

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document is being provided to persons who it is believed are or may be Scheme Creditors at the date of this document. If you have assigned, sold, or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Scheme Creditor before the Voting Record Date in respect of the Scheme please forward a copy of this document to the person or persons to whom you have assigned, sold or otherwise transferred, or assign, sell or otherwise transfer, your interests as a Scheme Creditor.

If you are in any doubt as to the contents of this document or what action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser who, if you are taking advice in the UK, is authorised pursuant to the Financial Services and Markets Act 2000, or from another appropriately authorised independent financial adviser if you are in a territory outside the UK.

This document is accompanied by Forms of Proxy for voting on the Scheme. It is important that you read this Explanatory Statement and the scheme of arrangement carefully for information about the Scheme and that you complete and return the relevant Form of Proxy to vote on the Scheme.

PROPOSAL IN RELATION TO SCHEME OF ARRANGEMENT

under Part 26 of the Companies Act 2006

between

ASSETCO PLC

and the

SCHEME CREDITORS

(as defined in this document)

Meetings of the Scheme Creditors to consider and, if thought fit, approve the Scheme will be held on 22 September 2011 commencing at 10.00 a.m. at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA. The notices convening the meetings of the two classes of Scheme Creditors are set out at Appendix C of this document (at pages 55 to 57). Instructions about how to vote at the meetings of the two classes of Scheme Creditors are set out at Appendix B to this document (at pages 51 to 54).

Further important information is set out under "Important Notice" on pages 5 to 7. Particular reference should also be made to the risk factors set out in Part 9 of Section 1 of this document.

CONTENTS

	Page
KEY DATES: EXPECTED TIMETABLE OF PRINCIPAL EVENTS	3
SOURCES OF INFORMATION ABOUT THE SCHEME AND THE COMPANY	4
IMPORTANT NOTICE	5
SECTION 1: EXPLANATORY STATEMENT	8
APPENDICES TO THE EXPLANATORY STATEMENT	47
SECTION 2: THE SCHEME	64

KEY DATES: EXPECTED TIMETABLE OF PRINCIPAL EVENTS¹

Event	Time and/or date
Voting Record Date	5.00 p.m. on 22 August 2011
Latest time for lodging Form of Proxy for the Scheme Meeting of all Scheme Creditors other than the Group Company Creditors (the blue Form of Proxy)	11.00 a.m. on 20 September 2011
Latest time for lodging Form of Proxy for the Scheme Meeting of the Group Company Creditors (the pink Form of Proxy)	11.00 a.m. on 20 September 2011
Scheme Meeting of all Scheme Creditors other than the Group Company Creditors	10.00 a.m. on 22 September 2011
Scheme Meeting of the Group Company Creditors	11.00 a.m. on 22 September 2011
Both Scheme Meetings will be held at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA on 22 September 2011. The dates given below are based on current expectations and may be subject to change. If any of the dates change, the Company will give the Scheme Creditors adequate notice of the change.	
Court Hearing ²	28 September 2011
Effective Date of the Scheme/Record Date	29 September 2011
Bar Date for the Scheme ³	28 December 2011

Unless otherwise stated, all references in this document to times are to London time.

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- 1 The dates in this timetable and mentioned throughout this document assume that neither of the Scheme Meetings is adjourned.
 - 2 The Court will be requested to sanction the Scheme. The date for that hearing has not yet been settled, although it is expected to take place on or about 28 September 2011. If this date changes, the dates of all subsequent steps, including the Effective Date, will be affected. In this event, the date of the hearing will be announced at the Scheme Meetings to the extent then known or otherwise notified to the Scheme Creditors.
 - 3 **The Bar Date under the Scheme is the date that is 90 days after the Effective Date. Notification of the exact date of the Bar Date will be made to Scheme Creditors by writing to each Scheme Creditor that the Company is aware of, by placing a notice on the Scheme Website and by notice in the Scheme Publications. Scheme Creditors with Scheme Liabilities must notify the Company of their Scheme Liabilities by submitting a Claim Form prior to the Bar Date or their Scheme Liabilities will be released in accordance with the terms of the Scheme without any entitlement to receive any consideration whatsoever in respect of such Scheme Liabilities.**

SOURCES OF INFORMATION ABOUT THE SCHEME AND THE COMPANY

THE SCHEME WEBSITE

Copies of this document, and of the Forms of Proxy and Claim Form relating to the Scheme, as well as information about the Scheme Meetings and additional information about the Scheme are available on the Scheme Website at <http://www.assetco.com/scheme>.

THE COMPANY WEBSITE

Additional information about the Company is also available on the Company's website at <http://www.assetco.com>.

In particular, and as referred to in this document, the Company is proposing to carry out the Placing. In connection with, amongst other things, the Placing the Company expects within approximately the next week to post a circular to its shareholders. The circular to shareholders will provide, amongst other things, further information on the Placing. The circular will, when it has been posted to shareholders, be made available on the Company's website at <http://www.assetco.com>.

As noted in Part 3 of the Explanatory Statement, historic financial information in relation to the Company and the Group is also available on the Company's website at <http://www.assetco.com>.

IMPORTANT NOTICE

(A) INFORMATION

The statements contained in this document are made as at the date of this document, unless another time is specified in relation to them, and delivery of this document shall not give rise to any implication that there has not been any change in the information set out in this document since that date.

Nothing contained in this document shall constitute a warranty or guarantee of any kind, express or implied, and nothing contained in this document shall constitute any admission of any fact or liability on the part of the Company or any affiliate of the Company with respect to any asset to which it or they may be entitled or any claim against it or them. Without prejudice to the generality of the foregoing, nothing in the Scheme or the Explanatory Statement or the distribution thereof evidences to any person, or constitutes any admission by the Company, that a liability is owed to any person in respect of any claim or that any person is or may be a Scheme Creditor. The failure to distribute this document to any Scheme Creditor shall not constitute an admission by the Company that such person is not a Scheme Creditor.

No person has been authorised by the Company to give any information or make any representations concerning the Scheme which are inconsistent with the statements contained in this document and, if made, such representations may not be relied upon as having been so authorised.

This document has been prepared in connection with a scheme of arrangement between the Company and the Scheme Creditors under Part 26 of the Act. Nothing in this document or any other document issued with or appended to it should be relied on for any purpose other than to make a decision on the Scheme. In particular, and without limitation, nothing in this document or any other document issued with or appended to it should be relied on in connection with the purchase of any shares, warrants, bonds, notes or assets of the Company or any other company.

The information contained in this document has been prepared based upon information available to the Company. To the best of the Company's knowledge, information and belief, 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. The Company has taken all reasonable steps to ensure that this document contains the information reasonably necessary to enable Scheme Creditors to make an informed decision about the effect of the Scheme on them.

Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the Company's or the Group's future financial performance except where otherwise specifically stated.

This document contains certain statements, statistics and projections that are, or may be, forward-looking. The accuracy and completeness of all such statements, including, without limitation, statements regarding the Group's (or any affiliate's, including the Company's) future financial position, strategy, plans and objectives for the management of future operations, is not warranted or guaranteed. These statements typically contain words such as "intends", "expects", "anticipates", "estimates" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Although The Company believes that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

The distribution of this document to or in certain jurisdictions may be restricted by law or regulation and persons into whose possession this document comes are requested to inform themselves about, and to observe, any such restrictions. Failure to comply with any such restrictions could result in a violation of the laws of such jurisdictions. This document does not constitute or contemplate an offer for, or the solicitation of an offer to purchase or subscribe for, any securities of the Company.

In this document: references to “sterling”, “£”, “pence” or “p” are to the lawful currency of the UK.

The summary of the principal provisions of the Scheme contained in this document is qualified in its entirety by reference to the Scheme itself, the full text of which is set out at Section 2 of this document. Each Scheme Creditor is advised to read and consider carefully the text of the Scheme. This document and, in particular, the Explanatory Statement have been prepared solely to assist Scheme Creditors in respect of voting on the Scheme.

Scheme Creditors should not construe the contents of this document as legal, tax, financial or other advice, and should consult with their own professional advisers as to the matters described in this document.

In the event of a conflict between the information and terms described in the Explanatory Statement and the Scheme, the terms of the Scheme shall prevail.

(B) OTHER JURISDICTIONS

The implications of the Scheme for Scheme Creditors who are residents or citizens of jurisdictions other than the UK may be affected by the laws of the relevant jurisdiction. Such overseas Scheme Creditors should inform themselves about and observe any applicable legal requirements. Any person outside the UK who is resident in, or who has a registered address in, or is a citizen of, an overseas jurisdiction and who is to receive any payment pursuant to the Scheme should consult his or her professional advisers and satisfy himself or herself as to the full observance of the laws of the relevant jurisdiction in connection with the Scheme, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction.

Overseas Scheme Creditors should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

**THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL
OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.**

(C) INFORMATION FOR UNITED STATES AND OTHER OVERSEAS SCHEME CREDITORS

This document is not an offer of securities for sale in the United States. The Scheme Claims, being contingent rights to Scheme Payments, have not been, and will not be, registered under the Securities Act or under the securities laws of any state, district or other jurisdiction of the United States, Australia, Canada, Japan or South Africa and no regulatory clearance in respect of the Scheme Claims has been, or will be, applied for in any jurisdiction other than the UK. The Scheme Claims may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration. The Scheme Claims will be created in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) thereof. See Part 8 of the Explanatory Statement for further details.

Notice to US Investors

The Scheme relates to the liabilities of a company incorporated under the laws of England and Wales and is to be made by means of a scheme of arrangement provided for under the laws of England and Wales. The Scheme is subject to the disclosure requirements and practices applicable in the UK to a scheme of arrangement, which differ from the disclosure and other requirements of US securities laws.

Enforceability of Judgments

The Company is a public limited company incorporated under the laws of England and Wales. All of the Company's directors and executive officers are citizens or residents of countries other than the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or the Company, or to enforce against them judgments of US courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. There is substantial doubt as to the enforceability in the UK in original actions, or in actions for enforcement of judgments of US courts, based on the civil liability provisions of US federal securities laws.

SECTION 1: EXPLANATORY STATEMENT

in compliance with Part 26 of the Companies Act 2006 for a

SCHEME OF ARRANGEMENT

under Part 26 of the Companies Act 2006

between

ASSETCO PLC

and the

SCHEME CREDITORS

(as defined in this document)

CONTENTS OF EXPLANATORY STATEMENT

Part 1:	Letter from the interim executive chairman of AssetCo plc	page 10
Part 2:	Background to the Scheme	page 16
Part 3:	Financial information	page 23
Part 4:	Overview of the Refinancing	page 24
Part 5:	The Scheme	page 28
Part 6:	Further information relating to the Scheme	page 34
Part 7:	Additional information	page 36
Part 8:	Overseas Scheme Creditors	page 39
Part 9:	Risk factors	page 40
Part 10:	Understanding the Scheme – Questions and Answers	page 42
Appendix A	List of defined terms used in the Explanatory Statement	page 47
Appendix B	Scheme – summary of action to be taken	page 51
Appendix C	Notices convening the Scheme Meetings	page 55
Appendix D	Estimated statement of affairs and return from the proposed Scheme of Arrangement and caveats, limitations and uncertainties relating to the insolvency analysis	page 58

PART 1

LETTER FROM THE INTERIM EXECUTIVE CHAIRMAN OF ASSETCO PLC

Registered Office of the Company:

800 Field End Road
South Ruislip
Middlesex
HA4 0QH

Directors of the Company:

Tudor Griffith Davies
Andrew Wayne Freemantle
Peter David Manning
Christopher Harwood Bernard Mills

(Registered in England and Wales with registered number 04966347)

Dear Scheme Creditor

1 INTRODUCTION

- 1.1 I am writing this letter in my capacity as interim executive chairman of AssetCo plc.
- 1.2 This letter forms part of the Explanatory Statement for a proposed scheme of arrangement between the Company and its creditors pursuant to Part 26 of the Companies Act 2006.
- 1.3 Please note that a list of the capitalised terms used in this letter and in the Explanatory Statement is set out at Appendix A to this Explanatory Statement (which Appendix A starts at page 47).
- 1.4 The Scheme is part of a proposed restructuring and refinancing of the Company (referred to in this document as the “**Refinancing**”). The objectives of the Refinancing are:
 - (a) to allow for a refinancing of the Company by way of the Placing, it being an integral condition of the Placing that the Scheme is approved and becomes effective;
 - (b) to put the Company in a position where it is able to trade as a going concern;
 - (c) to improve the return for creditors of the Company as compared to that which would be expected were the Company to enter into an insolvency procedure; and
 - (d) to provide a stronger platform for the growth of the Group’s operations in the Middle East.
- 1.5 A more detailed description of the proposed Refinancing and a summary of the terms of the Scheme is included in this letter and elsewhere in the Explanatory Statement.
- 1.6 This Explanatory Statement, which is provided pursuant to section 897 of the Act, is intended to provide you with sufficient information to make an informed decision on whether or not to approve the Scheme.
- 1.7 This document also explains why the Board considers the Scheme to be in the best interests of the Scheme Creditors.
- 1.8 For the reasons given in paragraph 3 of Part 4 of this Explanatory Statement, the Board are unanimously of the view that the approval and implementation of the Scheme is in the best interests of the Scheme Creditors.

2 BACKGROUND TO THE REFINANCING

- 2.1 The background to the problems that the Company has encountered is set out in detail in Part 2 of this Explanatory Statement.

- 2.2 In summary, the Company is effectively insolvent and, absent a refinancing, it would not be able to continue as a going concern. The proposed Refinancing (of which the Scheme forms a key part) is the result of very lengthy and complex discussions with certain key stakeholders in the Company. **The proposed refinancing of the Company by way of the Placing will not happen if the Scheme is not approved. If the Scheme of Arrangement was to fail, the Board expects that it would be necessary to place the Company into administration or liquidation.**

3 WHO IS AFFECTED BY THE SCHEME?

The Scheme will affect all of the creditors of the Company other than those who are creditors in respect of Excluded Liabilities. "Excluded Liabilities" is defined in the Scheme, but it includes, among others, liabilities of the Company to the current Directors, liabilities of the Company to a limited number of trade creditors (principally being advisers in connection with the Scheme), payments made pursuant to the Scheme (including the costs of administering the Scheme), any liability of the Company in respect of the AssetCo Pension Scheme (it being noted that the Company is seeking to reach agreement with the trustees of the AssetCo Pension Scheme in terms of which the Company would (in exchange for a payment or payments to be made by the Company) cease to be the principal employer under the AssetCo Pension Scheme, that any such agreement will not be subject to the Scheme but that it is a condition of the Scheme becoming effective that such agreement be reached), liabilities of the Company to Northern Bank Limited and others in respect of legal fees relating to the petition of Northern Bank Limited for the winding-up of the Company, any liability of the Company to Northern Bank Limited in terms of an asset finance facility which may have been granted to the Company by Northern Bank Limited (which has been excluded in anticipation that any such liability will be novated to another company within the Group) and liabilities of the Company in respect of its operations in Abu Dhabi. For further details of the Excluded Liabilities see paragraph 2.3 of Part 5 of this Explanatory Statement and the Scheme itself.

4 KEY TERMS OF THE REFINANCING

Overview

- 4.1 As explained above, a key part of implementing the proposed Refinancing is the Scheme of Arrangement. **If the Scheme of Arrangement was to fail, the Board expects that it would be necessary to place the Company into administration or liquidation.**

How the Scheme becomes effective

- 4.2 In order for any scheme of arrangement to become effective it must be approved at a meeting or meetings of scheme creditors (referred to as a "**scheme meeting**"). The required majority at each scheme meeting is creditors holding 75 per cent. of the value of claims present in person or by proxy and voting at the scheme meeting, and representing a simple majority in number of creditors present and voting at the scheme meeting.
- 4.3 In some schemes of arrangement, different classes of creditors are required to vote separately. This is required because in such schemes the rights of creditors are so different or would be affected so differently by a scheme of arrangement as to make it impossible for them to consult together in their common interest. In these cases the scheme must be approved by the required majority of each class of creditors. This applies to the Scheme. The Company intends to convene meetings of two classes of creditors for the purpose of voting on the Scheme (see paragraph 2.4 of Part 6 of this Explanatory Statement).

- 4.4 The Court has already given the Company permission to convene meetings of creditors to consider the Scheme. The next step in the process is for people who believe that they are Scheme Creditors to submit the relevant Form of Proxy to vote at the Scheme Meeting to be held of the class of creditors of which that Scheme Creditor forms part (although Scheme Creditors may attend the relevant meeting in person and vote). This Explanatory Statement contains detailed instructions as to how to do this – see Appendix B below.
- 4.5 Assuming that a scheme of arrangement has been approved by the required majority or majorities of the relevant creditors, it must receive the sanction of the Court before it can become effective. The company proposing the scheme will report to the Court at a formal hearing that the scheme has obtained the approval of the relevant creditors and the Court will decide whether the scheme is fair and should become effective. Any creditor who objects to the scheme would be able to make representations to the Court on this occasion. If the Court sanctions the Scheme then (subject to a number of conditions precedent) the Scheme will become effective when the Company delivers the Court order sanctioning the Scheme to the Registrar of Companies.

The Scheme

- 4.6 The Scheme is set out in full at Section 2 of this document (from page 64 onwards). A summary of its terms is set out at Part 5 of this Explanatory Statement.
- 4.7 In summary, a key purpose of the Scheme is to achieve a higher return for Scheme Creditors than they would achieve in an administration or a liquidation of the Company. **If the Scheme does not become effective then the Placing will not take place. If the Placing does not take place then the Board considers that it would have no alternative but to put the Company into administration or liquidation.**
- 4.8 If the Scheme becomes effective, the sum of £5,000,000 will be made available, firstly, to meet the Scheme Costs (which are currently estimated to be likely to be approximately £100,000 to £200,000 but no certainty can be given in respect of this) and, thereafter, to satisfy and compromise all Scheme Liabilities. In the event that the Scheme Costs exceed £100,000, the Company will contribute (as an addition to the £5,000,000 Scheme Creditor Settlement Amount) 50 per cent. of the amount by which the Scheme Costs exceed £100,000, provided always that any such contribution by the Company shall be capped at and shall in no circumstances exceed £50,000. Under the terms of the Scheme, Scheme Liabilities would be settled and compromised as follows:
- (a) Group Company Creditors (that is other members of the Group to whom the Company owes debts) would receive 0.01 pence for each £ of debt owed by the Company, provided always that the maximum amount payable to all Group Company Creditors will be subject to a cap of £10,000 (and on the basis that if paying 0.01 pence in the £ to Group Company Creditors would otherwise result in the aggregate amount payable to all Group Company Creditors exceeding £10,000 the payments to those Group Company Creditors will be pro rated so that the aggregate amount actually paid will be £10,000). The Board estimates that the aggregate of all Scheme Liabilities currently owed to Group Company Creditors is £100,057,000. Accordingly, based on that estimate, Group Company Creditors would receive £10,000 under the Scheme.
 - (b) The balance of the £5,000,000 (i.e. the £5,000,000 less the Scheme Costs less the amount payable to Group Company Creditors as described in (a) above) would be used to settle all other Scheme Liabilities. This balance amount would be divided amongst the Scheme Creditors (other than the Group Company Creditors) pro rata to the aggregate amount of all Scheme Liabilities owed to such Scheme

Creditors. The Board estimates that the aggregate of all Scheme Liabilities (other than Scheme Liabilities owed to Group Company Creditors) is currently in the region of £21m. Accordingly, based on that estimate (and the estimate referred to above of Scheme Costs of approximately £100,000 to £200,000 and of £10,000 being payable in respect of Group Company Liabilities) Scheme Creditors (other than Group Company Creditors) would receive approximately 23 pence for each £ of debt. **Scheme Creditors should be aware, however, that the actual Scheme Costs may be higher (or indeed lower) than the current estimate of Scheme Costs (particularly if agreeing or determining Scheme Claims is difficult or protracted) and that the actual aggregate amount of Liabilities owed to Scheme Creditors as at the Record Date for the Scheme may be materially different from current estimates. Accordingly the actual return to Scheme Creditors (other than Group Company Creditors) cannot be quantified at this time and may be less than the approximation above.**

4.9 Assuming the Scheme is sanctioned and becomes effective:

- (a) Scheme Creditors will not be able to bring any action against the Company in respect of the Scheme Liabilities other than through the process set out in the Scheme;
- (b) the value of each Scheme Creditor's claim will be agreed and/or determined under the terms of the Scheme including via the claims submission and determination process set out in the Scheme;
- (c) each Scheme Creditor (unless they are a net debtor) will receive pro rata payments in respect of their determined claim; and
- (d) on completion of the Scheme, each Scheme Creditor will release the Company from all Scheme Liabilities.

Other elements of the proposed Refinancing

4.10 The following are other key elements of the Refinancing:

- (a) Pursuant to the Placing, the Company expects to enter into conditional arrangements with proposed investors in the Company whereby those investors will conditionally agree to invest £12,500,000 by way of a subscription for New Ordinary Shares in the capital of the Company. If the Placing is completed, the Company therefore expects to raise £12.5m (before expenses). The Placing will be conditional on a number of conditions being satisfied. Those conditions will include, amongst others, the Shareholder Resolutions being passed, the Scheme becoming effective and the share exchange referred to below completing. The Placing will also be conditional on the satisfaction of a number of other customary conditions. The Scheme is in turn conditional on the Shareholder Resolutions being passed, agreement being reached between the Company and the trustees of the AssetCo Pension Scheme in terms of which the Company will (in exchange for a payment or payments from the Company) cease to be the principal employer under the AssetCo Pension Scheme and on the Placing becoming unconditional (save only as to conditions of the Placing that the Scheme shall have become effective and that the shares to be issued pursuant to the Placing shall have been admitted to AIM);
- (b) The acquisition by the Company from North Atlantic Smaller Companies Investment Trust Plc and others (together the "**AssetCo Abu Dhabi Preference Shareholders**") of the 15m preference shares of £1 each in the capital of AssetCo

(Abu Dhabi) Limited (“**AssetCo Abu Dhabi**”) (a member of the Group) issued by AssetCo Abu Dhabi to the AssetCo Abu Dhabi Preference Shareholders in or around January 2009. Those preference shares (the “**AssetCo Abu Dhabi Preference Shares**”) will be acquired by the Company in exchange for the issue by the Company to the Abu Dhabi Preference Shareholders of an aggregate of 3.75 million New Ordinary Shares in the capital of the Company.

Further details of both the Placing and the acquisition of the AssetCo Abu Dhabi Preference Shares will be contained in the Shareholder Circular, which is expected to be posted to the Company’s shareholders within approximately the next week and will thereafter also be made available on the Company’s website at <http://www.assetco.com>.

5 **SUPPORT FOR THE SCHEME**

The Company has received non binding letters of support from Barclays Bank plc and The Co-operative Bank plc confirming that it is their current intention to support the Scheme. In addition, both Northern Bank Limited and Bank of Scotland plc confirmed that they were supportive of the adjournment of Northern Bank Limited's petition for the winding up of the Company in order to allow time for the meetings of Scheme Creditors to take place to consider the Scheme. On 25 August 2011 the Court granted such an adjournment until 28 September 2011. The Scheme Meetings are to be held on 22 September 2011.

