company a

fixed cumulative preferential dividend (“Preference Dividend”) at a rate of 6 per cent. per annum (excluding the amount of any associated tax credit) (which rate shall increase to 9 per cent. per annum in accordance with Article 4B.3.6) on the nominal amount of each Preference Share from time to time paid up thereon.

- 4B.1.2 The Preference Dividend shall accrue on a daily basis from the day on which each Preference Share is issued and shall be payable annually in arrears on 28 February or if such date is a Saturday, Sunday or public holiday in England, on the next subsequent business day.
- 4B.1.3 The first Preference Dividend payment shall be made on the next subsequent Dividend Date in respect of the period from the date of issue of the relevant Preference Shares to such Dividend Date.
- 4B.1.4 Unless the company is prohibited, whether by reason of any principle of law or otherwise, the Preference Dividend shall (notwithstanding any provision of these Articles and, notwithstanding that there has not been any resolution of the directors of the company in general meeting) be paid immediately on the relevant Dividend Date and if not then paid shall be a debt due by the company which shall bear Interest with effect from the relevant Dividend Date and shall be paid first as to such Interest and secondly as to such Preference Dividend as soon as the company is lawfully able to make such payment and no dividend shall be proposed, declared or paid on any other class of share in the capital of the company, nor any other return of capital made whether by redemption or otherwise, unless and until all Arrears of the relevant Preference Dividend have been paid.
- 4B.1.5 The holders of the Preference Shares shall not be entitled to any further right of participation in the profits or income of the company.

#### **4B.2 Capital**

Subject to the provisions of these Articles, on a return of capital on a winding up or otherwise (other than on conversion, redemption or purchase by the company of its own shares in accordance with these Articles) the assets of the company available for distribution to its members shall be applied in paying to the holders of Preference Shares, in priority to any payment to the holders of all other shares in the capital of the company:

- 4B.2.1 first, a sum equal to all Arrears of the Preference Dividend calculated down to and including the date of the commencement of the winding up (in the case of winding up) or of the return of capital (in any other case); and
- 4B.2.2 secondly, a sum equal to the nominal amount paid up on the Preference Shares.
- 4B.2.3 The holders of the Preference Shares shall not be entitled to any further right of participation in the assets of the company on a winding up or other return of capital.

#### **4B.3 Redemption and purchase**

- 4B.3.1 The company may, subject to the Statutes, at any time and from time to time after the date of issue of the Preference Shares on giving to the holders of such Preference Shares at that date not less than 7 days’ prior written notice of the date when such redemption is to be effected, redeem all or any of such Preference Shares, in multiples of 10,000 or, if less, by the balance outstanding at the date of redemption. In the case of a partial redemption under this Article such redemption shall be pro rata to individual holdings of Preference Shares.
- 4B.3.2 The company shall, subject to the provisions of the Statutes, redeem on the second anniversary of the date of issue of any Preference Shares all such Preference Shares (if any) in issue on that date (or if such date is a Saturday, Sunday or public holiday in England on the next subsequent business day).

- 4B.3.3 If any offer is made to the holders of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary share capital of the company or if any person proposes a scheme with regard to such acquisition, and either the offer becomes or is declared unconditional in all respects or the company becomes aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the company has or will become vested in the offeror and/or such companies or persons the company shall give written notice thereof to all holders of Preference Shares within 14 days of its becoming so aware and each such holder shall be entitled within the period of 42 days from the date of such notice to require the company to redeem his Preference Shares on the terms set out in Article 4.3.7 by giving not less than 7 days prior notice in writing to the company.
- 4B.3.4 Subject to the provisions of the Statutes, the company shall be authorised at any time and from time to time to purchase all or any of the Preference Shares from time to time outstanding in the market or by tender (available to all holders of Preference Shares alike) or by private treaty, in each case at any price.
- 4B.3.5 If the company shall be unable in compliance with the Statutes to redeem all or any of the Redemption Shares on the appropriate Redemption Date then the company shall redeem such number of the Redemption Shares as may lawfully be redeemed at such time pro rata (disregarding any fractional entitlements) to the proportionate number of such Redemption Shares held by each holder. The company shall redeem, as soon after such date or dates as it shall be lawfully permitted so to do, the remaining number of Redemption Shares which would otherwise have fallen to be redeemed on such date in accordance with the provisions of this Article.
- 4B.3.6 If the company shall have not redeemed all or any of the Redemption Shares on the appropriate Redemption Date the Preference Dividend shall increase to a rate of 9 per cent. per annum (excluding the amount of any associated tax credit) on the nominal amount of each Preference Share not so redeemed with effect from the appropriate Redemption Date.
- 4B.3.7 There shall be paid on each Preference Share so redeemed the nominal amount paid up thereon together with a sum equal to all Arrears in respect of such Preference Share to be calculated down to and including the appropriate Redemption Date.
- 4B.3.8 Any notice of redemption shall specify the particular Preference Shares to be redeemed, the Redemption Date and the place at which the certificates for such shares are to be presented for redemption and upon the Redemption Date each of the holders of the Preference Shares concerned shall be bound to deliver to the company at such place the certificates for the shares concerned in order that the same may be redeemed. Upon such delivery the company shall pay to such holder (or to his order) the amount due to him in respect of such redemption. If any certificate so delivered to the company includes any Preference Shares not redeemable on that occasion a fresh certificate for such shares shall be issued without charge to the holder delivering such certificate to the company.
- 4B.3.9 As from the relevant Redemption Date the Preference Dividend shall cease to accrue on the Preference Shares due for redemption. Such shares shall be treated as having been redeemed, whether or not the certificates therefore shall have been delivered and the redemption monies paid. The redemption monies if remaining unpaid, shall constitute a debt of the company, subject to all the provisions of these Articles relating to monies payable on or in respect of a share.
- 4B.3.10 If any holder of the Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held by him at the time and place fixed for the redemption of such shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holders shall be set aside and paid into a separate interest-bearing account with the company's bankers (designated for the benefit of such holder). Such setting aside shall be deemed for all purposes hereof to be a payment to such holder. All such holder's rights as a holder of the relevant Preference Shares shall cease and determine as from the relevant Redemption Date and the company shall thereby be discharged from all obligations in respect thereof. The company shall not

be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the company in connection therewith.