6 **THE DIRECTORS AND THE EFFECTS OF THE SCHEME ON THEIR INTERESTS**

The interests of the current directors of the Company and their key terms of employment are set out in Part 7 of this Explanatory Statement. All Liabilities of the Company to the current directors of the Company are Excluded Liabilities and do not form part of the Scheme.

Upon the Scheme becoming effective, and in accordance with the terms and conditions of my engagement by the Company, I will be entitled to a success fee of £300,000 from the Company.

Christopher Mills is a partner in North Atlantic Value LLP (“**NAV**”) and a director of, among others, North Atlantic Smaller Companies Investment Trust plc (“**NASIT**”) and various members of the J O Hambro group of companies together. NAV and NASCIT (and various persons connected thereto):

- (a) currently hold the AssetCo Abu Dhabi Preference Shares;
 - (b) will be parties to the proposed share for share exchange in relation to those preference shares; and
 - (c) are expected to be participants in the Placing,
- all as more fully referred to in paragraph 4.10 above.

7 **RISK FACTORS**

There are a number of risks in relation to the implementation of the Scheme. The principal risk factors in relation to the Scheme are set out in Part 9 of this Explanatory Statement.

8 **UNDERSTANDING THE SCHEME – FREQUENTLY ASKED QUESTIONS**

To assist Scheme Creditors to understand the Scheme, some frequently asked questions, and answers thereto, are set out in Part 10 of this Explanatory Statement.

9 ACTION TO BE TAKEN

- 9.1 Meetings will be held to vote on the Scheme at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA on 22 September 2011. There will be two Scheme Meetings: one in respect of all Scheme Creditors other than Group Company Creditors; and another in respect of Group Company Creditors.
- 9.2 There are separate Forms of Proxy for each Scheme Meeting. If you are a Scheme Creditor, please complete the relevant Form of Proxy (i.e. the one which applies to the class of Scheme Creditor of which you are part) and return it to PricewaterhouseCoopers LLP at 7 More London Riverside, London SE1 2RT or alternatively by fax to PricewaterhouseCoopers LLP on fax number 020 7212 7500 or by email to assetco.scheme@uk.pwc.com (in each case marked for the attention of Robert Jonathan Hunt/David Christian Chubb). **The blue Form of Proxy is for use by Scheme Creditors other than Group Company Creditors. The pink Form of Proxy is for use by Group Company Creditors. You are urged to complete the relevant Form of Proxy and submit it to PricewaterhouseCoopers LLP as soon as possible, and in any event before 11.00 a.m. on 20 September 2011.**
- 9.3 To help you in completing the relevant Form of Proxy, detailed instructions have been included in Appendices B and C to this Explanatory Statement and the Forms of Proxy.
- 9.4 Further information about the Scheme and important relevant documents and notifications can be found on the Scheme Website – www.assetco.com/scheme. Scheme Creditors are requested to check the Scheme Website regularly.

10 RECOMMENDATION

- 10.1 For the reasons mentioned above and set out more fully in the rest of this Explanatory Statement, the AssetCo Board considers the Scheme, and the proposed Refinancing of which the Scheme forms a part, to be in the best interests of the Scheme Creditors and the Company's other creditors.
- 10.2 Accordingly, the AssetCo Board unanimously recommend that Scheme Creditors vote in favour of the Scheme at the Scheme Meetings.

Yours faithfully

Tudor Davies
Interim Executive Chairman of AssetCo plc

30 August 2011

PART 2

BACKGROUND TO THE SCHEME

1 INTRODUCTION

- 1.1 The Company is the holding company of the Group.
- 1.2 The Group's business comprises an international fire and rescue services business. The Group operates in the civil defence, armed forces, aviation and oil and gas industries and has contracts in the UK and the UAE. The Group provides fully outsourced fire and rescue services, including the provision of personnel, training and equipment. Further information about the Group can be found at <http://www.assetco.com>.
- 1.3 Key contracts held by members of the Group include the following:
- (a) a 20-year operational asset management contract with the London Fire and Emergency Planning Authority ("LFEPA") entered into by AssetCo London Limited (a subsidiary of the Company);
 - (b) a 20-year PPP support services contract for the supply, operational management, maintenance and replacement of Lincoln Fire & Rescue Service's pumping appliances, response and support vehicles, and a full range of operational equipment. This contract is due to expire in 2026;
 - (c) a 7-year contract entered into in July 2009 by AssetCo London Limited (a subsidiary of the Company) pursuant to which AssetCo London Limited provides a firefighter reserve capability to LFEPA – this replaced the reserve firefighting capacity previously provided by the Ministry of Defence using military personnel and their Green Goddess fleet;
 - (d) a 3-year £40m contract entered into in March 2010 by the Company pursuant to which the Company provides a fully outsourced firefighting service in the UAE. This contract (the "**SOC I Contract**"), entered into with Special Operations Command, United Arab Emirates Armed Forces ("**SOC**"), may be terminated by SOC in the event of the bankruptcy or insolvency of the Company. The Directors consider the SOC I Contract to be of key importance to the Company. If the Scheme does not become effective, the Directors believe that it will be necessary to put the Company into liquidation or administration. If the Company is put into liquidation or administration and as a result SOC seek to terminate the SOC I Contract, the Directors believe that this would result in the destruction of significant value to the Company; and
 - (e) a 30 per cent. stake in a joint venture company called AssetCo Emirates Response Services LLC – with the Company's joint venture partner being Emirates Response Services LLC. It is believed that the joint venture vehicle has a 5 year £105m contract to provide a turnkey solution to the UAE Air Force. The contract is confidentially held by the UAE Air Force but, similar to the SOC I above, the Directors consider that if there is any form of insolvency process for the Company the contract may be lost either due to insolvency termination clauses or the negative impact that an insolvency process would have on the Company's reputation.

2 EVENTS LEADING TO THE REFINANCING AND SCHEME OF ARRANGEMENT BEING PROPOSED

- 2.1 On 13 December 2010 the Company announced the unaudited interim results of the Group for the 6 month period ended 30 September 2010.
- 2.2 On 23 December 2010 the Company announced the sale to Spring Ventures Limited of Supply 999 Limited, Todd Research Limited and AS Fire & Rescue Equipment Limited.

- 2.3 On 31 January 2011 the Company announced that it was in discussions with a third party that may or may not lead to an offer being made for the Company.
- 2.4 On 8 February 2011 the Company announced that it had a short term debt requirement of approximately £4.0 million and that it was pursuing various alternatives to satisfy this.
- 2.5 On 14 February 2011 the Company announced that it had informed the potential offeror referred to in the 31 January 2011 announcement that it was discontinuing talks with it in order to concentrate on the Company's short term funding issues. The Company noted that the short term funding issues had arisen as a result of delays to the refinancing of non-recourse asset financing facilities of the business. The Company further noted that in order to meet its immediate needs it was in advanced discussions in relation to a short term debt facility of £3.5 million and that it expected to receive waivers in respect of certain technical breaches of its banking conditions.
- 2.6 On 21 February 2011 the Company announced that it had received advice from Arden Partners Plc, the Company's nominated adviser and broker, concerning the feasibility of an equity fundraising and, in light of this advice, the Company had decided to approach investors and shareholders in order to raise up to £8 million as soon as possible. The Company further noted that it still intended to proceed with a debt refinancing to strengthen further the working capital available to the business.
- 2.7 On 3 March 2011 the Company announced a conditional placing of new shares in the capital of the Company to raise gross proceeds of £16 million. The Company also announced that a winding-up petition had been presented by a substantial creditor in relation to an outstanding payment obligation; that this action had precluded the Company from obtaining short-term bridging finance; and that the Company was therefore raising additional equity finance. It was noted that the substantial creditor had agreed to withdraw the winding-up petition on receipt of the amounts due to it from the proceeds of the placing.
- 2.8 On 14 March 2011 the Company announced:
- (a) that it had received a preliminary approach from a third party which was subject to various conditions including due diligence, that talks with this party had been taking place intermittently over several months but that no talks were being conducted with this or any other party on any possible offer for the Company and that the Company remained wholly committed to ensuring that the placing announced on 3 March 2011 was successfully completed;
 - (b) that the Company had on 14 March 2011 entered into a short-term loan facility of £1,450,000 with its principal banker to enable the Company to meet certain critical payments ahead of the placing proceeds becoming available and that the short-term loan facility was to be repaid from the proceeds of the placing; and
 - (c) that the announcement of the placing had encouraged some creditors to accelerate payment arrangements to the extent that the trade creditor balance at the end of March would be lower than on a normalised basis although some key creditors would be required to remain on gradual repayment terms. In addition, the Company noted that it would need some of the proceeds of the placing to reduce the level of recourse debt on the Company's balance sheet and that it was in negotiations concerning a suitable level of ongoing working capital facility.
- 2.9 On 18 March 2011 the Company announced that the approach taken by certain creditors had impacted the ongoing working capital requirements of the Group following the announcement of the proposed £16 million placing. The Company noted that it had

continued discussions relating to these matters and had concluded that it would still not have sufficient future working capital. It further noted that in order to provide the necessary certainty for the Group and to allow the placing to proceed, a number of the major shareholders of the Company had indicated that, in the event that the Company could not meet its needs from banking sources, they would be prepared to provide additional support for the Company's requirements, by way of an equity subscription of up to a maximum of £10 million.

- 2.10 On 21 March 2011 the Company announced that it expected to require a working capital facility of £3-4 million after the receipt of the £16 million gross proceeds from the equity placing announced on 3 March 2011, that it was the board's preference to meet this requirement by arranging suitable new bank facilities, but that this had not been possible prior to the placing. The Company further noted that, as a contingency to ensure the availability of working capital in the future, the Company had received indications of financial support from funds advised by North Atlantic Value LLP (a part of J O Hambro Capital Management Group), Gartmore Investment Limited and Utilico Investments Limited that they would be prepared to provide additional funding of up to £3.33 million each, £10 million in total, in consideration for a further issue of ordinary shares at a price of 10 pence per share. The Company further noted that as a condition of the arrangements announced on 21 March 2011, the Company had agreed to appoint Tudor Davies as interim executive chairman of the Company. It was also noted that Tudor Davies would replace Tim Wightman who would step down as Chairman and a director as soon as practical after the conclusion of the placing announced on 3 March 2011. It was further noted that on 20 March 2011 the Company had received a claim from its then chief executive, John Shannon, asserting that he was not bound by his irrevocable undertaking to vote in favour of the resolutions to be proposed at the general meeting of the Company's shareholders scheduled for 21 March 2011 to approve the placing. The Company noted that it had been advised that Mr Shannon's claim was without merit and that in the event that Mr Shannon sought to breach his undertaking, the Company would take appropriate action.
- 2.11 Later on 21 March 2011 the Company further announced that dealings in the Company's shares on AIM had been suspended at the request of the Company and that this was in the light of the uncertainty surrounding the Company following the receipt of the claim from John Shannon that he was not bound by his irrevocable undertaking to vote in favour of the resolutions at the general meeting convened for 21 March 2011. The Company noted that Mr Shannon had attended the general meeting on 21 March 2011 and had indicated that he would vote against the resolutions at the meeting. It was further noted that, as a result, the meeting had been adjourned to enable the Company to consider its options and had been reconvened to be held on 22 March 2011. The Company noted that without the additional equity funding being forthcoming through the proposed placing, the Company's directors believed that it was likely that the Group's banks would withdraw their support which would mean that the Company could not continue in its then current form.
- 2.12 On 22 March 2011 the Company made two announcements. The first noted that on 21 March 2011 a court hearing had been held and an injunction had been granted to the Company requiring John Shannon to vote in favour of all the resolutions to be proposed at the Company's reconvened general meeting to be held on 22 March 2011 and that, as a result, the directors of the Company expected that all the proposed resolutions would be passed at the general meeting, and that this would enable the placing which was announced on 3 March 2011 to be completed. The second announcement noted that the placing had been completed and that the net proceeds would be used to address the Company's short term liquidity and funding issues, to assist in the

restructuring of the Group's indebtedness and to provide working capital for the future development of the Group.

- 2.13 On 23 March 2011 the Company announced that Tudor Davies had been appointed as an executive director of the Company, that Christopher Mills had been appointed as a non-executive director of the Company, that Tim Wightman had stood down from the position of Chairman of the Company and that Tudor Davies had been appointed interim Chairman with immediate effect.
- 2.14 On 24 March 2011 the Company announced that, following a request from the board of the Company, John Shannon had resigned as a director of the Company and all subsidiary companies.
- 2.15 On 29 March 2011 the Company announced that, following completion of the placing of new shares in the Company, raising £16 million and announced on 22 March 2011, the winding up petition announced on 3 March 2011 had been withdrawn as a result of the petitioner having been fully paid. The Company noted that, at the same hearing in respect of the winding up of the Company, all the associated petitions against operating subsidiaries had been dismissed and that the Company was raising validation orders to pass the necessary cash into the operating businesses to enable them trade normally. The Company further noted, however, that another creditor had been substituted at the hearing. The Company noted further still that the Company was able and in a position to make this payment but that the new management team were determined to ensure full process and investigation be made of any calls for payment, and therefore that the hearing had been adjourned for fuller determination.
- 2.16 On 4 May 2011 the Company noted, as a follow up to the 29 March 2011 announcement, that at a Court hearing on 27 April 2011, agreement had been reached with the substituting petitioner and supporting creditor and that the petition was dismissed.
- 2.17 On 12 May 2011 the Company provided an update to shareholders on the events leading up to and subsequent to the general meeting of the Company held on 21/22 March 2011. As part of the update, the Company noted that John Shannon had been summarily dismissed as an employee with immediate effect on 28 April 2011, as a result of serious breaches of contract and duties arising from the Company's investigation into the various matters that constituted counterclaims against him (Mr Shannon having been a supporting creditor referred to above).
- 2.18 On 18 May 2011 the Company announced that Scott Brown, the then Finance Director of the Company, had resigned with effect from 17 May 2011. It was noted that Mr Brown's immediate duties and the finance structure was being managed day-to-day by a senior interim manager, who was reporting directly to interim Chairman, Tudor Davies. It was further noted that responsibility for all financial aspects concerning the Company and its group companies at the main board level was being assumed by Tudor Davies, who qualified as an accountant and was formerly a partner with Arthur Young (now Ernst & Young). The Company noted further still that it was continuing to discuss various solutions to its financing issues.
- 2.19 On 24 May 2011 the Company announced that it was continuing to look at all opportunities for shareholder value and that, as previously announced on 21 March 2011, the Company was in dialogue with an investor group regarding financial support, but as announced on 12 May 2011 any proposal for a future fundraising would be dependent upon the Company agreeing a sustainable and appropriate financing structure with its bankers. The Company noted that it continued to have constructive discussions with all parties whilst the Company was preparing its proposals for a financial restructuring, and that the banks lending to the Company's operating

subsidiaries were generally supportive regarding the short term financing situation. It was noted, however, that Northern Bank based in Belfast, Northern Ireland, had lodged a creditors' petition in respect of its debt of £1.3m owed by the Company. The Company further noted that this effectively sought to improve Northern Bank's position ahead of other banks and creditors, and if not settled the petition would be heard on 29 June 2011. The Company noted that it considered that it would be inappropriate at that time to pay one bank in full ahead of other banks as the Company's objective was a financial restructuring for the benefit of all stakeholders.

- 2.20 On 13 June 2011 the Company confirmed that it was in discussions with a number of parties which may or may not lead to an offer being made for the Company's business.
- 2.21 On 29 June 2011 the Company announced that at a Court hearing heard earlier in the day in relation to the creditors' petition for the winding up of the Company, brought by Northern Bank in connection with their loan of £1.3m to the Company, the hearing of the petition had been deferred for 12 days until 11 July 2011. The Company noted that at the hearing on 11 July 2011, the Court would be asked to consider a range of options for the Company in the light of progress made by that date and that these options would include a further postponement, the grant of an administration order in respect of the Company, for which an application was submitted on 29 June 2011, or the grant of the winding up petition. The Company further noted that it was aware of the prospect of further petitions from HMRC in relation to Group companies, which it would consider in due course, but that these were not anticipated to be heard until late August 2011. The deferral of the hearing was requested by the Company, to enable it to continue ongoing discussions with potential offerors and on potential refinancing of the Group. The Company noted that these discussions had now reached an advanced stage, but that there could be no certainty that they would result in an offer for the Company being made or any re-financing taking place.
- 2.22 On 1 July 2011 the Company announced that as Tim Wightman had reached the age of 65 years, he had retired as a non-executive director of the Company with effect from 30 June 2011.
- 2.23 On 11 July 2011, and further to the update released by the Company on 29 June 2011, the Company announced that at the Court hearing held on 11 July 2011, the Court had considered the progress made to date and had granted a further adjournment until 25 July 2011 to enable the Company to continue with the potential offer.
- 2.24 On 25 July 2011, and further to the announcement made on 21 March 2011 in regard to the provision of additional working capital, the Company announced that it has been in discussions with certain of its major stakeholders (being North Atlantic Value LLP, a part of the J O Hambro Capital Management Group, Utilico Investments Limited and Henderson, which incorporates the interests of Gartmore Investments Limited), together the "Investor Group", who had remained supportive of the Company. The Company noted that, as a result, the Board was pleased to announce it had received a refinancing proposal from the Investor Group that would involve, amongst other things, a £10m equity injection into the Company and compromises with certain creditors of the Company to be implemented through a scheme of arrangement. The Company noted that it was anticipated that certain other existing institutional shareholders in the Company would also be allowed a participation in this equity fundraising.

The Company noted that, at the Group level, the strategy would be to focus on developing the Middle-East business into a leading emergency services platform and on running the London and Lincoln contracts; that the refinancing proposal to be approved by shareholders would involve the ring-fencing of the LFEPA contract, although

shareholders would retain an interest in any residual value; that the Investor Group intended that following this fundraising, the Company would continue to be listed on AIM; and that, if implemented, the proposals would involve material write downs for banking creditors and preference shareholders and significant dilution for existing shareholders. It was further noted that the Company and the Investor Group would continue to seek the necessary agreements from the banks and creditors of the Group and would seek a further adjournment of the administration application at the Court hearing on 25 July 2011.

The Company further noted that discussions with a potential offeror had reached a very advanced stage but the Company had not been able to reach agreement, and as the potential offeror also needed to reach agreement with the banks, there could be no certainty that there will be an offer for the Company.

- 2.25 In a second announcement on 25 July 2011, the Company announced that at a Court hearing heard earlier in the day the Court considered the progress made to date and granted a further adjournment until 25 August 2011 to enable the Company to continue with the proposed refinancing or potential offer.
- 2.26 On 25 August 2011 the Company announced that, at a Court hearing held on 25 August 2011, the Court had:
- (a) granted permission to the Company to convene the Scheme Meetings; and
 - (b) in order to allow creditors the opportunity to consider the Scheme, adjourned the hearing of the petition previously lodged by Northern Bank for the winding up of the Company until 28 September 2011.

3 THE REFINANCING AND SCHEME OF ARRANGEMENT

- 3.1 Against the foregoing background and recent history, the Board has come to the view that the Company has no prospect of maintaining normal operations without the Refinancing.
- 3.2 As noted in paragraph 2 of Part 4 of this Explanatory Statement, the Refinancing includes:
- (a) the Scheme of Arrangement;
 - (b) the Placing; and
 - (c) the acquisition of the Abu Dhabi Preference Shares from the Abu Dhabi Preference Shareholders in exchange for the issue by the Company to the Abu Dhabi Preference Shareholders of an aggregate of 3.75 million New Ordinary Shares.
- 3.3 As noted in paragraph 1.4 of Part 1 of this Explanatory Statement, the objectives of the Refinancing are:
- (a) to allow for a refinancing of the Company by way of the Placing, it being an integral condition of the Placing that the Scheme is approved and becomes effective;
 - (b) to put the Company in a position where it is able to trade as a going concern;
 - (c) to improve the return for creditors of the Company as compared to that which would be expected were the Company to enter into an insolvency procedure; and
 - (d) to provide a stronger platform for the growth of the Group's operations in the Middle East.

- 3.4 If the Scheme of Arrangement fails, the Board expects that it will be necessary to place the Company into administration or liquidation. For the reasons set out in the interim Chairman's letter at Part 1 above and elsewhere in this Explanatory Statement, the Board expects that, if this were to happen, Scheme Creditors who are not Group Company Creditors would receive less than they would otherwise receive if the Refinancing (of which the Scheme of Arrangement forms an essential part) were to be implemented.
- 3.5 The proposed investors in the Placing have indicated that they see the Company's Middle East operations as the key source of value to the Company. If the Company was to enter liquidation or administration, some or all of the Company's contracts in the UAE may be terminable and, if terminated would destroy significant value in the Company. In the UK, both the Lincoln contract and the contract with LFEPA may be terminated. A liquidation or administration of the Company would therefore be expected to destroy significant value in the Company. This is one of the reasons why the Directors are proposing the Refinancing and consider the Scheme to be in the best interests of Scheme Creditors.

PART 3
FINANCIAL INFORMATION

Historic financial information in relation to the Company and the Group is available at the Company's website, <http://www.assetco.com>. Such information includes the annual report and accounts of the Company for the year ended 31 March 2010 and the interim results of the Company for the six months ended 30 September 2010.

PART 4

OVERVIEW OF THE REFINANCING

1 INTRODUCTION

1.1 The objectives of the Refinancing are:

- (a) to allow for a refinancing of the Company by way of the Placing, it being an integral condition of the Placing that the Scheme is approved and becomes effective;
- (b) to put the Company in a position where it is able to trade as a going concern;
- (c) to improve the return for creditors of the Company as compared to that which would be expected were the Company to enter into an insolvency procedure; and
- (d) to provide a stronger platform for the growth of the Group's operations in the Middle East.

1.2 The Scheme is part of this Refinancing. A detailed summary of each of the terms is set out at Parts 5 and 6 of this Explanatory Statement and a copy of the Scheme is set out at Section 2 of this document.

1.3 A fundamental part of implementing the proposed Refinancing is by Scheme of Arrangement. **If the Scheme of Arrangement were to fail, the Board expects that it would be necessary to place the Company into administration or liquidation.**

2 REFINANCING STEPS

The Refinancing includes:

- (a) the Scheme of Arrangement;
- (b) the Placing; and
- (c) the acquisition of the Abu Dhabi Preference Shares from the Abu Dhabi Preference Shareholders in exchange for the issue by the Company to the Abu Dhabi Preference Shareholders of an aggregate of 3.75 million New Ordinary Shares.

The Placing will be conditional on a number of conditions being satisfied including, amongst others, the Shareholder Resolutions being passed and the Scheme becoming effective.

3 THE BENEFITS OF THE REFINANCING

3.1 In order for the Scheme to become effective, each class of Scheme Creditors will need to approve (in the required majorities) the Scheme by voting in favour of the Scheme in the Scheme Meetings. In order for Scheme Creditors to decide whether to vote in favour of the Scheme, they will need to determine for themselves whether they believe the Scheme will deliver a better result for them than the alternative to the Scheme becoming effective would provide. Scheme Creditors should consider the information in this Explanatory Statement in reaching this decision, and they should seek independent advice if they are unsure as to the best course of action.

3.2 The AssetCo Board has considered the likely effect on returns to Scheme Creditors if: (i) the Scheme is implemented; and (ii) the Scheme is not implemented with the result (the AssetCo Board expect) that it will be necessary to place the Company into liquidation or administration. The AssetCo Board has formed the opinion summarised at paragraph 3.3 below. The basis of this opinion is referred to in this Explanatory

Statement as the “Insolvency Analysis”. An estimated statement of affairs indicating the potential outcomes from administration and liquidation and a calculation of the potential return to Scheme Creditors (other than Group Company Creditors) from the Scheme is included in Appendix D to this Explanatory Statement. Important caveats, limitations and uncertainties relating to the Insolvency Analysis can also be found at Appendix D to this Explanatory Statement.

- 3.3 In summary, as further explained below, the Insolvency Analysis indicates that Scheme Creditors who are not Group Company Creditors would be likely to receive a better return on their Scheme Liabilities if the Scheme was to be implemented than they would receive in respect of those liabilities if the Scheme was not to be implemented and the Company was placed into liquidation or administration.
- 3.4 Under the Insolvency Analysis, the key benefits of the proposed Refinancing are, in summary, that the proposed Refinancing:
- (a) would deliver a better return to Scheme Creditors who are not Group Company Creditors than would formal insolvency processes involving the Company;
 - (b) would avoid prolonged uncertainty as to the existence and value of Scheme Claims, when compared with the position in a formal insolvency process involving the Company; and
 - (c) should reduce the delay that Scheme Creditors would experience in waiting to be paid in respect of their Scheme Liabilities, when compared to the position that would be the case in a formal insolvency process involving the Company; and
 - (d) would, in respect of Group Company Creditors, provide a nominal return to those Group Company Creditors but would improve the future prospects of those Group Company Creditors as a consequence of these Group Company Creditors being subsidiaries of the refinanced Company.
- 3.5 Before explaining the factors on which the Insolvency Analysis is based, it is necessary to explain the alternative options and their implications for Scheme Creditors.
- 3.6 The Directors believe (given the existence of a winding up petition (see paragraphs 2.19, 2.21, 2.23, 2.25 and 2.26 above of Part 2 of this Explanatory Statement)) that if the Scheme does not become effective, then the Company’s financial circumstances are such that it would have “no reasonable prospect” of avoiding a formal insolvency process.
- 3.7 If the Company enters a formal insolvency process, its potential Scheme Creditors would still receive a share of the assets available for distribution from the Company, which would be proportionate to the shares of other creditors of the Company. However, as is explained further below, the Insolvency Analysis indicates that the returns to Scheme Creditors who are not Group Company Creditors would be lower, and later, than they would be if the Scheme was implemented.

Administration of the Company

- 3.8 Under an administration, the administrator would (in the present circumstances, in light of the existence of a petition for the winding up of the Company) be appointed by the Court pursuant to an administration order. The administrator would immediately take charge of the Company’s affairs while the administration order was in force, and would displace the Company’s directors from their management functions (although the administrator could delegate some of his powers to the directors).

- 3.9 The administration order would impose a moratorium on creditors taking action against the Company. That is, the order would prevent creditors from taking steps to enforce security (had any been granted), or to repossess goods, and would prevent any other proceedings from being commenced or continued against the Company without the express consent of the administrator or the Court itself.
- 3.10 The administrator is expected to assume responsibility for agreeing the existence and value of claims with creditors and for distributing the assets of the company to creditors according to their proportionate rights against the company. Creditors would receive a dividend which is usually expressed in terms of “pence in the pound”. The administrator would be responsible for agreeing the existence and value of claims with creditors and for distributing the assets of the company to creditors pro rata to their rights against the Company. An administrator would invite all creditors to submit a “proof of debt” and would be likely to want to finalise the agreed position in relation to all claims before making any distributions, and this could lead to a substantial delay in the making of distributions. Alternatively, the administrator may place the Company into liquidation as a route to end the administration and the liquidators may then carry out the proof of debt process following the end of the administration.
- 3.11 The administration would be expected to deliver a better return to creditors than a liquidation (without a preceding administration) would. The administration would allow for a more orderly, and therefore efficient, realisation of assets than would a liquidation. In a more orderly realisation of assets more value is retained and can be returned to creditors.

Liquidation of the Company

- 3.12 Under a liquidation, a liquidator would be appointed following a winding up order being made by the Court or the Company being placed into liquidation by its shareholders. Because there is an existing winding-up petition in respect of the Company, any liquidation would be a compulsory liquidation with the Official Receiver initially appointed as liquidator, and there would be a delay whilst he assesses the situation. The liquidator would take charge of the Company’s affairs in order to collect in, realise and distribute to its creditors its assets and would be able to exercise certain powers (e.g. reviewing transactions previously entered into by the Company) towards this end.
- 3.13 When the assets of a company have been realised and the liquidation is otherwise complete, the liquidator would proceed to distribute the available funds to creditors. Creditors would receive a dividend which is usually expressed in terms of “pence in the pound”. The liquidator would be responsible for agreeing the existence and value of claims with creditors and for distributing the assets of the company to creditors pro rata to their rights against the company. A liquidator would invite all creditors to submit a “proof of debt”. Given that, compared to a Scheme, a liquidator has limited power to force the pace of agreeing contingent claims, this could lead to a substantial delay in the making of distributions.
- 3.14 Once the distributions are complete, the liquidator would then proceed formally to dissolve the Company. The statutory purpose of an administration is to try to preserve the business and an administrator has wide powers to allow the business to continue to generate income for the benefit of creditors or to enable a sale as a going concern; by contrast, a liquidation is in practice much more likely to proceed on the basis that the business will be wound up, limiting the prospect of the liquidator achieving a sale of the business as a going concern. It is for this reason also that the level of creditors’ returns in a liquidation is often lower than in an administration.

3.15 The Insolvency Analysis was carried out by the Company on 22 August 2011 and contemplated an administration of the Company in which the Company entered into administration on 22 August 2011. The Insolvency Analysis also contemplated a liquidation of the Company on 22 August 2011. The analysis was based on the Company's accounting records as at 22 August 2011 and consideration of the Company's remaining realisable assets. The AssetCo Board is not aware of any subsequent events which would materially alter potential realisations and the Insolvency Analysis does not account for such events.

3.16 The Insolvency Analysis indicates that:

- (a) if the Scheme was to be implemented, then the return to Scheme Creditors who are not Group Company Creditors might be approximately 23 pence in the £;
- (b) if the Scheme was to be implemented, then the return to Group Company Creditors would be approximately 0.01 pence in the £; and
- (c) if the Scheme was not to be approved, and the Company was placed into either administration or liquidation, then the return to creditors is likely to be between nil and 0.54p in the £.

3.17 The estimated returns included in the Insolvency Analysis specifically exclude:

- (a) any discount to reflect the delay that is likely before payment and the time value of money;
- (b) any cash balances held at banks which it is assumed will be set off by the Company's banks if the Scheme fails; and
- (c) any recovery actions that may be available to a liquidator or an administrator.

Conclusion as to the effect of formal insolvency processes on Scheme Creditors

3.18 In light of the considerations set out above, the AssetCo Board believes that the Scheme is in the best interests of Scheme Creditors, because:

- (a) in the case of Scheme Creditors who are not Group Company Creditors it would provide a better return for them than would an administration or liquidation of the Company; and**
- (b) in the case of Group Company Creditors, although the return to those Group Company Creditors would be nominal, the future prospects of those Group Company Creditors would be likely to be improved as a consequence of those Group Company Creditors being subsidiaries of the refinanced Company.**

PART 5

THE SCHEME

1 OVERVIEW

- 1.1 The Company proposes to enter into the Scheme with the Scheme Creditors pursuant to Part 26 of the Act. The Scheme is being proposed by the Company and not any other member of the Group. The key terms of the Scheme are summarised below.
- 1.2 A copy of the Scheme is set out in full at Section 2 of this document (from page 65 onwards).
- 1.3 The Scheme will compromise the Scheme Liabilities of the Company. Scheme Liabilities include most of the Company's liabilities, including those owed by the Company to its debt funders but will not affect rights of creditors in respect of Excluded Liabilities (see Schedule 1 to the Scheme).
- 1.4 Assuming the Scheme is sanctioned and becomes effective:
- (a) the value of each Scheme Creditor's claim will be agreed and/or determined through the claims submission and determination process set out in the Scheme;
 - (b) each Scheme Creditor (unless they are a net debtor) will receive a payment in respect of that Scheme Creditor's determined claim (each of which is known as a Scheme Payment);
 - (c) in respect of Scheme Liabilities owed to Scheme Creditors who are Group Company Creditors, the payments to be made to the Group Company Creditors will be pro rata amongst such Group Company Creditors;
 - (d) in respect of Scheme Liabilities owed to Scheme Creditors who are not Group Company Creditors, the payments to be made to such Scheme Creditors will be pro rata amongst such Scheme Creditors; and
 - (e) on completion of the Scheme, each Scheme Creditor will release the Company from all Scheme Liabilities.

2 WHO WILL BE AFFECTED BY THE SCHEME?

- 2.1 The Scheme will affect any person who is a creditor of the Company in respect of a Scheme Liability.
- 2.2 Scheme Liabilities comprise any Liabilities owed by the Company other than Excluded Liabilities.
- 2.3 Scheme Liabilities do not, however, include, among others, the following liabilities (known in the Scheme as "Excluded Liabilities"):
- (a) liabilities of the Company to its current Directors;
 - (b) liabilities of the Company to a limited number of trade creditors (principally being advisers in connection with the Scheme);
 - (c) payments made pursuant to the Scheme (including the costs of administering the Scheme);
 - (d) any liability of the Company in respect of the AssetCo Pension Scheme (it being noted that the Company is seeking to reach agreement with the trustees of the

AssetCo Pension Scheme on the terms on which the Company would cease to be the principal employer under the AssetCo Pension Scheme, that any such agreement will not be subject to the Scheme but that it is a condition of the Scheme becoming effective that such agreement be reached);

- (e) liabilities of the Company to Northern Bank Limited and others in respect of legal fees relating to the petition of Northern Bank Limited for the winding-up of the Company;
- (f) any liability of the Company to Northern Bank Limited in terms of an asset finance facility which may have been granted to the Company by Northern Bank Limited (which has been excluded in anticipation that any such liability will be novated to another company within the Group); and
- (g) liabilities of the Company in respect of its operations in Abu Dhabi.

3 CONDITIONS TO THE SCHEME BECOMING EFFECTIVE

- 3.1 The Scheme will become effective and legally binding on the Company and the Scheme Creditors, in accordance with its terms on the date on which an office copy of the Final Court Order is delivered to the Registrar of Companies of England and Wales for registration.
- 3.2 An office copy of the Final Court Order will not be delivered to the Registrar of Companies of England and Wales for registration unless and until:
 - (a) the Shareholder Resolutions have been passed;
 - (b) an agreement has been reached between the Company and the trustees of the AssetCo Pension Scheme on the terms on which the Company would cease to be the principal employer under the AssetCo Pension Scheme and on any necessary consents thereto being obtained from the Pensions Regulator; and
 - (c) the Placing has become unconditional (save only as to conditions that the Scheme shall have become effective and that the shares to be issued pursuant to the Placing shall have been admitted to AIM).
- 3.3 Provided the above conditions are satisfied, the Company expects that the Scheme will become effective on or about 29 September 2011 (referred to in the Scheme as the “**Effective Date**”). The Scheme will only become effective when an office copy of the Final Court Order is delivered to the Registrar of Companies of England and Wales for registration.
- 3.4 The Placing is itself conditional on a number of conditions being satisfied. These include, amongst others, the Shareholder Resolutions being passed and the Scheme becoming effective.

4 WHAT HAPPENS WHEN THE SCHEME BECOMES EFFECTIVE?

Notice of the Effective Date and distribution of Claim Forms

- 4.1 Within two weeks of the Effective Date, the Company will notify Scheme Creditors that the Scheme has become effective. This will be done by placing a notice on the Scheme Website by sending a notice to each person that the Company believes may be a Scheme Creditor and by publishing a notice in the Scheme Publications. These notices will invite Scheme Creditors to submit their claims in the Scheme and set out the Bar Date for the receipt of such claims.

- 4.2 Each Scheme Creditor should submit a Claim Form prior to the Bar Date setting out the details of the Scheme Liabilities it believes is or will be owed by the Company. Scheme Creditors may also request a Claim Form from the Scheme Supervisors who will send a copy of the Claim Form to the Scheme Creditor as soon as is reasonably practicable after receipt of the request.
- 4.3 As explained in more detail below, the purpose of the Claim Form is to allow each Scheme Creditor to set out its claim against the Company in respect of Scheme Liabilities.

Stay of Proceedings and Discharge of Scheme Liabilities

- 4.4 Subject to a small number of limited exceptions, from the Effective Date, Scheme Creditors will not be permitted to bring proceedings against the Company in respect of any Scheme Liabilities.

5 COMPLETION AND SUBMISSION OF THE CLAIM FORMS

- 5.1 The Scheme sets out a process for the determination of those claims submitted by Scheme Creditors prior to the Bar Date.
- 5.2 In respect of all claims in the Scheme, a Scheme Creditor must complete a Claim Form setting out the details of the Scheme Liabilities it believes it is or will be owed by the Company. Such claims, once submitted, are referred to in the Scheme as “Submitted Scheme Claims”.
- 5.3 Each Claim Form should be completed in accordance with the instructions incorporated in it and should include (without limitation):
- (a) the identity of the Scheme Creditor submitting the claim;
 - (b) a description of the nature of each Submitted Scheme Claim and how it arose;
 - (c) the value of the Submitted Scheme Claim as at the Effective Date;
 - (d) the legal basis of the Liability of the Company; and
 - (e) any other facts which would assist the Scheme Supervisors in considering the Submitted Scheme Claim.
- 5.4 Scheme Creditors should provide relevant documentation in support of their Submitted Scheme Claims with their Claim Form.

6 THE BAR DATE

- 6.1 **Claim Forms, together with any supporting documentation, must be sent to the Scheme Supervisors to arrive on or before the Bar Date.**
- 6.2 The Bar Date is the first Business Day falling 90 days after the Effective Date. Currently, the expected date of the Bar Date is 28 December 2011. This, however, may change as it depends on the date of the Effective Date, which itself may be subject to change. As noted above, Scheme Creditors will be notified of the Bar Date with the notice of the Effective Date described at paragraph 4.1 above. Scheme Creditors may revise their Submitted Scheme Claims, as set out on their Claim Form, up to but (save as referred to in the remainder of this paragraph) not after the Bar Date. After the Bar Date, Scheme Creditors may only make or revise a Submitted Scheme Claim with the express permission of the Scheme Supervisors (at the sole discretion of the Scheme Supervisors).

6.3 **A Scheme Creditor will be entitled to a payment under the Scheme only in respect of a Submitted Scheme Claim received by the Scheme Supervisors on or before the Bar Date; provided such Submitted Scheme Claim is determined to be an Ascertained Scheme Claim for the purposes of the Scheme. A Submitted Scheme Claim received by the Scheme Supervisors after the Bar Date will not qualify for a payment under the Scheme.**

7 DETERMINATION OF SCHEME CLAIMS

7.1 The Scheme Supervisors will review each Claim Form and any supporting documentation to consider whether:

- (a) details of the Scheme Liabilities are adequately supported by the documentation provided with the Claim Forms;
- (b) details of the quantum of the Scheme Liabilities are sufficient, and the basis of the calculation is reasonable and has been accurately applied; and
- (c) there is any set-off to be applied to the claim.

7.2 Following their review, the Scheme Supervisors shall notify the relevant Scheme Creditor that their Submitted Scheme Claim either:

- (a) has been agreed, and that after taking into account any set-off, their total claim will then become an Ascertained Scheme Claim; or
- (b) has not been agreed and is being disputed by the Scheme Supervisors. In those circumstances their claim will become a Disputed Scheme Claim.

7.3 Claims shall be valued in accordance with rules 2.81 to 2.89 of the Insolvency Rules 1986. These are the valuation provisions that would apply in an administration. They include the operation of mandatory set-off, which would apply in an administration in which distributions were being made. As a result, what is due from each party to the other in respect of their mutual dealings shall be set off against the sums due from the other.

8 DEALING WITH DISPUTED SCHEME CLAIMS

8.1 If a claim cannot be agreed by the Scheme Supervisors, in certain circumstances a Scheme Creditor can apply to the Court for it to resolve the dispute over the existence or value of the claim. This approach is intended to mirror the ability of a creditor in an administration to appeal an administrator's decision.

8.2 The Court will determine the existence and value of the Disputed Scheme Claims and that will become the Scheme Creditor's Ascertained Scheme Claim. If costs are awarded against the Scheme Creditor as a result of the proceedings they shall be payable in full to the Scheme Supervisors on behalf of the Company and added to the amount held in the Scheme Bank Account and available for distribution as part of the Scheme Creditor Settlement Amount. If costs are awarded against the Company/Scheme Supervisors, such costs shall be payable to the relevant Scheme Creditor in full, such payment to be made out of the Scheme Creditor Settlement Amount held in the Scheme Bank Account.

9 SCHEME PAYMENTS

9.1 Following the determination of their Submitted Scheme Claim, each Scheme Creditor who has an Ascertained Scheme Claim will be entitled to receive Scheme Payments in respect of their Ascertained Scheme Claim (unless they are a net debtor of the Company).

9.2 The aggregate amount available to meet the Scheme Costs and settle and compromise all Scheme Liabilities is £5,000,000 (being the “Scheme Creditor Settlement Amount”). The Scheme Creditor Settlement Amount shall be used, firstly, to meet the Scheme Costs (which are currently estimated to be likely to be approximately £100,000 to £200,000 but no certainty can be given in respect of this and provided that in the event that the Scheme Costs exceed £100,000 the Company will contribute (as an addition to the £5,000,000 Scheme Creditor Settlement Amount) 50 per cent. of the amount by which the Scheme Costs exceed £100,000, up to a maximum contribution of £50,000) and, thereafter, to settle and compromise Scheme Liabilities as follows:

- (a) to pay Group Company Creditors 0.01 pence per £ of Ascertained Scheme Claim, provided always that in the event that the aggregate sum of all Ascertained Scheme Claims of Group Company Creditors multiplied by 0.01 pence exceeds £10,000, then the aggregate amount payable to such Group Company Creditors in respect of those Ascertained Scheme Claims shall be £10,000, and among the Group Company Creditors such sum of £10,000 shall be divided amongst those Group Company Creditors pro rata to the amount which each Group Company Creditor’s Ascertained Scheme Claim bears to the aggregate of all Group Company Creditors’ Ascertained Scheme Claims; and
- (b) the balance (i.e. the Scheme Creditor Settlement Amount minus the Scheme Costs minus the amount payable to Group Company Creditors as described in paragraph 9.2(a) above will be divided amongst the Scheme Creditors (other than the Group Company Creditors), and as among such other Scheme Creditors such balance shall be divided amongst those other Scheme Creditors pro rata to the amount which each such other Scheme Creditor’s Ascertained Scheme Claim bears to the aggregate of all such other Scheme Creditors’ Ascertained Scheme Claims.

9.3 The Scheme Supervisors shall calculate and determine the Scheme Payment for each Scheme Creditor with an Ascertained Scheme Claim. Following calculation and determination of all Scheme Payments to be made in respect of the Scheme, the Scheme Supervisors shall on behalf of the Company make the Scheme Payments from the Scheme Bank Account.

10 SCHEME COMPLETION

10.1 The Scheme will be completed when all Ascertained Scheme Claims have been paid in full.

10.2 On Scheme Completion, all Scheme Liabilities will be released.

11 THE SCHEME SUPERVISORS

11.1 The Scheme Supervisors shall be appointed to supervise, administer and implement the Scheme, and carry out their functions as set out in the Scheme. The Scheme Supervisors shall be Robert Jonathan Hunt and David Christian Chubb of PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT. The Scheme Supervisors, in carrying out their functions and exercising their powers under the Scheme, shall act as agents of the Company.

11.2 The Scheme Supervisors shall (among other things):

- (a) determine and agree the value of the Submitted Scheme Claims in accordance with the terms of the Scheme;
- (b) monitor the Company’s compliance with the terms of the Scheme;

- (c) provide reports to, and generally update, the Creditors' Committee in relation to the Scheme; and
 - (d) prepare six monthly reports for the Scheme Creditors with the first report due six months after the Effective Date.
- 11.3 To exercise their functions the Scheme Supervisors shall have all the powers necessary to enable them to carry out their functions and responsibilities.
- 11.4 The Scheme Supervisors' remuneration and expenses, and all costs incurred by them on behalf of the Company in carrying out their functions and exercising their powers under the Scheme, shall be met out of the Scheme Creditor Settlement Amount. Such remuneration is to be approved, in the first instance, by the Creditors' Committee. If approval cannot be obtained, then the Scheme Supervisors can seek approval at a meeting of the Scheme Creditors and failing that then by application of the Court. The powers and duties of the Scheme Supervisors are set out in more detail in the Scheme.
- 11.5 The Scheme Supervisors shall be indemnified by the Company against all actions, claims, proceedings and demands brought or made against them or any of them in respect of the preparation, adoption, information in or conduct of the Scheme and their holding office as Scheme Supervisors.

12 THE CREDITORS COMMITTEE

- 12.1 There shall be a Creditors' Committee under the Scheme. The purpose of the Creditors' Committee is to represent the interests of the Scheme Creditors during the implementation of the Scheme and to provide input into such implementation.
- 12.2 The Creditors' Committee shall consist of not less than two nor more than five persons unless the Scheme Supervisors in consultation with the Creditors' Committee agree otherwise (but in any event cannot reduce the minimum number below two).
- 12.3 The Committee Members shall be appointed at a meeting of the Scheme Creditors held in accordance with Section 7 of the Scheme.
- 12.4 At the initial meeting of the Creditors' Committee its members shall elect by a majority vote a chairman, who shall have a deciding vote at any meeting of the Creditors' Committee. In the absence of a majority the Scheme Supervisors shall convene a meeting of the Scheme Creditors to elect a chairman of the Creditors' Committee. The Scheme provides for the chairman's replacement if he resigns or ceases to be a member of the Creditors' Committee leaving an even number of members of the committee.
- 12.5 The Creditors' Committee will hold regular meetings at which it will consider, among other matters, the reports prepared by the Scheme Supervisors referred to above. It will also have powers to call for the resignation of a Scheme Supervisor.

13 MEETING OF SCHEME CREDITORS

In certain circumstances, the Scheme provides for a meeting of the Scheme Creditors to be convened. Any resolution put to such a meeting will typically be passed if a majority in value of the Ascertained Scheme Claims of Scheme Creditors (or, if prior to the Bar Date, Ascertained Scheme Claims and Submitted Scheme Claims (not being Disputed Scheme Claims)), present and voting, votes in favour of it.