4B.3.11 The receipt of the registered holder from time to time of any Preference Shares or, in the case of joint registered holders, the receipt of any of them for the monies payable on redemption shall constitute an absolute discharge of the company in respect thereof.

4B.3.12 Subject to the Statutes, upon the redemption of any Preference Shares the Directors may, pursuant to the authority given by the adoption of this Article, consolidate and/or subdivide and/or convert the authorised Preference Share capital created as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital of the company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of the same nominal amount as the Preference Shares.

4B.3.13 The company shall not allot or issue any new class of shares save such as rank as to dividend and capital after the Preference Shares and the company shall not allot or issue any further Preference Shares and no right shall be granted by the company to subscribe for or convert shares or other securities into any new class of shares save such as rank as to dividend and capital after the Preference Shares and no right shall be granted by the company to subscribe for or convert shares into Preference Shares (but nothing in this Article shall prohibit the allotment of or conversion of any shares into Ordinary Shares).

4B.3.14 Each holder of the Preference Shares shall be entitled to require the company to redeem all or any of the Preference Shares held by him at any time when all or any part of the Preference Dividend payable on such Preference Shares is in arrears for at least twelve months on the terms set out in Article 4B.3.7.

#### 4B.4 **Voting**

The holders of the Preference Shares shall have the right to receive notice of all general meetings of the company but shall not have the right to attend, speak or vote at a general meeting of the company.

#### 4B.5 **Interpretation**

The following definitions shall apply for the purposes of this Article 4B:

“**Dividend Date**” the date when the Preference Dividend is due for payment in accordance with the terms of these articles;

“**Preference Dividend**” the fixed dividend payable on the Preference Shares payable in accordance with Article 4.1;

“**Preference Shares**” the cumulative redeemable preference shares of £1 each in the capital of the company from time to time in issue the rights and restrictions in respect of which are set out in Article 4; and

“**Redemption Date**” the date of redemption of any Preference Shares pursuant to Articles 4B.3.1, 4B.3.2, 4B.3.3 or 4B.3.4.;

- (e) the authorised share capital of the Company be increased from £200,000 to £265,000 by the creation of 65,000 cumulative redeemable preference shares of £1 each;
- (f) the directors be generally and unconditionally authorised, pursuant to section 80 of the Companies Act 1985 (the “Act”), to allot any relevant securities (as defined in section 80(2) of the Act) of the Company up to a maximum aggregate nominal amount of £98,161.54 provided that:
  - (i) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution unless previously varied, revoked or renewed by the Company in general meeting;

- (ii) the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority and the directors may allot any relevant securities pursuant to such offer or agreement as if such authority had not expired; and
  - (iii) all prior authorities to allot relevant securities be revoked but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) five years after the date on which this resolution is passed, but the Company may make an offer or agreement which would or might require equity securities to be allotted after the expiry of this authority and the directors may allot equity securities in pursuance of that offer or agreement as if this authority had not expired;
- (g) the directors be generally empowered, pursuant to section 95 of the Act, to allot equity securities (within the meaning of section 94(2) of the Act) for cash, pursuant to the authority conferred by paragraph (d) of this resolution (“Authority”), as if section 89(1) of the Act did not apply to the allotment provided that this power shall be limited to:
- (i) the allotment of equity securities, in connection with a rights issue, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange or otherwise in any territory; and for the purposes of this resolution “rights issue” means an offer of equity securities to holders of ordinary shares in proportion to their respective holdings (as nearly as may be) and holders of other securities to the extent expressly required or (if considered appropriate by the directors) permitted by the rights attached thereto;
  - (ii) the allotment of 1,443,191 ordinary shares of 1p each in connection with the placing, details of which are set out in the circular to shareholders dated 6 December 2005;
  - (iii) the allotment of 65,000 cumulative redeemable preference shares of £1 each, details of which are set out in the circular to shareholders dated 6 December 2005;
  - (iv) the allotment (otherwise than pursuant to sub-paragraphs (i), (ii) and (iii) above) of equity securities up to an aggregate nominal value of £5,619.19;

and shall expire at the conclusion of the next annual general meeting of the Company or, if earlier unless previously varied, revoked or renewed by the Company in general meeting provided that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired. All prior powers granted under section 95 of the Act be revoked provided that such revocation shall not have retrospective effect; and

- (h) subject to and with effect from the date on which the registrar of companies issues an altered certificate of incorporation, the name of the Company be changed to Leo Insurance Services plc.

*By Order of the Board*

P Davis  
Secretary

*Registered Office:*

94-96 Great North Road  
London N2 0NL

Dated: 6 December 2005

Notes

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead. A proxy need not be a member of the Company.
2. A copy of the Management Shareholders Agreement will be available for inspection at the commencement of, and during the continuance of, the Extraordinary General Meeting.
3. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person.
4. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a duly certified copy thereof must (failing previous registration with the Company) be lodged with Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time of the meeting.
5. Pursuant to Regulations 41 of the Uncertificated Securities Regulations 2001 in respect of shareholders holding shares in uncertificated form to be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes they may cast), shareholders must be entered on the Company's register of members by close of business on 3 January 2006.