PART 6

FURTHER INFORMATION RELATING TO THE SCHEME

1 VOTING ON THE SCHEME

- 1.1 Two Scheme Meetings will be held to vote on the Scheme. One Scheme Meeting will be of all Scheme Creditors other than the Group Company Creditors. The second Scheme Meeting will be of Group Company Creditors. Both Scheme Meetings will be held consecutively on 22 September 2011.
- 1.2 Only those Scheme Creditors who are Scheme Creditors as at the Voting Record Date, being 5.00 p.m. on 22 August 2011, are entitled to attend and vote at the Scheme Meetings, either in person or by proxy.
- 1.3 Only the votes of Scheme Creditors voting at the Scheme Meetings in person or by proxy can be taken into account for the purpose of establishing whether the requisite approvals for the Scheme have been obtained.
- 1.4 Full details of how to vote at the Scheme Meeting are set out at Appendices B and C to this Explanatory Statement.

2 SCHEME MEETINGS AND THE COURT HEARING

- 2.1 The amount of a claim admitted for voting purposes does not constitute an admission of the existence or amount of the claim and will not bind the Company or any member of the Group or the Scheme Creditors concerned.
- 2.2 An opportunity will be given at each Scheme Meeting for Scheme Creditors to ask any questions they may have in relation to the Scheme being considered at that Scheme Meeting. Scheme Creditors will also be entitled to attend the Court Hearing to sanction the Scheme (which will take place only if the Scheme is approved at the relevant Scheme Meetings). Scheme Creditors will be notified at each Scheme Meeting of the precise date of the Court Hearing and of the subsequent steps to the extent they are then known.
- 2.3 As mentioned in Part 1 and elsewhere in this Explanatory Statement, different classes of creditors will be required to vote separately, because their rights as creditors are so different or would be affected so differently by the Scheme as to make it impossible for them to consult together in their common interest. The Scheme must be approved by the required majority of each class of creditors.
- 2.4 The Company intends to convene meetings of two classes of creditors for the purpose of voting on the Scheme:
 - (a) the first class meeting will consist of all Scheme Creditors other than Group Company Creditors; and
 - (b) the second class meeting will consist of Group Company Creditors.

3 VALUE OF A SCHEME CREDITOR'S CLAIM FOR VOTING PURPOSES

- 3.1 Claims of Scheme Creditors will be valued, for voting purposes only, by the Court-appointed chairman of each Scheme Meeting.
- 3.2 The chairman may, for voting purposes only, reject a claim in whole or in part if he or she considers that it does not constitute a fair and reasonable assessment of the relevant sums owed to the relevant Scheme Creditor by the Company or if the relevant Scheme

Creditor has not complied with the voting procedures described in this document. If a claim is unascertained, contingent or disputed (in part) but the chairman is able to place a minimum value on that claim, he will admit the claim for voting purposes at that value. If a claim is disputed in its entirety, or the chairman is otherwise unable to place a minimum value on it, that claim shall be valued at £1 for voting purposes.

- 3.3 It is possible that the determination of Scheme Claims for voting purposes at the Scheme Meetings will give rise to complex issues of legal liability and valuation. If necessary the Scheme Meeting(s) will be adjourned while votes are assessed.
- 3.4 In this eventuality the proposed Scheme Supervisors will assist the chairman of the Scheme Meeting(s), by providing an impartial view as to the appropriate assessment and valuation of claims.
- 3.5 The amount of a Scheme Creditor's claim admitted by the chairman for voting purposes does not in itself constitute an admission of the existence or amount of a claim and will not bind the Company or its respective Scheme Creditors for any other purpose. The value of a claim of a Scheme Creditor, for voting purposes only, will be taken net of any applicable set-off or counterclaim.
- 3.6 The chairman will report his decisions to the Court at the Court Hearing, with details of any such claim and the reasons for the decision.

PART 7
ADDITIONAL INFORMATION

1 The Directors and the Company

The Directors, and their respective functions, are as follows:

- (a) Tudor Griffith Davies (*Executive director and interim Chairman*)
- (b) Andrew Wayne Freemantle (*Non-executive director*)
- (c) Peter David Manning (*Non-executive director*)
- (d) Christopher Harwood Bernard Mills (*Non-executive director*)

The Company, whose registered number is 04966347, has its registered office at 800 Field End Road, South Ruislip, Middlesex HA4 0QH. The business address of each Director is that of the Company's registered office.

2 Shareholdings and Options

- (a) The interests of the Directors and members of their respective immediate families, related trusts and connected persons in the share capital of the Company as at the date of this document are as follows:

Name	Number of Deferred Shares of 24 pence each	Number of Ordinary Shares of 1 pence each	%age of Ordinary Share Capital held
Peter Manning	0	278,846	0.11%
Andrew Freemantle	0	18,480	0.01%
Christopher Mills is interested in the Company through the shareholding of North Atlantic Value LLP	0	10,000	0.01%

- (b) As at the date of this document, none of the Directors had outstanding options over shares in the capital of the Company.

3 Employment Agreements and Other Arrangements with Directors

Set out below are details of the service agreements or letters of appointment of each of the Company's directors.

(a) Executive Directors

Name	Date of appointment	Initial duration and notice period
Tudor Davies	23 March 2011	No fixed duration 6 months notice period subject to automatic termination on change of control or restructuring.

Tudor Davies

Tudor Davies was appointed on 23 March 2011 as an executive director. The terms of his appointment were considered by the Company remuneration committee on 8 June 2011 and it was agreed and noted in a board minute of 17 June 2011 that Mr Davies'

appointment would on a rolling basis and subject to a 6 month notice period (subject as below). Mr Davies is entitled to a daily fee of £2,500 plus VAT. In the event of a change of control or restructuring of the Company, Mr Davies will be entitled to a success fee of £300,000 and (unless otherwise agreed) his employment will terminate.

(b) Non-executive Directors

Name	Date of appointment	Initial duration and notice period
Peter Manning	1 September 2008	3 years and thereafter 3 months notice
Andrew Freemantle	1 January 2010	3 years and thereafter 3 months notice
Christopher Mills	23 March 2011	No service agreement or appointment letter in place

Peter Manning

BJC Networks Limited and Peter Manning entered into an appointment agreement with the Company on 19 August 2008 in respect of the appointment of Peter Manning (being a consultant of BJC Networks Limited), such appointment was effective from 1 September 2008. The appointment was for an initial term of three years and will continue thereafter until terminated upon the giving of 3 months' notice. The appointment was based on a time commitment of 16 days per annum.

Under the terms of the agreement, the Company shall pay £15,000 per annum direct to Mr Manning in monthly instalments in arrears and £20,000 per annum to BJC Networks Limited in quarterly instalments. It is acknowledged in the agreement that Mr Manning's role may require him to commit more time than the envisaged 16 days and Mr Manning may be paid such additional sum as the Board considers appropriate for such additional time. Mr Manning was paid £3,000 (plus VAT) in 2010 in respect of additional consultancy services carried out in Abu Dhabi. He was also paid £25,000 (plus VAT) for 20 days additional service carried out between January 2010 and March 2010.

In addition, BJC Networks Limited is entitled to reimbursements for travel, hotel and other reasonable expenses incurred by Mr Manning as part of his role.

Under the terms of the agreement, Mr Manning's appointment shall not be pensionable and he shall not be entitled to participate in the Company's benefit arrangements, including share option schemes.

Andrew Freemantle

Andrew Freemantle entered into an appointment agreement with the Company on 3 December 2009 in respect of his appointment as a non-executive director, such appointment was effective from 1 January 2010. The appointment is for an initial term of three years and will continue thereafter until terminated upon the giving of 3 months' notice. The appointment was based on a time commitment of 16 days per annum.

Mr Freemantle is entitled to an annual fee of £35,000 per annum payable in monthly instalments in arrears. In addition, Mr Freemantle is entitled to reimbursements for travel, hotel and other reasonable expenses as part of his role. The agreement provides that Mr Freemantle shall be entitled to an additional director's fee of £1,500 per day in the event that he has to regularly work in excess of two working days per calendar month, provided that prior approval of the board is obtained. Mr Freemantle has not received any additional payments.

Christopher Mills

Christopher Mills is a director of the Company but has no service agreement or appointment letter with the Company. He is not entitled to any remuneration.

4 Documents Available for Inspection

Copies of the following documents will be available for inspection (but in the case of the Shareholder Circular only once it has been issued) at the offices of the Company's solicitors, McGrigors LLP, 5 Old Bailey, London, EC4M 7BA, during usual business hours on any Business Day prior to the Effective Date:

- (a) the current memorandum and articles of association of the Company;
- (b) the published Annual Report and Accounts for the Group for the last two financial years ended 31 March 2010;
- (c) the Group's Unaudited Results for the six months ended 30 September 2010;
- (d) the service contracts and letters of appointment of the Directors referred to in paragraph 3 of this Part 7 above;
- (e) the Shareholder Circular; and
- (f) this document and the Forms of Proxy.

PART 8

OVERSEAS SCHEME CREDITORS

- 1.1 This document does not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document does not constitute a prospectus or a prospectus equivalent document.
- 1.2 The implications of the Scheme for overseas persons may be affected by the laws of the relevant jurisdictions. Overseas persons should inform themselves about and observe any applicable legal requirements. It is the responsibility of each overseas person to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

United States

- 1.3 The Scheme Claims that may arise in connection with the Scheme will not be, and are not required to be, registered under the Securities Act and will be created in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10) of that Act.
- 1.4 Scheme Claims in favour of a Scheme Creditor who is neither an “affiliate” (within the meaning of the Securities Act), for the purposes of the Securities Act, of the Company prior to or after the Effective Date, would not be “restricted securities” under the Securities Act and such Scheme Claims may be sold by such person in ordinary secondary market transactions without restriction under the Securities Act.
- 1.5 The Scheme Claims have not been and will not be listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States. The Company does not intend to take any action to facilitate a market in Scheme Claims in the United States. Consequently, the Company believes that it is unlikely that an active trading market in the United States will develop for the Scheme Claims.
- 1.6 Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved the Scheme Claims or passed an opinion upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. Scheme Creditors who are citizens or residents of the United States or other jurisdictions outside the UK should consult their own legal and tax advisers with respect to the legal and tax consequences of their particular circumstances.

PART 9

RISK FACTORS

1 OVERVIEW

- 1.1 This Part 9 sets out the principal risk factors affecting the implementation of the Scheme. Additional risks and uncertainties not presently known to the Company or that the Company does not presently consider to be material, based on the information currently available to it, may also have a material adverse effect on the ability of it to implement the Scheme in a timely manner, or at all.
- 1.2 All statements in this document are to be read subject to, and are qualified in their entirety by, the matters referred to in this Part 9.

2 IMPLEMENTATION OF THE SCHEME

If the Scheme does not become effective, the AssetCo Board expects that it will be necessary to place the Company into administration or liquidation and the AssetCo Board expects that the Scheme Creditors (other than Group Company Creditors) are likely to obtain a lower return on their claims under an administration or liquidation than they would have received under a scheme of arrangement, and the amounts to be received will be subject to increased uncertainty and delay.

3 EFFECTIVENESS OF THE SCHEME REQUIRES THE APPROVAL OF SCHEME CREDITORS

In order for the Scheme to become effective, it must be approved by each class of the Scheme Creditors. If the requisite majorities of each class of Scheme Creditors do not vote in favour of the Scheme, the Scheme will not become effective.

4 EVEN IF SCHEME CREDITORS APPROVE THE SCHEME, THAT SCHEME MAY BE OBJECTED TO AND MAY NOT BE COMPLETED

- 4.1 Even if the Scheme is approved at the Scheme Meetings, it is possible that a person with an interest in the Scheme (whether an Scheme Creditor or another person) may raise objections to the Scheme and attend the Court Hearing to sanction the Scheme to make representations that the Scheme ought not be sanctioned. It is also possible that, even if the Scheme were sanctioned by a judge at first instance, the interested person could seek to appeal that decision to the Court of Appeal.
- 4.2 Therefore, there can be no assurance that objections will not be made at or before the Court Hearing or that an appeal will not be made against the grant of a Court order sanctioning the Scheme; or that any such objections or appeal will not delay or possibly prevent the Scheme from becoming effective.

5 EFFECTIVENESS OF THE SCHEME REQUIRES THE SANCTION OF THE COURT

In order for the Scheme to become effective, it must receive the sanction of the Court. The Court will not sanction the Scheme unless it is satisfied that the correct procedures have been followed, that the proposed arrangements are fair and that there are no other reasons why the Scheme should not be approved. There can be no assurance that the Court will determine that the Scheme is fair or that the Court will not conclude that there are other reasons why the Scheme should not be approved.

6 COMPLETION OF THE SCHEME IS SUBJECT TO A NUMBER OF IMPORTANT CONDITIONS INCLUDING THE PLACING

The effectiveness of the Scheme is subject to a number of important conditions including the passing of the Shareholder Resolutions, completion of the share exchange in relation to the AssetCo Abu Dhabi Preference Shares, the Company reaching agreement with the trustees of the AssetCo Pension Scheme on the terms on which the Company will cease to be the principal employer under the AssetCo Pension Scheme and on the Placing becoming unconditional (save only as to conditions that the Scheme shall have become effective and that the shares to be issued pursuant to the Placing shall have been admitted to AIM). The conditions of the Placing will include, amongst others, the passing of the Shareholder Resolutions. There can be no assurance that the Shareholder Resolutions will be passed, that the Company will reach agreement with the trustees of the AssetCo Pension Scheme or that the other (largely customary) conditions of the Placing will be satisfied.

7 THE LOSS OF PERSONNEL COULD ADVERSELY IMPACT UPON THE RESULTS OF THE COMPANY'S OPERATIONS AND ITS ABILITY TO IMPLEMENT THE SCHEME

The Company's performance depends significantly on the efforts and expertise of its key senior personnel. The unexpected loss of the services of one or more of these individuals could have an adverse effect on the Company's ability to implement the Scheme. There can be no assurance that such individuals will not leave the Company, and there can be no assurance that the Company will be able to replace key senior personnel quickly if necessary in the future.

8 THE LOSS OF KEY CONTRACTS IN THE UK OR UAE WOULD MATERIALLY IMPACT ON BOTH THE VALUE OF THE COMPANY AND ITS ABILITY TO CONTINUE TO OPERATE.

A termination of any of the key contracts in the UAE or UK would be likely to lead to a significant reduction in revenue and cashflow and, as such, the rationale for the investors injecting new funds into the Company by the Placing may be removed and the Placing may not complete. If the Placing does not complete, the Scheme is not expected to become effective.

9 WINDING UP PETITION AGAINST THE COMPANY

The Company and other members of the Group have been and remain subject to several winding up petitions raised during the course of 2011. As noted elsewhere in this Explanatory Statement, the Company is subject to a winding up petition made by Northern Bank. On 25 August 2011 the application for approval of the winding up of the Company was adjourned until 28 September 2011, to give the Company the opportunity to allow the Scheme of Arrangement to be considered by Scheme Creditors and, thereafter (and if approved by Scheme Creditors) the Court. However, if that winding up petition (or any subsequent winding up petition or administration application) against the Company was to be granted by the Court prior to the Effective Date, then the Scheme would be unable to become effective and the Company would be placed into liquidation or administration.

10 THE COMPANY MAY RUN OUT OF CASH BEFORE THE SCHEME BECOMES EFFECTIVE

As a result of the Company having limited remaining cash resources, a delay in the date on which it is currently anticipated the Scheme would become effective, may mean that the Company would have to cease trading.

PART 10

UNDERSTANDING THE SCHEME – QUESTIONS AND ANSWERS

1 **Why is AssetCo plc proposing the Scheme?**

The Company has encountered significant financial difficulties for a prolonged period of time and, without the proposed refinancing and restructuring (of which the Scheme forms an essential part), it would not be able to continue as a going concern.

The Scheme is a formal procedure under the Companies Act 2006 which is commonly used to carry out corporate restructurings and is, in the view of the Board, the best way of achieving the proposed restructuring and avoiding the liquidation or administration of the Company. The Scheme requires the approval of the High Court. If relevant approvals are obtained, all Scheme Creditors will be bound by the Scheme regardless of whether or how they voted.

The objectives of the refinancing and restructuring are:

- (a) to allow for a refinancing of the Company by way of a placing of new shares in the capital of the Company, it being an integral condition of the Placing that the Scheme is approved and becomes effective;
- (b) to put the Company in a position where it is able to trade as a going concern;
- (c) to improve the return for creditors of the Company as compared to that which would be expected were the Company to enter into an insolvency procedure; and
- (d) to provide a stronger platform for the growth of the Group's operations in the Middle East.

If the Scheme was to fail, the AssetCo Board believes that it would be necessary to place the Company into liquidation or administration.

2 **Is any other member of the Group proposing a scheme of arrangement?**

No. This document relates only to the Scheme of Arrangement which is being proposed by the Company. It is expected that other members of the Group will be restructured in the future, but any such restructuring does not form part of the Scheme.

3 **Who will be affected by the Scheme?**

The Scheme will affect any person who is a creditor of the Company in respect of a "Scheme Liability". Scheme Liabilities mean any liabilities (actual or contingent) owed by the Company as at the Effective Date (which is expected to be on 29 September 2011) and includes any liabilities owed to its bank lenders and certain trade and other creditors. Certain Liabilities (defined in the Scheme as "Excluded Liabilities") will not form part of the Scheme and will not be compromised under it. More detail on Excluded Liabilities can be found at the response to question 8 below.

4 **What will I end up with after the Scheme comes in effect?**

The value of each Scheme Creditor's claim will be agreed and/or determined under the terms of the Scheme and each Scheme Creditor will receive a payment in respect of their agreed/determined claim.

If the Scheme becomes effective, the sum of £5,000,000 will be made available to pay the Scheme Costs and to settle and compromise all Scheme Liabilities. At this stage the

Company cannot confirm the amount each Scheme Creditor will be paid under the Scheme. However, the AssetCo Board believes that Scheme Creditors who are not Group Company Creditors will receive a better return on their Scheme Liabilities if the Scheme is implemented than they would receive in respect of those claims if the Scheme is not implemented and the Company was placed into liquidation or administration. The AssetCo Board also believes that in the case of Group Company Creditors, although the return to those Group Company Creditors would be nominal, the future prospects of those Group Company Creditors would be likely to be improved as a consequence of those Group Company Creditors being subsidiaries of the refinanced Company.

5 What is the “Bar Date” and what does it mean?

The Bar Date is first business day falling 90 days after the Effective Date of the Scheme (which is expected to be 29 September 2011). Currently the expected Bar Date is 28 December 2011. All Claim Forms (see question 6 below) must be sent to the Scheme Supervisors to arrive on or before the Bar Date.

A SCHEME CREDITOR WILL BE ENTITLED TO A PAYMENT UNDER THE SCHEME ONLY IN RESPECT OF A CLAIM IN RESPECT OF WHICH HE/SHE/IT HAS SUBMITTED A CLAIM FORM WHICH HAS BEEN RECEIVED BY THE SCHEME SUPERVISORS ON OR BEFORE THE BAR DATE. A CLAIM FORM RECEIVED BY THE SCHEME SUPERVISORS AFTER THE BAR DATE WILL (SAVE FOR RESUBMITTED CLAIM FORMS ACCEPTED BY THE SCHEME SUPERVISORS AT THEIR SOLE DISCRETION) NOT QUALIFY FOR A PAYMENT UNDER THE SCHEME.

6 How do I submit a claim under the Scheme?

Each Scheme Creditor should submit a Claim Form prior to the Bar Date setting out the details of the Scheme Liabilities it believes it is or will be owed by the Company. A Scheme Creditor may request a Claim Form from the Scheme Supervisors. A specimen Claim Form is set out in Schedule 2 to the Scheme.

Claim Forms must be sent to the Scheme Supervisors to arrive on or before the Bar Date.

The Claim Form should be completed in accordance with their respective instructions and should include:

- (a) the identity of the Submitted Scheme Claimant;
- (b) a description of the nature of each Submitted Scheme Claim and how it arose;
- (c) the value of the Submitted Scheme Claim;
- (d) the legal basis of the Liability of the Company; and
- (e) any other facts which would assist the Scheme Supervisors in considering the Submitted Scheme Claim.

Claim Forms may be submitted to the Scheme Supervisors by any of the following methods:

- (a) by hand to Robert Jonathan Hunt and David Christian Chubb, the Scheme Supervisors of AssetCo plc, PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT;

- (b) by post to Robert Jonathan Hunt and David Christian Chubb, the Scheme Supervisors of AssetCo plc, PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT;
- (c) by fax, marked for the attention of Robert Jonathan Hunt and David Christian Chubb, the Scheme Supervisors of AssetCo plc, on fax number 020 7212 7500; or
- (d) by email to any employees of PricewaterhouseCoopers LLP that the Scheme Supervisors authorise.

Any other communications pursuant to the Scheme may be made in the same manner (and the Scheme Supervisors shall likewise be entitled to communicate with any Scheme Creditor or representative or nominee of that Scheme Supervisor by hand, post, fax or email).

7 **Will Scheme Creditors be treated differently under the Scheme?**

The Scheme Creditors comprise “Group Company Creditors” (that is members of the Group to whom the Company owes debts) and certain other creditors. The Scheme distinguishes between the Group Company Creditors and the other Scheme Creditors. The Scheme provides that there will be a fixed “pot” of £5,000,000 to be used to pay the Scheme Costs and to settle and compromise all Scheme Liabilities (provided always that in the event that the Scheme Costs exceed £100,000, the Company will contribute, as an addition to the £5,000,000 “pot”, 50 per cent. of the amount by which the Scheme Costs exceed £100,000, up to a maximum contribution of £50,000). The “pot” will be divided so that Scheme Costs are met first and, thereafter, so that (a) Group Company Creditors will receive 0.01 pence in the £ (capped at a maximum of £10,000 payable to Group Company Creditors in aggregate) and (b) the remaining Scheme Creditors will receive the balance. The AssetCo Board expects therefore that the pence in the £ distribution to Group Company Creditors will be significantly less than the pence in the £ distribution to the other Scheme Creditors.

8 **What claims are excluded under the Scheme?**

The claims which are excluded under the Scheme are set out in Schedule 1 to the Scheme and include:

- (a) liabilities of the Company to the current Directors;
- (b) liabilities of the Company to a limited number of trade creditors (principally being advisers in connection with the Scheme);
- (c) payments made pursuant to the Scheme (including the costs of administering the Scheme);
- (d) any liability of the Company in respect of the AssetCo Pension Scheme (it being noted that the Company is seeking to reach agreement with the trustees of the AssetCo Pension Scheme on the terms on which the Company would cease to be the principal employer under the AssetCo Pension Scheme, that any such agreement will not be subject to the Scheme but that it is a condition of the Scheme becoming effective that such agreement be reached);
- (e) liabilities of the Company to Northern Bank Limited and others in respect of legal fees relating to the petition of Northern Bank Limited for the winding-up of the Company;
- (f) any liability of the Company to Northern Bank Limited in terms of an asset finance facility which may have been granted to the Company by Northern Bank Limited

(which has been excluded in anticipation that any such liability will be novated to another company within the Group); and

(g) liabilities of the Company in respect of its branch operations in Abu Dhabi.

9 Do I have to pay anything under the Scheme?

No. None of the Scheme Creditors will be required to make any payments under the Scheme.

10 Who will be the Scheme Supervisors and what is their role?

The Scheme Supervisors will be Robert Jonathan Hunt and David Christian Chubb of PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT. Each of them is a licensed insolvency practitioner and they shall supervise, administer and implement the Scheme. The role of the Scheme Supervisors is set out in detail in Section 5 of the Scheme but can be summarised as follows:

- (a) monitoring on a basis agreed with the Creditors' Committee the Company's compliance with the terms of the Scheme;
- (b) providing a Scheme Supervisors' report to the Creditors' Committee on the conduct of the affairs of the Company in relation to the Scheme and the operation of the Scheme and the extent and details of the Submitted Scheme Claims and Disputed Scheme Claims at the end of each period of every six months from the Effective Date or as otherwise agreed with the Creditors' Committee;
- (c) attending meetings of the Creditors' Committee and meetings of the Scheme Creditors convened in accordance with the Scheme, for any purpose in relation to the operation of the Scheme; and
- (d) so far as they are able providing the Creditors' Committee with such information as it may from time to time reasonably require in relation to matters of relevance to the Creditors' Committee.

11 What will happen to the Company if the Scheme does not proceed for any reason?

If the Scheme was to fail, the AssetCo Board believes that it would be necessary to place the Company into liquidation or administration. A comparison of what the AssetCo Board expects Scheme Creditors would receive under the Scheme as compared with an administration or liquidation of the Company is set out in paragraph 3.16 of Part 4 of the Explanatory Statement and Appendix D to the Explanatory Statement.

12 Why am I being sent this document?

The Scheme requires the Scheme Creditors to vote on certain matters at the Scheme Meetings which have been convened by the Court. Before the Scheme can become effective and binding on the Company and the Scheme Creditors, the resolutions to approve it must be passed by the Scheme Creditors representing 75 per cent. in value of the Scheme Creditors who are present in person or proxy and vote at each Scheme Meeting and representing a simple majority in number of creditors present and voting at each Scheme Meeting. This document contains information to assist you in your voting decision for the Scheme Meeting applicable to you in relation to the Scheme.

13 How many Scheme Meetings will there be?

There will be 2 Scheme Meetings. There will be separate meetings of:

- (a) all Scheme Creditors other than the Group Company Creditors; and
- (b) the Group Company Creditors.

The approval of the appropriate majority of each relevant class of Scheme Creditor will be required in order for Scheme Creditors to be considered to have approved the Scheme.

14 Which Scheme Meeting should I vote in respect of?

If you are a Group Company Creditor, you should vote in respect of the meeting for Group Company Creditors.

All other Scheme Creditors should vote in respect of the meeting which is being held for all non Group Company Creditors.

15 Which Form of Proxy should I use?

If you are a Group Company Creditor, you should use the pink Form of Proxy which is headed "AssetCo plc Form of Proxy for a Scheme Meeting of the Group Company Creditors". All other Scheme Creditors should use the blue Form of Proxy which is headed "AssetCo plc Form of Proxy for a Scheme Meeting of the Scheme Creditors (other than Group Company Creditors)". Note however that if you download a Form of Proxy from the Scheme Website it may not download in colour.

16 Where are the Scheme Meetings being held?

The Scheme Meetings will take place on 22 September 2011 at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA.

17 Do I need to vote?

It is important that as many Scheme Creditors as possible cast their votes (whether in person or by proxy). In particular, it is important that as many votes as possible are cast at the Scheme Meetings so as to demonstrate to the Court that there is a fair representation of Scheme Creditor opinion.

If you do not wish, or are unable, to attend the Scheme Meeting relevant to you, you may appoint someone (known as a 'proxy') to act on your behalf and vote at that Scheme Meeting. You may appoint your proxy by completing the relevant Form of Proxy and returning it in accordance with the instructions set out in Appendix B to this Explanatory Statement and on the reverse of the relevant Form of Proxy.

You are therefore strongly encouraged to complete, sign and return your Form of Proxy as soon as possible.

Should you later change your mind and decide to attend the relevant Scheme Meeting in person, having returned a Form of Proxy will not preclude your from doing so.

18 If I vote against the Scheme, how can it still go ahead?

The Scheme requires the approval of the Scheme Creditors as detailed in paragraph 4.3 of Part 1 of the Explanatory Statement and the Court under the Companies Act 2006. If the relevant approvals are obtained all Scheme Creditors will be bound by the Scheme regardless of whether or how they voted.

19 Do I need to take further action?

It is important that you vote at the relevant Scheme Meeting. You are strongly encouraged to complete, sign and return your Form of Proxy as soon as possible. See question 17 above and the instructions set out in Appendix B to this Explanatory Statement and on the reverse of relevant the Form of Proxy.

APPENDIX A:

LIST OF DEFINED TERMS USED IN THE EXPLANATORY STATEMENT

The following definitions shall apply to the words and phrases used in this document except in the Scheme set out at Section 2 of this document or where the context requires otherwise:

“Act” means the Companies Act 2006, as amended from time to time;

“Ascertained Scheme Claim” means a Submitted Scheme Claim which has been agreed by the Scheme Supervisors in accordance with clauses 3.6.6 or 3.7.5 of the Scheme or by the Court in accordance with clause 3.7.2 of the Scheme;

“AssetCo Abu Dhabi” means AssetCo (Abu Dhabi) Limited, a company incorporated in Bermuda with company number 42784;

“AssetCo Abu Dhabi Preference Shareholders” means the holders of the AssetCo Abu Dhabi Preference Shares;

“AssetCo Abu Dhabi Preference Shares” means the 15m of preference shares of £1 each issued by AssetCo Abu Dhabi to the AssetCo Abu Dhabi Preference Shareholders in or around January 2009;

“AssetCo Pension Scheme” means the AssetCo Pension Scheme currently governed by a trust deed with rules annexed dated 11 October 2003 (as amended from time to time);

“Bar Date” means the first Business Day falling 90 days after the Effective Date;

“Board” or “AssetCo Board” means the board of directors of AssetCo plc from time to time;

“Business Day” means a day, other than a Saturday or a Sunday, on which banks are open for general business in London;

“Claim Form” means a claim form in substantially the form as Schedule 2 to the Scheme to be submitted by Scheme Creditors (or their duly authorised agents) detailing Submitted Scheme Claims against the Company;

“Company” means AssetCo plc, a public limited company incorporated under the laws of England and Wales with company number 04966347;

“Committee Member” means a member from time to time of the Creditors’ Committee;

“Court” means the High Court of Justice of England and Wales;

“Court Hearing” means, in relation to the Scheme, the hearing before the Court at which the Company will, if the Scheme has been approved by the required majority of Scheme Creditors at the Scheme Meetings, seek the Court’s sanction for the Scheme pursuant to section 899 of the Act;

“Creditors’ Committee” means in relation to the Company, the committee of Scheme Creditors constituted in accordance with Section 6 of the Scheme;

“Directors” means the directors of the Company;

“Disputed Scheme Claim” means a Submitted Scheme Claim to which clause 3.6.7 of the Scheme applies;

“Effective Date” means the date on which the Scheme becomes effective, in accordance with clause 1.5.1 thereof;

“Excluded Liability” means each of those liabilities set out in Schedule 1 of the Scheme;

“Explanatory Statement” means this statement, which is required by section 897 of the Act for the purpose of explaining the effect of the Scheme to the Scheme Creditors;

“Final Court Order” means the order of the Court sanctioning the Scheme under section 899 of the Act;

“Group” means the Company and all of its subsidiaries;

“Group Company Creditors” means the members of the Group to whom the Company has any liability;

“Liability” means any liability of a person, whether it is present, future, prospective or contingent, whether its amount is fixed or undetermined, whether or not it involves the payment of money or performance of any act or obligation and whether it arises at common law, in equity or by statute, in England or in any other jurisdiction, or in any other manner whatsoever, including, without limitation, claims in respect of breach of contract, tort, restitution, breach of trust, financial indebtedness, guarantee or indemnity claims, claims arising by way of subrogation, contribution or counter-indemnity, claims for misrepresentation, negligence, wilful default or fraud, mis-selling claims, claims under the Financial Services and Markets Act 2000 and any other claims which may arise ancillary to any such financial liability, but in all cases excluding:

(a) any liability which is barred by statute or is otherwise unenforceable; or

(b) a liability under a contract that is void or, being voidable, has been avoided;

“LFEPA” means London Fire and Emergency Planning Authority;

“Placing” means the conditional placing of New Ordinary Shares proposed to be made by the Company to raise £12,500,000 (before expenses), further details of which are to be set out in the Shareholder Circular;

“New Ordinary Shares” means new ordinary shares of 10 pence each in the capital of the Company (as are expected to be created as a result of a share capital reorganisation all as more fully set out in the Shareholder Circular);

“Record Date” means the Effective Date;

“Refinancing” means the proposed refinancing and restructuring of the Company as described in paragraph 1.4 of Part 1 of the Explanatory Statement;

“Scheme” or **“Scheme of Arrangement”** means the proposed scheme of arrangement under Part 26 of the Act between the Company and the Scheme Creditors in its present form or with any modifications or additions approved or imposed by the Court in accordance with clause 9.2 of the Scheme;

“Scheme Bank Account” means such bank account or accounts as may be established by or on behalf of the Scheme Supervisors to hold and disburse the Scheme Creditor Settlement Amount pursuant to the Scheme (and including payment of the Scheme Costs);

“Scheme Claim” means a claim made or capable of being made in respect of a Scheme Liability;

“Scheme Completion” has the meaning given to it in clause 8.1 of the Scheme;

“Scheme Costs” means:

- (a) the fees and costs of the Scheme Supervisors;
- (b) the fees and costs of any person or persons (including, without limitation, professional advisers) engaged by the Scheme Supervisors (either directly or on behalf of the Company) in connection with the Scheme and its administration and implementation;
- (c) any costs and expenses payable to any member of the Creditors' Committee;
- (d) any costs and expenses incurred in connection with any meeting of Scheme Creditors; and
- (e) any other costs and expenses that the Scheme Supervisors consider are appropriate to pursuing the objectives of the Scheme;

"Scheme Creditor" means any person who is, or claims to be, a creditor of the Company in respect of a Scheme Liability, at the Record Date;

"Scheme Creditor Settlement Amount" means the sum of £5,000,000 together with such additional amount (up to a maximum of £50,000) as may be paid by the Company pursuant to clause 5.7 of the Scheme;

"Scheme Liability" means any Liability of the Company (before the application of any set-off, as applicable), other than an Excluded Liability, which either:

- (a) has arisen as at the Record Date; or
- (b) may (subject to clause 2.5.1 of the Scheme) arise after the Record Date as a result of an obligation incurred or of an event occurring before the Record Date;

"Scheme Meetings" means the meetings summoned by the Court under section 896 of the Act for the purpose of obtaining the approval of Scheme Creditors and **"Scheme Meeting"** means any one of such meetings;

"Scheme Payment" means in relation to the Scheme, any payments made to a Scheme Creditor in accordance with Section 4 of the Scheme;

"Scheme Publications" means The Times and the Daily Mail;

"Scheme Supervisor" means in relation to the Scheme, any of the persons appointed under Section 7 of the Scheme;

"Scheme Website" means the world wide web page or pages linked to universal resource locator <http://www.assetco.com/scheme>;

"SEC" means the United States Securities and Exchange Commission;

"Securities Act" means the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"Shareholder Circular" means the circular expected to be issued in due course by the Company to its shareholders in connection with, amongst other things, the Placing;

"Shareholder Resolutions" means certain resolutions expected to be put to shareholders of the Company in connection with, amongst other things, the Placing, further details of which (together with notice of relevant general meeting of shareholders at which such resolutions are expected to be proposed) are expected to be included in the Shareholder Circular;

"SOC" means Special Operations Command, United Arab Emirates Armed Forces;

“SOC I Contract” means the contract entered into in March 2010 by the Company and SOC pursuant to which the Company provides an outsourced firefighting service in the UAE;

“Submitted Scheme Claim” means any purported Scheme Liability in respect of which a Scheme Creditor has submitted a Scheme Claim in accordance with the Scheme, as appropriate;

“Submitted Scheme Claimant” means a person who has submitted a Submitted Scheme Claim, unless his Submitted Scheme Claim has been finally rejected in accordance with clauses 3.7.2 or 3.7.3 of the Scheme;

“UAE” means the United Arab Emirates;

“UK” means the United Kingdom of Great Britain and Northern Ireland; and

“Voting Record Date” means 5.00 p.m. on 22 August 2011.

APPENDIX B:
SCHEME – SUMMARY OF ACTION TO BE TAKEN

THIS APPENDIX B SETS OUT INSTRUCTIONS AND GUIDANCE FOR VOTING AT THE SCHEME MEETINGS. ALL SCHEME CREDITORS ARE REQUESTED TO READ THE GENERAL ADVICE AT PARTS 1 AND 2 OF THIS APPENDIX B.

PART 1 – GENERAL GUIDANCE

SCHEME MEETINGS

- 1 Before the Scheme can become effective and binding on the Company and the Scheme Creditors, resolutions to approve it must be passed by each separate class of the Scheme Creditors by the majority required by section 899 of the Act. This majority is a majority in number representing 75 per cent. in value of each separate class of the Scheme Creditors who, being so entitled, are present in person (or, if a corporation, by a duly authorised representative) or by proxy and vote at the relevant Scheme Meeting. The Scheme Meetings have been ordered by the Court to be summoned to take place on 22 September 2011 at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA.
- 2 Formal notices of the Scheme Meetings are set out at Appendix C to this Explanatory Statement.
- 3 If the Scheme Creditors do not approve the Scheme at the Scheme Meetings, then the Company will not be able to implement the Scheme and the Refinancing will not take place.

DEADLINE FOR VOTING AT THE SCHEME MEETING

Scheme Creditors

- 4 As explained in more detail in Part 2 of this Appendix B, Scheme Creditors who wish to vote at the Scheme Meeting applicable to them but who do not intend to attend the meeting must complete and submit a Form of Proxy in order to vote. Scheme Creditors who do not intend to attend and vote at the relevant Scheme Meeting must submit the relevant Form of Proxy to PricewaterhouseCoopers LLP before 11.00 a.m. on 20 September 2011. Scheme Creditors who are not Group Company Creditors should complete the blue Form of Proxy entitled “AssetCo plc Form of Proxy for a Scheme Meeting of the Scheme Creditors (other than Group Company Creditors)”. Group Company Creditors should complete the pink Form of Proxy entitled “AssetCo plc Form of Proxy for a Scheme Meeting of the Group Company Creditors”. Note however that if you download the Form of Proxy from the Scheme Website it may not print off on colour.
- 5 Submission of a Form of Proxy, or failure to submit a Form of Proxy before the deadline of 11.00 a.m. on 20 September 2011, will not preclude a Scheme Creditor from voting in person or by proxy at the relevant Scheme Meeting, provided that the Scheme Creditor or his proxy is able to establish his identity and entitlement to vote at that Scheme Meeting.

Assessment of Claims for Voting Purposes

- 6 Only those Scheme Creditors who are Scheme Creditors as at the Voting Record Date, being 5.00 p.m. on 22 August 2011, are entitled to attend and vote, either in person or by proxy at the relevant Scheme Meeting.

- 7 The assessment of claims for voting purposes will be carried out by the Court-appointed chairman of the Scheme Meeting. The chairman may, for voting purposes only, reject a claim in whole or in part if he considers that it does not constitute a fair and reasonable assessment of the relevant sums owed to the relevant Scheme Creditor by the Company or if the relevant Scheme Creditor has not complied with the voting procedures described in this document. If a claim is unascertained, contingent or disputed (in part) but the chairman is able to place a minimum value on that claim, he may admit the claim for voting purposes at that value. If a claim is disputed in its entirety, or the chairman is otherwise unable to place a minimum value on it, that claim may be valued at £1 for voting purposes.
- 8 The proposed Scheme Supervisors will assist the chairman of the Scheme Meetings, where so requested, to assess and value Scheme Creditors' claims for voting purposes. The proposed Scheme Supervisors will assist the chairman of the Scheme Meetings in providing an impartial approach to the assessment and valuation of such claims.
- 9 The chairman of the Scheme Meetings will report to the Court, at the Court hearing to sanction the Scheme (which it is anticipated will take place on 28 September 2011), his decision to reject claims (if any), with details of those claims and the reasons for rejection.
- 10 For the purposes of voting at the Scheme Meetings and determining whether or not the statutory majorities of creditors voting at the meetings are achieved, claims that arise in currencies other than sterling will be converted into sterling.
- 11 The admission and valuation of any claim for voting purposes does not (in itself) constitute an admission of the existence or value of the claim and will not bind the Company or any member of the Group or the Scheme Creditors concerned.

PART 2: SCHEME CREDITORS

COMPLETION OF FORM OF PROXY

- 1 Each Scheme Creditor or its duly authorised representative (as the case may be) should complete the relevant Form of Proxy in accordance with the instructions printed on it. Each Scheme Creditors is encouraged to complete and return its Form of Proxy whether or not it intends to be present at the relevant Scheme Meeting in case, for any reason, that Scheme Creditor is unable to attend the relevant Scheme Meeting.
- 2 All Scheme Creditors with Scheme Claims should include, in accordance with the instructions on the Form of Proxy, the following information in their Form of Proxy:
 - (a) their identity;
 - (b) a description of the nature of their Scheme Liability and how such Scheme Liability arose;
 - (c) the value of their Scheme Liability;
 - (d) details of the basis for calculating that value and, if applicable, the legal basis for liability; and
 - (e) any other facts that would assist the Company in considering the Scheme Liability.
- 3 The admission and valuation of any claim for voting purposes does not (in itself) constitute an admission of the existence or value of the claim and will not bind the Company or any member of the Group or the Scheme Creditors concerned.
- 4 In order for Scheme Creditors to vote at the relevant Scheme Meeting, they must either attend the meeting in person or must send completed the relevant Form of Proxy to PricewaterhouseCoopers LLP at 7 More London Riverside, London SE1 2RT or alternatively fax it to PricewaterhouseCoopers LLP on fax number 020 7212 7500 or email it to PricewaterhouseCoopers LLP at assetco.scheme@uk.pwc.com (in each case marked for the attention of Robert Jonathan Hunt/David Christian Chubb) by 11.00 a.m. on 20 September 2011, or must lodge the relevant completed Form of Proxy with the chairman of the Scheme Meeting at the Scheme Meeting.
- 5 Completion and return of a Form of Proxy will not prevent a Scheme Creditor from subsequently attending and voting in person if he so wishes. If a Scheme Creditor appoints a person as his proxy who is not the chairman of the meeting, then his proxy must attend the meeting in order to vote. A proxy need not be a Scheme Creditor.

Attending the relevant Scheme Meeting

- 6 Each Scheme Creditor or his proxy who wishes to attend the relevant Scheme Meeting in person will be required to register his attendance by presenting himself, together with the duplicate copy of his Form of Proxy, where possible, at the registration desk prior to the commencement of the meeting. A Scheme Creditor who wishes to attend the Scheme Meeting in person is encouraged to complete the relevant Form of Proxy and either return it to PricewaterhouseCoopers LLP prior to 11.00 a.m. on 20 September 2011 or bring it in person to the relevant Scheme Meeting and hand it in at the registration desk no later than one hour before the scheduled start time of the relevant Scheme Meeting.
- 7 Thereafter, a Scheme Creditor may lodge a completed Form of Proxy with the chairman of the Scheme Meeting at the relevant Scheme Meeting. A Scheme Creditor who

attends the relevant Scheme Meeting in person but has not previously provided a Form of Proxy will also need to provide evidence of his personal identity (for example, a passport or other picture identification) and an individual attending on behalf of a body corporate should provide evidence of their identity and their authorisation to represent that body corporate (for example, a valid power of attorney and/or board minutes).

APPENDIX C:
NOTICES CONVENING THE SCHEME MEETINGS

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 7453 of 2011

IN THE MATTER OF ASSETCO PLC
AND IN THE MATTER OF THE COMPANIES ACT 2006

ASSETCO PLC

*(Incorporated in England and Wales with registered number 04966347 and having its
registered office at 800 Field End Road, South Ruislip, Middlesex HA4 0QH)*

**NOTICE OF A MEETING OF THE SCHEME CREDITORS
(OTHER THAN GROUP COMPANY CREDITORS)**

in connection with
a **Scheme of Arrangement**
under **Part 26 of the Companies Act 2006**

between

ASSETCO PLC
and the
SCHEME CREDITORS

NOTICE IS HEREBY GIVEN that by an Order dated 25 August 2011 made in the above matter the Court has directed that a separate class meeting be convened of the Scheme Creditors other than the Group Company Creditors (each as defined in the scheme of arrangement referred to below) of the above company (the "Company") for the purposes of considering and, if thought fit, approving (with or without modification) the scheme of arrangement (the "Scheme of Arrangement") proposed to be made between the Company and the Scheme Creditors (as defined in the Scheme of Arrangement).

A meeting of the Scheme Creditors (other than the Group Company Creditors) (the "meeting") to consider the Scheme of Arrangement will be held at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA on 22 September 2011. The meeting will commence at 10.00 a.m.

A copy of the Scheme of Arrangement proposed by the Company and a copy of the statement required to be provided pursuant to section 897 of the Companies Act 2006 (the "Explanatory Statement") is available to be downloaded from <http://www.assetco.com/scheme> (the "Scheme Website"). A Form of Proxy for Scheme Creditors (other than Group Company Creditors) to vote at the meeting is provided with this document and may also be downloaded from the Scheme Website.

Scheme Creditors (other than Group Company Creditors) may vote in person at the meeting or they may appoint another person, whether a Scheme Creditor or not, as their proxy to attend and vote in their place.

Scheme Creditors (other than Group Company Creditors) are requested to complete, sign and submit a Form of Proxy in respect of the meeting in accordance with the instructions printed on such form and the procedures described in the Explanatory Statement. Forms of Proxy

must be sent to PricewaterhouseCoopers LLP at 7 More London Riverside, London SE1 2RT or alternatively by fax to PricewaterhouseCoopers LLP on fax number 020 7212 7500 or by email to PricewaterhouseCoopers LLP at assetco.scheme@uk.pwc.com (in each case marked for the attention of Robert Jonathan Hunt/David Christian Chubb) by 11.00 a.m. on 20 September 2011, but if forms are not so submitted they may, if properly completed and signed, be handed to the chairman at the meeting.

By the Order referred to above, the Court has appointed Tudor Davies or, failing him, any other director of the Company, to act as chairman of the meeting and has directed the chairman to report the result of such meeting to the Court.

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

Dated 30 August 2011

ASSETCO PLC

(Incorporated in England and Wales with registered number 04966347 and having its registered office at 800 Field End Road, South Ruislip, Middlesex HA4 0QH)

NOTICE OF A SCHEME MEETING OF THE GROUP COMPANY CREDITORS
in connection with
a Scheme of Arrangement
under Part 26 of the Companies Act 2006
between
ASSETCO PLC
and the
SCHEME CREDITORS

NOTICE IS HEREBY GIVEN that by an Order dated 25 August 2011 made in the above matter the Court has directed that a separate class meeting be convened of the Group Company Creditors (as defined in the scheme of arrangement referred to below) of the above company (the "Company") for the purposes of considering and, if thought fit, approving (with or without modification) the scheme of arrangement (the "Scheme of Arrangement") proposed to be made between the Company and the Scheme Creditors (as defined in the Scheme of Arrangement).

A meeting of the Group Company Creditors (the "meeting") to consider the Scheme of Arrangement will be held at the offices of McGrigors LLP, 5 Old Bailey, London EC4M 7BA on 22 September 2011. The meeting will commence at 11.00 a.m. (or as soon thereafter as the immediately preceding meeting of the Scheme Creditors other than the Group Company Creditors has concluded).

A copy of the Scheme of Arrangement proposed by the Company and a copy of the statement required to be provided pursuant to section 897 of the Companies Act 2006 (the "Explanatory Statement") is available to be downloaded from <http://www.assetco.com/scheme> (the "Scheme Website"). A Form of Proxy for Group Company Creditors to vote at the meeting is provided with this document and may also be downloaded from the Scheme Website.

Group Company Creditors may vote in person at the meeting or they may appoint another person, whether a Scheme Creditor or not, as their proxy to attend and vote in their place.

Group Company Creditors are requested to complete, sign and submit a Form of Proxy in respect of the meeting in accordance with the instructions printed on such form and the procedures described in the Explanatory Statement. Forms of Proxy must be sent to PricewaterhouseCoopers LLP at 7 More London Riverside, London SE1 2RT or alternatively by fax to PricewaterhouseCoopers LLP on fax number 020 7212 7500 or by email to PricewaterhouseCoopers LLP at assetco.scheme@uk.pwc.com (in each case marked for the attention of Robert Jonathan Hunt/David Christian Chubb) by 11.00 a.m. on 20 September 2011, but if forms are not so submitted they may, if properly completed and signed, be handed to the chairman at the meeting.

By the Order referred to above, the Court has appointed Tudor Davies or, failing him, any other director of the Company, to act as chairman of the meeting and has directed the chairman to report the result of such meeting to the Court.

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

Dated 30 August 2011

APPENDIX D:

ESTIMATED STATEMENT OF AFFAIRS AND RETURN FROM THE PROPOSED SCHEME OF ARRANGEMENT AND CAVEATS, LIMITATIONS AND UNCERTAINTIES RELATING TO THE INSOLVENCY ANALYSIS

AssetCo plc
Directors' Estimated Statement of Affairs
as at 22 August 2011

	Book values	Notes	Estimated to realise	
			Administration	Liquidation
	£000		£000	£000
Assets not specifically pledged				
Abu Dhabi branch	0	3	uncertain	0
Investments in subsidiary companies:				
- Assetco Fire and Rescue Ltd	92,552	4	uncertain	0
- Other	0	4	uncertain	0
Amounts owed by subsidiary companies				
- Assetco Fire and Rescue Ltd	101,262	4	uncertain	0
- Assetco London Ltd	13,297	4	uncertain	0
- Assetco Municipal Ltd	10,260	4	uncertain	0
- Other	18,807	4	uncertain	0
Corporation tax refund	1,000	5	695	0
Cash at bank	530	6	276	276
	<u>237,708</u>		<u>971</u>	<u>276</u>
Less: Preferential creditors				
Estimated employee claims arising on insolvency		7	(5)	(5)
Estimated surplus available for non-preferential creditors			966	271
Estimated costs of realisation			(300)	(200)
			<u>666</u>	<u>71</u>
Less: Non-preferential creditors				
> Book values				
Amounts owed to subsidiary companies (see creditors list)			(100,057)	(100,057)
Trade creditors and accruals (see creditors list)			(1,266)	(1,266)
Net bank overdraft		6	(1,711)	(1,711)
Asset finance lease liability		8	(2,175)	(2,175)
> Estimated claims arising on insolvency				
Contingent pension fund liability		9	(600)	(6,000)
Contingent liability for property lease		10	(1,000)	(1,000)
Contingent liability for group VAT registration		5	0	(305)
Contingent liability for guarantees in respect of subsidiary company borrowings (see creditors list)		1	(17,048)	(17,048)
Contingent liability for redeemable preference shares guarantee		1,3	uncertain	(15,000)
Estimated employee non-preferential claims		7	(20)	(20)
Abu Dhabi contract termination penalties		3	0	(12,400)
Estimated deficiency as regards non-preferential creditors			<u>(123,211)</u>	<u>(156,911)</u>
Issued and called up share capital			(38,678)	(38,678)
Estimated total deficiency as regards members			<u>(161,889)</u>	<u>(195,589)</u>
Estimated return to non-preferential creditors subject to realisation			<u>0.54%</u>	<u>0.05%</u>

Notes to the estimated statement of affairs

1. It is assumed that administration or liquidation of the Company will lead to Group wide insolvencies crystallising contingent guarantee and other liabilities in respect of subsidiary companies, except in Administration it is assumed that an arrangement may be made with the holder of the redeemable preference share guarantee regarding their claim in respect to the UAE Contract.
2. There are no securities over the Company's assets registered at Companies House other than a fixed charge in favour of Barclays Bank Plc over certain bank accounts which contain no funds.
3. See narrative below on the history of the Abu Dhabi contracts and the likely impact of insolvency procedures.
4. It is doubtful any value will be recovered in respect to investments in and balances due from Group companies as they are struggling financially and the assets of the main trading companies are pledged to lending banks.
5. The corporation tax refund claim is not certain. It is assumed nothing will be realised in liquidation and that £1 million offset against a contingent group registration VAT liabilities will be realised in administration.
6. £254,000 of the cash in hand is liable to be offset against a bank overdraft of £1,965,000.
7. The Company does not consider itself to have any employees, but approximately 5 staff who are engaged in activities for (and whose remuneration is paid by) subsidiary companies have employment contracts in the name of the Company. Pursuant to note 1 above, it is assumed they will claim on the Company.
8. The asset finance liability relates to equipment used by a subsidiary company and it is possible that this may be novated to that company. Alternatively, the claim should be mitigated by the value of the security.
9. The contingent pension fund liability of £600,000 for the administration is the current deficit under the AssetCo Pension Scheme in respect of which the Company is the principal employer. For liquidation, this is estimated on a full buy out basis at £6 million.
10. The contingent property lease liability is in respect of an indemnity granted by the Company in favour of what is now a former subsidiary company in the event that a claim is made under a guarantee granted by that former subsidiary. The actual liability that may arise could be zero or in excess of the £1 million estimate.
11. Nothing in the estimated statement of affairs or paragraph 3 of Part 4 constitutes a valuation. Where present values for different scenarios are shown they are provided for illustrative purposes only and are subject to the assumptions set out in this Appendix.
12. The Insolvency Analysis represents an illustrative estimate of insolvency values and recovery percentages based upon hypothetical insolvency proceedings as at 22 August 2011.
13. The analysis in relation to the Company assumes that an administration of the Company would be a 'liquidating administration' and the analysis is therefore based on the Company's accounting records at 22 August 2011 and an assessment of the realisable assets thereon.
14. In so far as insolvency might be an event that occurs in the future, the ultimate return to creditors will be determined by a series of circumstances relevant at the time of the insolvency. There may be unforeseen events, changes in economic conditions, and many other potential variations that could impact upon and change this analysis.
15. The Insolvency Analysis has been prepared on the basis of certain assumptions which the Company believes are reasonable in the circumstances. However, the assumptions are subject to significant uncertainties which are beyond the Company's control, and unanticipated events and circumstances might materially affect the anticipated results.
16. Neither the assumptions nor the numbers generated have been audited. While the insolvency values are presented with some specificity, the actual results achieved would in all likelihood vary, and could vary in ways that may be material. Accordingly, there can be no assurance that the assumptions employed in determining the insolvency value of the assets will result in accurate estimations of such insolvency values, given they are subjective in nature.

**Creditors list to estimated Statement of Affairs
as at 22 August 2011**

	Current £000
Amounts owed to subsidiary companies	
Assetco SVO Ltd	73
Papworth Specialist Vehicles Ltd	9,009
Assetco Lincoln Ltd	2,003
Assetco Managed Services Ltd	3,968
Assetco Emergency Ltd	63,719
Assetco Fire Reserve Ltd	186
Assetco Solutions Ltd	4,622
Assetco Contracts Ltd	577
Assetco (Abu Dhabi) Ltd	15,900
Total	100,057
Trade creditors and accruals	
Addleshaw Goddard	18
Andrew Freemantle	20
BJC Networks Ltd	35
Bookajet Aviation Services Ltd	7
Cheesewrights	1
Codogan PR Ltd	12
Computershare Investor Services	7
Edward Symmons	2
EDF Energy	18
Equity FD	37
Grant Thornton	267
Harvey Nash	18
Hewitt Associates	20
KPMG	5
London Stock Exchange	1
McGrigors LLP	50
Mills Selig	52
North Atlantic Value LLP	30
NQA Global Assurance	3
PricewaterhouseCoopers	12
Retained Firefighters Union	12
Roger Clements	21
Sennocke	47
Sports Hospitality Group	31
SR Consultancy Services	25
Supply 999 Ltd	381
Excenta Solutions Ltd	3
American Express	134
Total	1,266
Contingent liability for guarantees in respect of subsidiary company borrowings	
Lombard	281
Barclays Bank	2,397
LLoyds Banking Group	12,362
Cooperative Bank	2,008
Total	17,048

Estimated return to Scheme Creditors (other than Group Company Creditors) from the proposed Scheme of Arrangement

	£000
Scheme fund	5,000
Estimated scheme costs: Supervisors fees, legal etc	(100)
Maximum fund to settle claims of Group Company Creditors	(10)
	<hr/>
Available for Scheme Creditors (other than Group Company Creditors)	4,890
	<hr/>
Estimated creditor claims to rank in the Scheme	
Trade	(1,500)
Direct bank lending	(1,700)
Contingent property lease liability	(1,000)
Contingent liability for guarantees in respect of subsidiary company borrowings	(17,048)
	<hr/>
	(21,248)
	<hr/>
Estimated return	23.0%

Notes to the estimated return from the proposed Scheme of Arrangement

1. Neither the Company, its advisers nor the Directors make any representation or warranty that the actual returns obtained by Scheme Creditors would nor would not approximate to the estimates above or contained in paragraph 3 of Part 4.
2. Neither the assumptions nor the numbers generated have been audited. While the values are presented with some specificity, the actual results achieved would in all likelihood vary, and could vary in ways that may be material. Accordingly, there can be no assurance that the assumptions employed in determining the estimated costs and claims will result in accurate estimations of the potential return to third party creditors, given they are subjective in nature.
3. Assumes that an uncertain contingent property lease liability turns out to be £1 million, but it could be zero or a value in excess of £1 million.

History of the Abu Dhabi contracts and related agreements and insolvency implications

1. 12 January 2009, the Company and its subsidiary AssetCo (Abu Dhabi Limited) entered into an investment agreement (the "Investment Agreement") with North Atlantic Value LLP and others (the "Investors"), whereby the Investors invested £15m in AssetCo (Abu Dhabi) Limited (a Bermuda registered company) in return for:
 - (i) £15m of redeemable preference shares in AssetCo (Abu Dhabi) Limited;
 - (ii) a guarantee from the Company in respect of the redemption of those preference shares;
 - (iii) the issue by the Company of certain warranties; and
 - (iv) an undertaking requiring current and certain future contracts entered into in Abu Dhabi by the Company or other Group companies, to be transferred to Assetco (Abu Dhabi) Limited.
2. 24 February 2010, the Company entered a 3 year £40m contract with Special Operations Command of UAE Armed Forces for outsourced fire fighting services (the "UAE Contract").
3. In early 2011, the Directors understand the Company entered into a joint venture with Emirates Response Services LLC pursuant to which it took a 30 per cent. stake in a joint venture vehicle AssetCo Emirates Response Services LLC ("the JV"). It is believed that the JV has a 5 year £105m contract with UAE Air Force ("the Air Force Contract") for constructing fire stations and a fire-fighting facility. (Note, because the current Directors were either not appointed at the time, or did not have executive oversight over operations at the time, and access to the contracts in Abu Dhabi is restricted, they are still in the process of verifying the position with the JV and the underlying contract.)
4. The Company did not assign its interest in the UAE Contract to AssetCo (Abu Dhabi) Limited as may have been required by the Investment Agreement, and the Directors are of the opinion that the Investors could seek to bring a claim alleging non-performance of any such obligation.
5. The Directors are of the opinion that liquidation would give Special Operations Command the right to trigger the insolvency termination clause in the UAE Contract. The Directors do not have a copy of the Air Force Contract as that is confidentially retained in Abu Dhabi by the UAE Air Force, but, regardless of whether that contract also contains an insolvency termination clause, the Company's local managing director in Abu Dhabi has advised that, culturally, an insolvency of the Company will create a very negative impression on the Abu Dhabi trading partners leading to uncertain consequences. Given the foregoing, the Directors are of the opinion that both the UAE Contract and the Company's interest in the JV would likely be terminated in the event of liquidation.
6. The Directors are uncertain whether administration will trigger the insolvency termination clause in the UAE Contract because it refers to 'bankrupt or insolvent' but they consider that there is a high risk it will in those circumstances. The same considerations as for liquidation above apply to the JV. Given the foregoing, the Directors consider there is a high risk that both the UAE Contract and the Company's interest in the JV would terminate in the event of administration.
7. If the UAE Contract does not terminate in administration, then the Directors expect that the Investors may seek to claim that it should be transferred to Assetco (Abu Dhabi) Limited, which could deprive the Company of any value or involve it in time consuming and costly litigation.

8. Should the UAE Contract terminate, then the UAE Armed Forces will have the right to encash a performance/warranty bond for approximately £4.1m and an advance payment guarantee for approximately £8.3m which would lead to an increase in the liabilities of the Company.
9. In summary, based on their understanding of the situation, the Directors believe that liquidation would in all likelihood:
 - (i) result in the termination of the UAE Contract and the JV;
 - (ii) lead to a £12.4m increase in the Company's liabilities in respect of the performance/warranty bond and advance payment guarantee; and
 - (iii) lead to a further £15m increase in the Company's liabilities due to the preference share guarantee given to the Investors.
10. There is a high risk that administration will lead to the same outcome as liquidation, and if it does not then the Directors consider that there is a possibility of litigation from the Investors against the Company in respect of transferring the UAE Contract.
11. The proposed distribution to creditors under the Scheme of Arrangement provides creditors with:
 - (i) certainty of a dividend, although the percentage will depend upon the claims made in the Scheme;
 - (ii) certainty that dividends will be declared considerably faster than in an insolvency process; and
 - (iii) the prospect of a future income stream from an ongoing relationship with the Company and the Group.

SECTION 2: THE SCHEME

SCHEME OF ARRANGEMENT under Part 26 of the Companies Act 2006

between

ASSETCO PLC

and the

SCHEME CREDITORS

(as defined in this document)

THE SCHEME

No. 7453 of 2011

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

IN THE MATTER OF ASSETCO PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

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

between

ASSETCO PLC

and the

SCHEME CREDITORS (as defined herein)

SECTION 1 PRELIMINARY

1

1.1 Definitions

In the Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings:

“**Act**” means the Companies Act 2006;

“**Affiliate**” means a subsidiary or a holding company of a person or any other subsidiary of that holding company;

“**AIM**” means the AIM market of the London Stock Exchange;

“**Alternate**” means any other senior executive, senior employee or professional adviser appointed by a Committee Member or Nominated Representative pursuant to clause 6.1.12;

“**Ascertained Scheme Claim**” means a Submitted Scheme Claim which has been agreed by the Scheme Supervisors in accordance with clauses 3.6.6 or 3.7.5 or the Court in accordance with clause 3.7.2;

“**AssetCo Pension Scheme**” means the AssetCo Pension Scheme currently governed by a trust deed with rules annexed dated 11 October 2003 (as amended from time to time);

“**Bar Date**” means the first Business Day falling 90 days after the Effective Date;

“**Base Rate**” means the Bank of England base rate from time to time;

“**Board**” means the board of directors of the Company from time to time;

“**Business Day**” means a day (other than a Saturday or a Sunday) on which banks are open for general business in London;

“**CDDA**” means the Company Directors Disqualification Act 1986;

“**Claim Form**” means a claim form in substantially the same form as Schedule 2 to be completed by Scheme Creditors (or their duly authorised agents) detailing Submitted Scheme Claims against the Company;

“**Committee Confidential Information**” means:

- (a) all information and documents provided to each Committee Member or observer as a member or observer (as the case may be) of a Creditors’ Committee; and
- (b) all discussions at and proceedings of the meetings of the Creditors’ Committee, save to the extent (i) such matters are already in the public domain or (ii) in relation to information known by such person (other than as a result of a breach of clauses 6.1.8 and 6.1.9);

“**Committee Member**” means a member from time to time of the Creditors’ Committee;

“Company” or **“AssetCo plc”** means AssetCo plc, a company incorporated under the laws of England and Wales, with registered number 04966347 whose registered office is at 800 Field End Road, South Ruislip, Middlesex HA4 0QH;

“Court” means the High Court of Justice of England and Wales;

“Creditors’ Committee” means the committee of Scheme Creditors constituted in accordance with Section 6 of the Scheme;

“Creditors’ Resolution” means any resolution passed by the Scheme Creditors at a meeting of Scheme Creditors convened and at which business is transacted;

“Disputed Scheme Claim” means a Submitted Scheme Claim to which clause 3.6.7 applies;

“Effective Date” means the date on which the Scheme becomes effective, in accordance with clause 1.5.1;

“Excluded Liability” means each of those liabilities set out in Schedule 1;

“Excluded Trade Creditors” means those persons listed in Schedule 3;

“Explanatory Statement” means the statement which is required by section 897 of the Act for the purpose of explaining the effect of the Scheme to the Scheme Creditors;

“Final Court Order” means the order of the Court sanctioning the Scheme under section 899 of the Act;

“Form of Proxy” means any instrument approved by the Scheme Supervisors in accordance with clause 7.3.2 of the Scheme for the purpose of appointing a person to attend a Scheme meeting on behalf of a Scheme Creditor and vote in their place;

“FSMA” means the Financial Services and Markets Act 2000;

“Group” means the Company and all of its subsidiaries;

“Group Company Creditors” means the members of the Group to whom the Company has any Liability;

“Insolvency Act” means the Insolvency Act 1986;

“Insolvency Rules” means the Insolvency Rules 1986 (SI 1986/1925), as amended;

“Liability” means any liability of a person, whether it is present, future, prospective or contingent, whether its amount is fixed or undetermined, whether or not it involves the payment of money or performance of any act or obligation and whether it arises at common law, in equity or by statute, in England or in any other jurisdiction, or in any other manner whatsoever, including, without limitation, claims in respect of breach of contract, tort, restitution, breach of trust, financial indebtedness, guarantee or indemnity claims, claims arising by way of subrogation, contribution or counter-indemnity, claims for misrepresentation, negligence, wilful default or fraud, mis-selling claims, claims under FSMA and any other claims which may arise ancillary to any such financial liability, but in all cases excluding:

- (a) any liability which is barred by statute or is otherwise unenforceable; or
- (b) a liability under a contract that is void or, being voidable, has been avoided;

“Nominated Representative” means any senior executive, other senior employee or professional adviser appointed by a Committee Member pursuant to clause 6.1.11;

“Placing” means a conditional placing of new shares in the capital of the Company proposed to be made by the Company to raise £12,500,000 (before expenses), further details of which are to be set out in the Shareholder Circular;

“Pre-Effective Date Insolvency Event” means the occurrence of any of the following in relation to the Company:

- (a) winding-up, dissolution or administration (whether out of court or otherwise);
- (b) the appointment of a liquidator, receiver, administrator or similar officer (in each case, whether out of court or otherwise); or
- (c) at any time after the date of the Explanatory Statement, a resolution of the Company or its directors being passed to petition or apply for the Company’s winding-up or administration (whether out of court or otherwise);

“Proceedings” means any process, action, step, or other legal (or quasi legal) or judicial (or quasi judicial) proceeding (including, without limitation, any demand, arbitration, alternative dispute resolution, expert determination process, judicial review, adjudication, execution, seizure, distraint, lien, enforcement of judgment, or enforcement of any security interest or right of set-off or any proceeding for the purpose of placing the Company into administration, liquidation or any insolvency, reconstruction, bankruptcy or analogous proceeding in any jurisdiction;

“Record Date” means the Effective Date;

“Representative” means a person determined to be a representative in accordance with clause 2.7;

“Scheme” means this scheme of arrangement in its present form or with any modifications thereof or additions thereto approved or imposed by the Court in accordance with clause 9.2;

“Scheme Bank Account” means such bank account or accounts as may be established by or on behalf of the Scheme Supervisors to hold and disburse the Scheme Creditor Settlement Amount pursuant to the Scheme (and including payment of the Scheme Costs);

“Scheme Claim” means a claim made or capable of being made in respect of a Scheme Liability;

“Scheme Completion” shall have the meaning given to it in clause 8.1;

“Scheme Costs” means:

- (a) the fees and costs of the Scheme Supervisors;
- (b) the fees and costs of any person or persons (including, without limitation, professional advisers) engaged by the Scheme Supervisors (either directly or on behalf of the Company) in connection with the Scheme and its administration and implementation;
- (c) any costs and expenses payable to any member of the Creditors’ Committee;
- (d) any costs and expenses incurred in connection with any meeting of Scheme Creditors; and
- (e) any other costs and expenses that the Scheme Supervisors consider are appropriate to pursuing the objectives of the Scheme;

“Scheme Creditor” means any person who is, or claims to be, a creditor of the Company in respect of a Scheme Liability, at the Record Date;

“Scheme Creditor Settlement Amount” means the sum of £5,000,000 together with such additional amount (up to a maximum of £50,000) as may be paid by the Company pursuant to clause 5.7;

“Schemed Lease” means a lease described in Schedule 4 paragraphs (a)-(d) (inclusive) or of the property listed in Schedule 4 paragraph (e);

“Scheme Lease Liability” means any liabilities specified in Schedule 4;

“Scheme Liability” means any Liability of the Company (before the application of any set-off, as applicable), other than an Excluded Liability, which either:

- (a) has arisen on or prior to the Record Date; or
- (b) may (subject to clause 2.5.1) arise after the Record Date as a result of an obligation incurred or as a result of an event occurring or act done on or before the Record Date;

“Scheme Payment” means any payment made to a Scheme Creditor in accordance with Section 4;

“Scheme Publications” means The Times and the Daily Mail;

“Scheme Supervisor” means any of the persons appointed under Section 5;

“Scheme Supervisors’ Report” means a written report delivered by the Scheme Supervisors to the Creditors’ Committee pursuant to clause 5.3.3(b);

“Scheme Website” means the world wide web page or pages linked to universal resource locator <http://www.assetco.com/scheme>;

“Shareholder Circular” means the circular issued or to be issued by the Company to its shareholders in connection with the Placing;

“Shareholder Resolutions” means certain resolutions expected to be put to shareholders of the Company in connection with, amongst other things, the Placing, further details of which (together with notice of relevant general meeting of shareholders at which such resolutions are expected to be proposed) are to be included in the Shareholder Circular;

“Submitted Scheme Claim” means any purported Scheme Liability in respect of which a Scheme Creditor has submitted a Claim Form in accordance with clause 3.4.3;

“Submitted Scheme Claimant” means a person who has submitted a Submitted Scheme Claim, unless his Submitted Scheme Claim has been finally rejected in accordance with clauses 3.7.2 or 3.7.3;

“subsidiary” means a “subsidiary” as defined in section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c) of the Act, as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee. In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act is amended so that (a) references in sub sections 1159(1)(a) and (c) of the Act to voting rights are to the members’ rights to vote on all or substantially all matters which are decided by a vote of

the members of the limited liability partnership and (b) the reference in section 1159(1)(b) of the Act to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights; and

“UK” means the United Kingdom of Great Britain and Northern Ireland.

1.2 In the Scheme, unless the context otherwise requires or otherwise expressly provides for:

- (a) references to parts, clauses, subclauses and schedules are references to parts, clauses, subclauses and schedules of the Scheme;
- (b) references to a person include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- (c) references to a statute, statutory provision or regulatory rule or guidance include references to the same as subsequently modified, amended or re-enacted from time to time;
- (d) the singular includes the plural and vice versa and words importing one gender shall include all genders;
- (e) headings to parts, clauses and schedules are for ease of reference only and shall not affect the interpretation of the Scheme;
- (f) references to a period of days shall include Saturdays, Sundays and public holidays. Where the date which is the final day of a period of days is not a Business Day, that date will be adjusted so that it is the first following day that is a Business Day;
- (g) references to “Sterling” or to “£” are references to the lawful currency of the United Kingdom of Great Britain and Northern Ireland from time to time; and
- (h) references to time shall be to London time (Greenwich Mean Time or British Summer Time as appropriate).

1.3 **The Company**

The Company was incorporated in England and Wales on 17 November 2003 as a public limited company under the Companies Act 1985 with registered number 04966347 with the name Asfare No. 1 plc. On 2 December 2003, its name was changed to Asfare Group plc. Its name was changed to AssetCo plc on 29 March 2007.

1.4 **The Purpose of the Scheme**

The purpose of the Scheme is to provide a procedure for the agreement, valuation and compromise of Scheme Liabilities and to maximise recoveries in order to give a better return to Scheme Creditors than they would receive on an administration or liquidation of the Company while meeting the Company’s Liabilities to its other creditors in the ordinary course of business.

1.5 **Effective Date**

1.5.1 The Scheme shall become effective on the date on which an office copy of the Final Court Order is delivered to the Registrar of Companies of England and Wales for registration in accordance with clause 1.5.2.

1.5.2 The Company shall not deliver an office copy of the Final Court Order to the Registrar of Companies of England and Wales for registration until the satisfaction (or, in the case of (b) below, waiver by the Company) of the following conditions:

- (a) the Shareholder Resolutions have been passed;
- (b) an agreement has been reached between the Company and the trustees of the AssetCo Pension Scheme for the Company to cease to be the principal employer under the AssetCo Pension Scheme and any necessary consents relating thereto have been obtained from the Pensions Regulator;
- (c) the Placing becoming unconditional (save only as to conditions that the Scheme shall have become effective and that the shares to be issued pursuant to the Placing shall have been admitted to AIM); provided that if:
- (d) the conditions in 1.5.2(a), 1.5.2(b) and 1.5.2(c) have not been satisfied (or, in the case of the condition at 1.5.2(b), waived); or
- (e) a Pre-Effective Date Insolvency Event has occurred in relation to the Company;

on or before 30 November 2011, the Company shall not deliver, or procure delivery of, the office copy of the Final Court Order to the Registrar of Companies of England and Wales and the Scheme shall not be made effective.

1.5.3 If a Pre-Effective Date Insolvency Event occurs in relation to the Company before the Effective Date, save for the provisions in 1.1, 1.5.3, 5.1.3, 5.6, 6.7, 6.8, 9.1 and 9.6, all the provisions under the Scheme shall cease to apply.

SECTION 2

THE SCHEME

2.1 Application of the Scheme

The Scheme shall apply to all Scheme Liabilities and bind all Scheme Creditors. The Scheme shall not affect the rights of creditors of the Company in respect of any Excluded Liabilities.

2.2 Stay of Proceedings

2.2.1 Subject to the provisions of clauses 2.2.2 and 2.2.3, no Scheme Creditor shall be permitted to commence or continue any Proceedings against the Company, in any jurisdiction.

2.2.2 A Scheme Creditor shall only be permitted to commence Proceedings against the Company:

- (a) in accordance with the provisions of clause 2.2.3;
- (b) with the consent of the Scheme Supervisors; or
- (c) in response (by way of claim or counterclaim) to Proceedings commenced or continued by the Company against the Scheme Creditor and where the subject matter of the Proceedings commenced by the Scheme Creditor is the same transaction or occurrence as the subject of the Proceedings commenced or continued by the Company.

2.2.3 A Scheme Creditor in respect of a Scheme Lease Liability shall, subject to the terms of the relevant Scheme Lease (and/or any associated documents), be permitted to bring a claim for forfeiture, re-entry or other action or legal proceedings brought solely with the purpose of determining such Scheme Lease.

2.2.4 No order, judgment, decision or award obtained by a Scheme Creditor in breach of clause 2.2.2 shall give rise to an Ascertained Scheme Claim. The Scheme Creditor shall not be entitled to rely on such an order, judgment, decision or award to evidence a Submitted Scheme Claim and shall have no right to enforce the order, judgment, decision or award or to seek to place the Company into administration, liquidation or any insolvency, reconstruction, bankruptcy or analogous proceeding in any jurisdiction in reliance upon such an order.

2.3 Enforcement of Scheme Liabilities

Scheme Creditors are not permitted to commence any Proceedings against the Company, any Scheme Supervisor, the Board or any member of the Board, any officer of the Company or any other person, in any jurisdiction, to enforce payment of an Ascertained Scheme Claim, Scheme Payment or any other Scheme Liability or any part of it, unless the Company or the Scheme Supervisors have acted or failed to act in either case in breach of the Scheme or any of them is reasonably anticipated to be about to act or fail to act in breach of a provision of the Scheme that is not minor or technical in nature. For the avoidance of doubt, the moratorium in this clause shall not prevent any Scheme Creditor commencing any Proceedings against any current or former member of the Board or officer of the Company or any other person to enforce payment of any Liability which is not a Liability of the Company in respect of an Ascertained Scheme Claim, Scheme Payment or Scheme Liability.

2.4 Effect of Proceedings prohibited by clauses 2.2 and 2.3

- 2.4.1 If a Scheme Creditor obtains any money, benefit, property or advantage at the expense of the Company in breach of clauses 2.2 or 2.3, he shall be treated as having received, on account of his entitlement to a Scheme Payment, an advance payment equal to the amount or gross value of such money, benefit, property or advantage, and the extent, if any, to which he is entitled to a Scheme Payment shall be reduced accordingly.
- 2.4.2 For the purpose of clause 2.4.1, the value of any amount obtained shall be the gross value as conclusively determined by the Scheme Supervisors, acting in good faith, and may include, without limitation, such amount as it considers appropriate by way of interest; or costs, charges or expenses incurred by the Company as a consequence of the Proceedings.
- 2.4.3 To the extent that the gross value exceeds the value of the Scheme Payment to which the Scheme Creditor would otherwise be entitled, the Scheme Creditor shall hold the excess on trust for the Company and shall immediately pay it to the Scheme Supervisors on behalf of the Company without set-off, deduction, retention, abatement or counterclaim. Interest will accrue on the excess, from the date on which the value is obtained by the Scheme Creditor, at a rate of 2 per cent. above Base Rate.
- 2.4.4 The Company shall have the right to seek injunctive or other relief or remedy:
- (a) in respect of the breach or anticipated breach of clauses 2.2 or 2.3; and
 - (b) in respect of any loss which the Company may suffer as a result of the breach of clauses 2.2 or 2.3.

2.5 Interest

- 2.5.1 Scheme Creditors shall be entitled to claim interest on Scheme Liabilities, only to the extent that interest is a Scheme Liability. Scheme Liabilities shall not accrue interest following the Record Date. For the avoidance of doubt, Scheme Creditors release all claims they would have had in respect of interest, but for the provisions of this clause.
- 2.5.2 To the maximum extent possible, all Scheme Payments shall be repayments of principal amounts owed in respect of Scheme Liabilities, rather than interest.
- 2.5.3 For the purposes of a Scheme Liability comprising interest, all necessary apportionments will be made to enable a claim in respect of such interest to be made for a period up to the Record Date.

2.6 Valuation of claims and set-off

All Scheme Liabilities shall be valued in accordance with Rules 2.81 to 2.89 of the Insolvency Rules, as though the Company had entered administration on the Record Date and the administrator had given notice under Rule 2.95 of the Insolvency Rules on that date that he intended to make a distribution to unsecured creditors.

2.7 Representatives

- 2.7.1 To the extent a Scheme Creditor does not take part in the Scheme on his own behalf, the Scheme Supervisors may, in their absolute discretion, determine any person purporting to represent that Scheme Creditor to be his Representative.
- 2.7.2 Unless notified to the contrary by the Scheme Creditor, the Scheme Supervisors may, in their absolute discretion, treat a Representative as fully authorised to represent the Scheme Creditor concerned for all purposes in connection with the Scheme.

2.7.3 The Company shall accept from the Representative any payment owed to the Company by the principal(s) of the Representative and the Scheme Supervisors on behalf of the Company may make any payment owed to the principal(s) under the Scheme to the Representative. Such payments by the Scheme Supervisors shall discharge the Scheme Supervisors and the Company from any further obligation in respect of the Scheme Liability as though it had been paid to the Scheme Creditor. Neither the Scheme Supervisors nor the Company shall have any liability to a Scheme Creditor arising from the operation of this clause.

2.7.4 Any action required to be taken under this Scheme by a Scheme Creditor may and shall be taken by any Representative of a Scheme Creditor, unless taken by the Scheme Creditor directly.

2.8 **Scheme releases**

Nothing in this Scheme, other than the release set out at clause 2.5, shall be construed as resulting in any release, extinguishment, modification, compromise or waiver of any Liability owed by the Company until the earlier of Scheme Completion, pursuant to clause 8.

2.9 **No admission of liability**

Save as expressly set out in this Scheme or in the Explanatory Statement, nothing in the Scheme or the Explanatory Statement or the circulation thereof to any person evidences or constitutes any admission by the Company or the Scheme Supervisors that the person is a Scheme Creditor or that a Liability is owed to any person in respect of any claim or right. The agreement by the Company or the Scheme Supervisors of a Submitted Scheme Claim is purely for the purposes of the Scheme and does not constitute any admission of Liability for any other purpose.

2.10 **Continuation of Operations**

2.10.1 Except insofar as specific functions are to be performed by the Scheme Supervisors (as set out in Section 5 and elsewhere) the affairs, business and property of the Company shall continue to be managed by the Board. The Company, acting through the Board consistent with its regulatory and fiduciary responsibilities, shall remain solely responsible for the conduct of the future trading business of the Company.

2.10.2 Neither the Scheme Supervisors nor (for the avoidance of doubt) the members of the Creditors' Committee shall have any personal liability in respect of any ongoing trading activities by the Company or any debts incurred by the Company in respect of such trading.

SECTION 3

DETERMINATION OF SUBMITTED SCHEME CLAIMS

3.1 Record Date

All Submitted Scheme Claims shall be valued as at the Record Date, except that Scheme Creditors and the Scheme Supervisors shall take into account:

- (a) any information which has come to light since the Record Date that assists with the valuation of the Scheme Liability; and
- (b) the termination of any contract or arrangement since the Record Date.

3.2 Assignment and Confidentiality

3.2.1 Except with the prior consent of the Scheme Supervisors (not to be unreasonably withheld), and subject always to clauses 3.2.2 to 3.2.5, no Scheme Creditor shall be entitled to assign or transfer (or purport to assign or transfer) (and the Scheme Supervisors shall be under no obligation to recognise any assignment or transfer (or purported assignment or transfer)) the whole or part of a Scheme Liability or Ascertained Scheme Claim (or the benefit thereof) after the Record Date for the purposes of determining entitlements under this Scheme and the Company shall have no obligations hereunder to any person other than a Scheme Creditor. Where the Scheme Supervisors (at their sole discretion) consent to the assignment or transfer (or purported assignment or transfer) as aforesaid, such assignment or transfer shall be in such form as the Scheme Supervisors shall reasonably require.

3.2.2 Where the Scheme Supervisors have consented to an assignment or transfer of the whole or part of a Scheme Creditor's Scheme Liability or Ascertained Scheme Claim (and have received notice of it in the form reasonably required by the Scheme Supervisors), the Scheme Supervisors shall agree to recognise such assignment or transfer, for the purposes of making Scheme Payments under this Scheme.

3.2.3 Such assignment or transfer shall only take effect for the purposes of the Scheme when the Scheme Supervisors give notice to the Scheme Creditor and the assignee or transferee that they have recognised the assignment or transfer. Such a notice shall be given promptly by the Scheme Supervisors in the case of an assignment or transfer falling within clause 3.2.2.

3.2.4 Any assignee or transferee of a Scheme Liability or Ascertained Scheme Claim so recognised by the Scheme Supervisors shall be bound by the terms of the Scheme and shall be considered a Scheme Creditor for the purposes of the Scheme, in place of the assignor or transferor.

3.2.5 Recognition of the assignment or transfer of a Scheme Liability by the Scheme Supervisors does not constitute acceptance by the Scheme Supervisors of the validity or amount of any Scheme Liability and shall have no such consequence under the Scheme.

3.2.6 Scheme Creditors may disclose to any of their officers, directors, employees, professional advisers, auditors and Affiliates and their Affiliates may disclose to any of their officers, directors, employees, professional advisers and auditors any information which that Scheme Creditor has acquired under or in connection with the Scheme or otherwise in relation to the Company as such Scheme Creditor considers appropriate if any person to whom such information is given undertakes to keep such information confidential and agrees not to disclose to anyone (except that there shall be no

requirement to obtain such undertaking if the recipient is subject to professional obligations to maintain the confidentiality of the information).

3.2.7 Scheme Creditors may disclose to (or through) any person with whom it may enter or has entered into, any kind of transfer, assignment, participation or other agreement relating to a Scheme Liability or Ascertained Scheme Claim any information which that Scheme Creditor has acquired under or in connection with the Scheme or otherwise in relation to the Company provided such person to whom the information is to be given undertakes to keep such information confidential and agrees not to disclose it to anyone except to the extent such disclosure is:

- (a) to such professional advisers as the Scheme Creditor considers appropriate and who (save in the case of legal advisers and auditors provided that it is made clear to them that such matters are confidential) have agreed to be bound by this clause 3.2.7;
- (b) to HM Revenue & Customs or any other governmental, public or official body for taxation purposes;
- (c) required to be disclosed by law, regulation or any court, governmental or competent regulatory authority;
- (d) in relation to matters that are already in the public domain; or
- (e) in relation to information known by such person (other than as a result of a breach of this provision).

3.3 **Notice of Effective Date**

Not more than two weeks after the Effective Date, the Scheme Supervisors shall give notice that the Scheme has become effective and of the Bar Date, in the following ways:

- (a) by an appropriate posting on the Scheme Website;
- (b) by notice to each person who the Company believes may be a Scheme Creditor or, if they have previously been sent a letter by the Company inviting them to do so, has registered with the Scheme Supervisors to receive correspondence in connection with the Scheme; and
- (c) by notice in the Scheme Publications, including an invitation to Scheme Creditors to submit a Claim Form.

3.4 **Claim Forms**

3.4.1 A Scheme Creditor may request a Claim Form from the Scheme Supervisors who will send a copy of the Claim Form to the Scheme Creditor as soon as is reasonably practicable after receipt of the request.

3.4.2 Each Scheme Creditor notified shall be invited to set out the details of their Scheme Liabilities by completing a Claim Form.

3.4.3 Claim Forms must be sent to the Scheme Supervisors to arrive on or before the Bar Date. Claim Forms may be submitted to the Scheme Supervisors by any of the following methods:

- (a) by hand to Robert Jonathan Hunt and David Christian Chubb, the Scheme Supervisors of AssetCo plc, PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT;

- (b) by post to Robert Jonathan Hunt and David Christian Chubb, the Scheme Supervisors of AssetCo plc, PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT;
- (c) by fax, marked for the attention of Robert Jonathan Hunt and David Christian Chubb, the Scheme Supervisors of AssetCo plc, on fax number 020 7212 7500; or
- (d) by email to employees of PricewaterhouseCoopers LLP authorised by the Scheme Supervisors.

Any other communications pursuant to the Scheme may be made in the same manner (and the Scheme Supervisors shall likewise be entitled to communicate with any Scheme Creditor or Representative or nominee of that Scheme Supervisor by hand, post, fax or email).

3.4.4 The Claim Form should be completed in accordance with the instructions set out in the Claim Form and should include:

- (a) the identity of the Submitted Scheme Claimant;
- (b) a description of the nature of each Submitted Scheme Claim and how it arose;
- (c) the value of the Submitted Scheme Claim;
- (d) the legal basis of the Liability of the Company; and
- (e) any other facts which would assist the Scheme Supervisors in considering the Submitted Scheme Claim.

3.4.5 Without prejudice to the power of the Scheme Supervisors to request further information, Scheme Creditors shall provide to the Scheme Supervisors such supporting evidence as they consider sufficient to justify their Submitted Scheme Claim.

3.4.6 Submitted Scheme Claimants may submit to the Scheme Supervisors a revised Claim Form and/or revised information in respect of a Submitted Scheme Claim, together with any relevant supporting documentation, at any time up to and including the Bar Date.

3.4.7 After the Bar Date, Scheme Creditors are not entitled to revise a Submitted Scheme Claim or provide further information (unless either (i) required to do so in accordance with the Scheme (including, without limitation, pursuant to clauses 3.6.3 and 3.6.4) or (ii) as expressly permitted by the Scheme Supervisors in their sole discretion). Any admission of an increased claim by the Scheme Supervisors may not disturb any distributions they may already have made to Scheme Creditors, but where a distribution or distributions have been made will rank for a "catch up" distribution subject to availability of funds.

3.5 Requirement to submit Claim Form

In order to be entitled to any Scheme Payment, Scheme Creditors must, on or prior to the Bar Date, submit a Claim Form. No payments will be made in respect of Scheme Liabilities that are not submitted as Submitted Scheme Claims.

3.6 Determination of Submitted Scheme Claims

3.6.1 The Scheme Supervisors shall examine each Claim Form returned to them in accordance with clause 3.5. Such examination shall include (without limitation) consideration of whether:

- (a) details of Scheme Liabilities are adequately supported by any documentation submitted with the Claim Form;
 - (b) details of the quantum of the Scheme Liabilities are sufficient and the basis of calculation is reasonable and has been accurately applied; and
 - (c) there is any set-off to which clause 2.6 does or may apply.
- 3.6.2 Up to the Bar Date, the Scheme Supervisors may give notice to a Submitted Scheme Claimant specifying further information or evidence they reasonably require to assist them in agreeing its Submitted Scheme Claim.
- 3.6.3 After the Bar Date, if the Scheme Supervisors do not agree with the Submitted Scheme Claim, or do not consider the supporting information to be adequate, they shall notify the Submitted Scheme Claimant of that fact and the reasons, as soon as reasonably practicable (taking into account the volume of Submitted Scheme Claims received), and shall request any further information or evidence that would assist them in deciding upon the Submitted Scheme Claim.
- 3.6.4 The Submitted Scheme Claimant shall respond within such reasonable time limit as the Scheme Supervisors may specify and shall similarly respond to any subsequent requests for information from the Scheme Supervisors. At their discretion, the Scheme Supervisors may set a date at not less than 21 days notice beyond which they will not accept any further information from a Scheme Claimant and, if so, the Scheme Supervisors shall then determine that Scheme Claimant's Claim within a further 21 days.
- 3.6.5 If the Scheme Supervisors agree with the Submitted Scheme Claim, or agree with the Scheme Creditor a value for which the Submitted Scheme Claim should be admitted as an Ascertained Scheme Claim, clause 3.6.6 shall apply. If the Scheme Supervisors do not agree with the Submitted Scheme Claim, clause 3.6.7 shall apply.
- 3.6.6 If the Scheme Supervisors agree with the Submitted Scheme Claim, they shall notify the Submitted Scheme Claimant of their agreement, in writing, as soon as reasonably practicable following that determination. The Submitted Scheme Claim will become an Ascertained Scheme Claim on the date the notice is sent.
- 3.6.7 If the Submitted Scheme Claim is not agreed by the Scheme Supervisors, such part (if any) of the Submitted Scheme Claim as is not agreed shall become a Disputed Scheme Claim. The part (if any) of the Submitted Scheme Claim that is agreed shall be added to the Scheme Creditor's Ascertained Scheme Claim if that Scheme Creditor already has such a claim, otherwise it will constitute that Scheme Creditor's Ascertained Scheme Claim (without prejudice to the outcome of the dispute regarding the disputed portion).
- 3.6.8 Where a Submitted Scheme Claim (or part thereof) becomes a Disputed Scheme Claim, the Scheme Supervisors shall forthwith notify the Submitted Scheme Claimant, in writing (by post, fax or email), that the whole or part of its Submitted Scheme Claim has become a Disputed Scheme Claim including brief reasons as to why they have not agreed the whole or part of the Submitted Scheme Claimant's Submitted Scheme Claim.

3.7 Resolution of Disputed Scheme Claims

- 3.7.1 A Submitted Scheme Claimant who receives notice that the whole or part of his Submitted Scheme Claim has become a Disputed Scheme Claim shall be entitled within 21 days of receipt of such notice to give notice to the Scheme Supervisors that it is appealing the rejection of its Disputed Scheme Claim and seek resolution of the existence or proper value of its Submitted Scheme Claim by means of proceedings issued in the Companies Court of the Chancery Division of the Court as if the Disputed Scheme Claim were an appeal of an administrator's decision under rule 2.78 of the Insolvency Rules.

- 3.7.2 If a final judgment is given against the Company in proceedings begun under clause 3.7.1 then, on the date such judgment becomes incapable of further appeal or if the Scheme Supervisors elect not to appeal, the Disputed Scheme Claim will become an Ascertained Scheme Claim for the amount of the judgment.
- 3.7.3 If a final judgment is given against the Submitted Scheme Claimant in proceedings begun under clause 3.7.1 then, on the date such judgment becomes incapable of further appeal or the Submitted Scheme Claimant advises the Scheme Supervisors that he will not appeal, (i) the Disputed Scheme Claim will become an Ascertained Scheme Claim at the value determined by the final judgment and shall be added to that Scheme Creditor's Ascertained Scheme Claim if that Scheme Creditor already has such a claim otherwise it will constitute the Scheme Creditor's Ascertained Scheme Claim or (ii) in the case of a judgment which values the Submitted Scheme Claim at zero, shall give no entitlement to a Scheme Payment under the Scheme in respect of the Disputed Claim.
- 3.7.4 If any legal or other costs are awarded against the Company/Scheme Supervisors in respect of proceedings begun under clause 3.7.1, such amounts shall be payable by the Scheme Supervisors on behalf of the Company to the relevant Scheme Creditor in full, such payment to be made out of the Scheme Creditor Settlement Amount held in the Scheme Bank Account. If any legal or other costs are awarded in the Company's/Scheme Supervisors' favour in respect of proceedings begun under clause 3.7.1, such amounts shall be payable in full to the Scheme Supervisors on behalf of the Company and added to the amount held in the Scheme Bank Account and available for distribution as part of the Scheme Creditor Settlement Amount.
- 3.7.5 If the Submitted Scheme Creditor does not give notice under clause 3.7.1 and begin such proceedings within 21 days of receipt of the Scheme Supervisors' notice, then its Disputed Scheme Claim shall become an Ascertained Scheme Claim at the value accepted by the Scheme Supervisors or, if rejected entirely by the Scheme Supervisors, shall give no entitlement to a Scheme Payment under the Scheme.
- 3.7.6 Nothing in this clause 3.7 shall prevent the Scheme Supervisor from agreeing in writing with the Scheme Creditor the value of the Scheme Liability to which its unascertained Scheme Claim relates, in which case the unascertained Scheme Claim shall become an Ascertained Scheme Claim for the amount agreed.

3.8 **Variation of time limits**

Where the Scheme Supervisors are satisfied that, due to exceptional circumstances outside the control of a Submitted Scheme Claimant, that Submitted Scheme Claimant has failed to comply with any time limit, other than the Bar Date, the Scheme Supervisors may, in their absolute discretion, extend that time limit for that Submitted Scheme Claimant by notice to the Submitted Scheme Claimant.

3.9 **Currency Conversion**

Scheme Claims in currencies other than Sterling shall be converted in to Sterling as at the Effective Date and in accordance with Rule 2.86 of the Insolvency Rules.

SECTION 4

DISTRIBUTIONS

4.1 Scheme Bank Account

- 4.1.1 Subject to the Scheme becoming effective, the Company undertakes that within 3 Business Days of the shares the subject of the Placing being admitted to AIM the Company will pay (or will procure that its agents pay) the Scheme Creditor Settlement Amount into the Scheme Bank Account or, alternatively, should the Scheme Bank Account not be open, to lawyers nominated by the Scheme Supervisors to hold those funds on behalf of the Scheme. Upon receiving the net proceeds of the Placing and prior to remitting the Scheme Creditor Settlement Amount to the Scheme Supervisors in accordance with the foregoing provisions of this clause 4.1.1 the Company shall (and shall procure that any of its agents who receive the Placing proceeds on behalf of the Company shall) hold an amount equal to the Scheme Creditor Settlement Amount on trust for the benefit of those persons entitled to receive payment under this Section 4.
- 4.1.2 Upon receiving the Scheme Creditor Settlement Amount, the Scheme Supervisors shall hold the Scheme Creditor Settlement Amount on trust for the benefit of those persons (being persons entitled to receive payment of Scheme Costs and Scheme Creditors) entitled to receive payment under this Section 4.
- 4.1.3 The Company acknowledges and agrees that the Scheme Supervisors shall have full authority and power to operate the Scheme Bank Account and to make payments therefrom in accordance with this Section 4.
- 4.1.4 On Scheme Completion, any sundry balance remaining upon closing the Scheme Bank Account shall be paid by the Scheme Supervisors to the Company.

4.2 Scheme Assets

- 4.2.1 Subject to the terms of the Scheme, the Scheme Creditor Settlement Amount shall be available;
- (a) first, to pay the Scheme Costs; and
 - (b) thereafter, to settle and compromise the Scheme Liabilities.
- 4.2.2 The Company may use any of its assets to pay Excluded Liabilities in full.

4.3 Scheme Payments

- 4.3.1 The Scheme Creditor Settlement Amount shall be used, first, to pay Scheme Costs and, thereafter, to settle and compromise Scheme Liabilities as follows:
- (a) Group Company Creditors shall be paid 0.01 pence per £ of Ascertained Scheme Claim, provided always that in the event that the aggregate sum of all Ascertained Scheme Claims of Group Company Creditors multiplied by 0.01 pence exceeds £10,000, then the aggregate amount payable to such Group Company Creditors in respect of those Ascertained Scheme Claims shall be £10,000, and among the Group Company Creditors such sum of £10,000 shall be divided amongst those Group Company Creditors pro rata to the amount which each Group Company Creditor's Ascertained Scheme Claim bears to the aggregate of all Group Company Creditors' Ascertained Scheme Claims; and
 - (b) the balance (i.e. the Scheme Creditor Settlement Amount minus the Scheme Costs minus the amount payable to Group Company Creditors pursuant to clause

4.3.1(a)) shall be used to settle the Ascertained Scheme Claims of all other Scheme Creditors (for the avoidance of doubt other than the Group Company Creditors, whose Ascertained Scheme Claim shall be settled in accordance with clause 4.3.1(a) above) and as among such other Scheme Creditors such balance shall be divided amongst those other Scheme Creditors pro rata to the amount which each such other Scheme Creditor's Ascertained Scheme Claim bears to the aggregate of all such other Scheme Creditors' Ascertained Scheme Claims.

- 4.3.2 The Scheme Supervisors shall calculate and determine the Scheme Payment for each Group Company Creditor and other Scheme Creditor with an Ascertained Scheme Claim in accordance with clause 4.3.1 and each Group Company Creditor and other Scheme Creditor with an Ascertained Scheme Claim shall be entitled to be paid a Scheme Payment (and the Scheme Supervisors on behalf of the Company shall, out of the Scheme Bank Account, pay) an amount equal to the value of that Scheme Payment as determined by the Scheme Supervisors in accordance with clause 4.3.1.
- 4.3.3 The Scheme Supervisors shall calculate and determine the Scheme Payment payable to each Scheme Creditors as soon as reasonably practicable after all Submitted Scheme Claims have been determined in accordance with Section 3.
- 4.3.4 As soon as reasonably practicable following the calculation and determination of all Scheme Payments to be made in respect of the Scheme, the Scheme Supervisors shall on behalf of the Company make the Scheme Payments from the Scheme Bank Account. The Scheme Supervisors (on behalf of the Company) shall be entitled (but not bound) to make payment of any Scheme Payment to such person or persons (including Representatives) as shall have been nominated by a Scheme Creditor. Payment by the Scheme Supervisors to any such nominee shall constitute a full discharge to the Scheme Supervisors and the Company in respect of the relevant Scheme Creditors and neither the Scheme Supervisors nor the Company shall be concerned with any further distribution thereof (or not) by the nominee or be answerable for the loss or misapplication thereof.
- 4.3.5 Notwithstanding clause 4.3.4 above, the Scheme Supervisors shall be entitled (but not bound) at their sole discretion and at such time or times as they shall see fit to make to any Scheme Creditor a payment or payments on account of the Scheme Payment to which that Scheme Creditor shall become entitled (i.e. the Scheme Supervisors may make one or more interim distributions to Scheme Creditors).
- 4.3.6 In making payment to a Scheme Creditor (including on account as aforesaid) the Scheme Supervisors shall be entitled to make such deduction on account of UK withholding or other tax as they consider is required by law (but for the purposes of the Scheme the Scheme Creditor shall be deemed to have received such payment gross of any such tax deduction(s)).
- 4.3.7 Any uncleared Scheme Payments or entitlements to Scheme Payments shall be held to the payee's order until the Scheme is completed, at which time it shall be paid to the Company if still not claimed by the relevant payee.
- 4.3.8 The Company will be responsible for seeking to recover VAT on the Scheme Costs. Such VAT recovered shall be remitted by the Company to the Scheme Supervisors for the benefit of the Scheme within one month of submission of the relevant VAT return by the Company, or where the Company is in a group VAT registration within one month of the relevant group VAT return being submitted.

4.4 Currency of Payment

If the Scheme Supervisors are requested by a Scheme Creditor to make a Scheme Payment in a currency other than Sterling, the Scheme Supervisors may (but shall not be bound to) do so, but the exchange rate risk shall be borne by the Scheme Creditor. The exchange rate to be used for any such conversion shall be at the Scheme Supervisors' paying bank's spot rate. Any conversion fees shall be deducted from the amount payable to the relevant Scheme Creditor.

4.5 Method of Payment

4.5.1 All Scheme Payments by the Scheme Supervisors on behalf of the Company to a Scheme Creditor shall be made, at the option of the Scheme Supervisors, either:

- (a) by cheque in favour of the Scheme Creditor, or such other person as the Scheme Creditor requests in writing, sent by post to that person;
- (b) where the Scheme Creditor has designated a bank account in writing, by electronic transfer to that bank account;
- (c) to the Scheme Creditor's Representative or nominee; or
- (d) by any other appropriate method determined by the Scheme Supervisors and agreed by the Scheme Creditor.

4.5.2 The Scheme Creditor shall bear all risk of payment under clause 4.5.1 and, at the discretion of the Scheme Supervisors, may be required to bear any costs incurred. No Scheme Creditor shall be entitled to any interest on its Ascertained Scheme Claim due to a delay in payment or technical difficulties with payment.

4.5.3 A Scheme Payment shall be deemed for all purposes to have been made on the date that the cheque is posted or electronic transfer instruction given.

4.5.4 The Scheme Creditors acknowledge that the Scheme Supervisors and not the Board are responsible for determining the value of the Scheme Payments payable to Scheme Creditors in accordance with the terms of the Scheme.

4.5.5 The Scheme Creditor may request that the Scheme Supervisors direct any Scheme Payment to which that Scheme Creditor is entitled to another party.

4.6 Unclaimed Payments

If a cheque sent under clause 4.5.1(a) or clause 4.5.1(c) has not been presented for payment within four months of the date of issue, the Scheme Supervisors will make reasonable efforts to bring this to the attention of the Scheme Creditor, and may, at their sole discretion cancel and reissue the cheque, but otherwise the Scheme Creditor will be deemed after six months from the date of issue to have been paid the amount represented by the un-presented cheque. On Scheme Completion, any balance in the Scheme Bank Account (net of any withholding or other tax or costs of operating and/or closing the Scheme Bank Account) shall be paid by the Scheme Supervisors to the Company.

SECTION 5

THE SCHEME SUPERVISORS

5.1 The Scheme Supervisors

- 5.1.1 Any Scheme Supervisor must be a licensed insolvency practitioner within the meaning of section 390 of the Insolvency Act and duly qualified in the reasonable opinion of the Company to discharge the function of a Scheme Supervisor under the Scheme. Where more than one person has been appointed as a Scheme Supervisor, they may exercise and perform the powers, rights, duties and functions of the Scheme Supervisors under the Scheme jointly or severally.
- 5.1.2 The Scheme Supervisors shall initially be Robert Jonathan Hunt and David Christian Chubb of PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT. They have given and not withdrawn their consent to the Company to act as Scheme Supervisors from the Effective Date. The Company with the agreement of the Creditors' Committee shall have the power to appoint any successors.
- 5.1.3 The Scheme Supervisors shall incur no personal liability whatsoever in connection with the preparation, adoption or implementation of the Scheme, or in connection with any collateral arrangement. In exercising their powers and carrying out their duties under the Scheme, the Scheme Supervisors shall act as agents of the Company (without personal liability and notwithstanding any liquidation of the Company) and, without limitation, the Scheme Supervisors and each of them shall be indemnified on demand by the Company against all actions, claims, proceedings and demands brought or made against them or any of them in respect of the preparation, adoption, information in or conduct of the Scheme and their holding office as Scheme Supervisors. In deciding the amount of Scheme Liabilities, the Scheme Supervisors shall not act as arbitrators.
- 5.1.4 Any function or power conferred on the Company or its officers, whether by statute or by its memorandum or articles of association, which could be exercised in such a way as to interfere with the exercise by the Scheme Supervisors of their functions and powers in relation to the Company or the Scheme, shall not be so exercised except with the consent of the Scheme Supervisors, which may be given either generally or in relation to particular cases. Any such consent given by the Scheme Supervisors may be withdrawn. Provided that nothing in this clause shall relieve the Board from its duties in accordance with the Act or otherwise.

5.2 Vacation of office

A Scheme Supervisor shall vacate office if he:

- (a) becomes bankrupt;
- (b) is disqualified from acting as a director under CDDA;
- (c) is admitted to hospital because of mental disorder or is the subject of an order concerning his mental disorder made by a Court having jurisdiction in England or elsewhere in such matters, such that he is, in the opinion of the Creditors' Committee, unable to carry out his duties as Scheme Supervisor;
- (d) is convicted of an indictable offence or be convicted of any offence by a court having jurisdiction in any other country where that offence, if committed in England and Wales, would have been an indictable offence under English law;

- (e) resigns his office by giving 60 days' notice in writing to the Company and the Creditors' Committee or such shorter period of notice as may be agreed by the Company and the Creditors' Committee or resigns his office with immediate effect by giving notice in writing to the Company and the Creditors' Committee if he considers that he should for professional regulatory reasons or in the event of non-payment of his fees when due and such fees have been approved by the Creditors' Committee, a meeting of Scheme Creditors or pursuant to a final order of the Court in each case pursuant to clause 5.7; or
- (f) is removed by the Creditors' Committee in accordance with clause 6.4.4(b).

5.3 Role of the Scheme Supervisors

5.3.1 The Scheme Supervisors shall discharge the duties and responsibilities imposed upon them by the Scheme.

5.3.2 The Scheme Supervisors shall act in good faith with reasonable skill and care in the interests of the Scheme Creditors as a whole and shall exercise their powers, duties and functions under the Scheme with a view to ensuring that the Scheme is implemented in accordance with its terms.

5.3.3 Without prejudice to the generality of clause 5.3.1, the Scheme Supervisors shall in addition:

- (a) monitor on a basis agreed with the Creditors' Committee the Company's compliance with the terms of the Scheme;
- (b) provide a Scheme Supervisors' Report to the Creditors' Committee on the conduct of the affairs of the Company in relation to the Scheme and the operation of the Scheme and the extent and details of the Submitted Scheme Claims and Disputed Scheme Claims at the end of each period of every six months from the Effective Date or as otherwise agreed with the Creditors' Committee;
- (c) attend meetings of the Creditors' Committee and meetings of the Scheme Creditors convened in accordance with the Scheme, for any purpose in relation to the operation of the Scheme (and subject always to clauses 6.3.5 and 7.1.4);
- (d) so far as they are able provide the Creditors' Committee with such information as it may from time to time reasonably require in relation to matters of relevance to the Creditors' Committee.

5.4 Powers of the Scheme Supervisors

5.4.1 The Scheme Supervisors shall have all of the powers necessary or desirable to enable them to discharge their duties and responsibilities under the Scheme (although it is acknowledged that the Scheme Supervisors cannot exercise any power that would result in their assuming control of the Company's affairs so as to supplant the Board).

5.4.2 Without prejudice to the generality of clause 5.4.1, the Scheme Supervisors shall be entitled:

- (a) to have access to such Company information or personnel as they may from time to time require on the affairs of the Company that relate to the operation of the Scheme;
- (b) to delegate to or employ any person as they see fit for the carrying out of their powers, rights, duties and functions under the Scheme;

- (c) on behalf of the Company, to negotiate and/or compromise Submitted Scheme Claims, in accordance with the provisions of the Scheme;
- (d) to do all acts and to execute in the name and on behalf of the Company any deed, receipt or other document necessary for or incidental to their role under the Scheme;
- (e) to operate the Scheme Bank Account and to make payments therefrom in accordance with Section 4;
- (f) to apply to Court for directions in relation to any particular matter arising in the course of the Scheme;
- (g) to liaise with the Creditors' Committee and to attend Creditors' Committee meetings if invited;
- (h) to convene a meeting of Scheme Creditors in accordance with clause 7.1.2, if appropriate;
- (i) to engage (or require the Company to engage) legal and financial advisers from time to time as reasonably required, in order to advise and assist the Scheme Supervisors in connection with the conduct of their functions and powers under the Scheme;
- (j) to receive Board papers, to attend meetings of the Board at their discretion and to address the Board; and
- (k) to make payments pursuant to the terms of the Scheme.

5.5 Vacancy

If there are no Scheme Supervisors in office or only one Scheme Supervisor in office, the Company with the agreement of the Creditors' Committee shall forthwith fill the vacancy.

5.6 Challenges

Except to the extent required by law, no Scheme Creditor shall be entitled to challenge the validity of any act done or omitted to be done in good faith and with due care by the Scheme Supervisors in accordance with and to implement the provisions of the Scheme or the exercise by the Scheme Supervisors in good faith and with due care of any power conferred upon them for the purposes of the Scheme if exercised in accordance with and to implement the provisions of the Scheme.

5.7 Remuneration and expenses of Scheme Supervisors

The Scheme Supervisors shall be remunerated (on the basis of the time properly given by the Scheme Supervisors and their staff in attending to matters arising in the Scheme) out of the Scheme Creditors Settlement Amount in respect of their role in the Scheme and all acts reasonably incidental thereto. Such remuneration is to be approved by the Creditors' Committee and such approval shall not be unreasonably withheld. If approval cannot be obtained within a reasonable period, the Scheme Supervisors may convene a meeting of the Scheme Creditors in accordance with clause 7.1.2 to determine the level of the Scheme Supervisors' costs, charges, expenses and liabilities. If approval cannot be obtained at a meeting of the Scheme Creditors, the Scheme Supervisors shall be permitted to apply, or cause the Company to apply, to the Court for directions as if Rules 2.106 to 2.108 of the Insolvency Rules applied, mutatis mutandis, to the Scheme Supervisors. The Creditors' Committee shall keep the Company informed of the Scheme Costs incurred and anticipated to be incurred. In the event that the Creditors' Committee

anticipates that the aggregate of all Scheme Costs will exceed £100,000, the Creditors' Committee shall consult with the Company in relation thereto and shall consider any representations made to the Creditors' Committee by the Company in relation thereto. In the event that the aggregate of all Scheme Costs exceeds £100,000, the Company undertakes that it will contribute an amount equal to 50 per cent. of the amount by which the aggregate of all Scheme Costs exceeds £100,000, provided always that any such contribution by the Company shall be capped at and shall in no circumstances exceed £50,000. Any such contribution by the Company shall be an addition to the Scheme Creditor Settlement Amount.

SECTION 6

CREDITORS' COMMITTEE

6.1 Constitution of the Creditors' Committee

- 6.1.1 There shall be a Creditors' Committee under the Scheme.
- 6.1.2 The Creditors' Committee shall consist of not less than two nor more than five persons unless the Scheme Supervisors in consultation with the Creditors' Committee agree otherwise (but in any event any change cannot reduce the minimum number below two).
- 6.1.3 The Committee Members shall be appointed at a meeting of the Scheme Creditors held in accordance with Section 7.
- 6.1.4 At the initial meeting of the Creditors' Committee, the members of the Creditors' Committee shall elect by majority vote a chairman of the Creditors' Committee who shall have the deciding vote at any meeting of the Creditors' Committee. In the absence of a majority the Scheme Supervisors shall convene a meeting of the Scheme Creditors to vote upon which of the Committee Members shall be appointed as the chairman of the Creditors' Committee.
- 6.1.5 If the chairman appointed pursuant to clause 6.1.4 or this clause 6.1.5 resigns as chairman or ceases to be a member of the Creditors' Committee and there is an even number of Committee Members, the members of the Creditors' Committee shall elect by majority vote a replacement chairman of the Creditors' Committee who shall have the deciding vote at any meeting of the Creditors' Committee. In the absence of a majority the Scheme Supervisors shall convene a meeting of the Scheme Creditors to vote upon which of the Committee Members shall be appointed as the replacement chairman of the Creditors' Committee.
- 6.1.6 If the Scheme Supervisors become concerned about a conflict of interest or potential conflict of interest in respect of any Committee Member, they may propose to the Creditors' Committee a conduct of meeting guide to address this issue in the context of the conduct of the Creditors' Committee meetings. Such guide shall address how any conflicts of interest of any Committee Member are to be resolved. Each Committee Member shall, acting reasonably and in good faith, attempt to agree such guide. If it does not prove possible to agree the guide within a reasonable time of it having been proposed, the Scheme Supervisors may apply to the Court for directions to resolve any issues regarding the guide and/or such issue of conflict or potential conflict.
- 6.1.7 Subject to clauses 3.2.6, 3.2.7 and 6.1.8, the Committee Members each agree to keep the Committee Confidential Information completely and absolutely confidential.
- 6.1.8 Each of the Committee Members agrees that it will not disclose or permit any of the Committee Confidential Information to be disclosed to any person except to the extent such disclosure is:
- (a) to any of their any officers, directors, employees, auditors and Affiliates and their Affiliates may disclose to any of their officers, directors, employees and auditors as the Committee Member considers appropriate if any person to whom such information is given have agreed to be bound by this clause 6.1.8;
 - (b) to such professional advisers as the Committee Member considers appropriate and who (save in the case of legal advisors and auditors provided that it is made clear to them that such matters are confidential) have agreed to be bound by this clause 6.1.8;

- (c) to HM Revenue & Customs or any other governmental, public or official body for taxation purposes; or
 - (d) required to be disclosed by law, regulation or any court, governmental or competent regulatory authority.
- 6.19 Each of the Committee Members may not disclose to any person (apart from their legal advisers) any document (in any form) provided to them by or on behalf of the Scheme Supervisors which the Scheme Supervisors or any of their advisers has marked or has stated in writing to be legally privileged, without the prior written consent of the Scheme Supervisors.
- 6.110 The following shall be eligible for subsequent appointment as Committee Members:
- (a) any Scheme Creditor who has an Ascertained Scheme Claim (whether an individual, a body corporate or a partnership); and
 - (b) any other person with the written consent of the Scheme Supervisors, which consent may be revoked by the Scheme Supervisors at any time, if it becomes clear that person is not a Scheme Creditor.
- 6.111 Each Committee Member which is a body corporate or a partnership may, by notice in writing to the Creditors' Committee, appoint a senior executive, other senior employee or professional adviser as its Nominated Representative to represent that Committee Member at any meeting of the Creditors' Committee.
- 6.112 Any Committee Member or Nominated Representative who is an individual may, by notice in writing to the Creditors' Committee, appoint a senior executive, other senior employee or professional adviser as an Alternate to attend and vote in his place at any meeting of the Creditors' Committee.
- 6.113 Any Nominated Representative or Alternate shall have the same powers and shall be subject to the same duties and limitations as the Committee Member whom the Nominated Representative or Alternate represents.

6.2 Membership of the Creditors' Committee

- 6.2.1 The Creditors' Committee may at any time appoint any person who is eligible to be so appointed to be a Committee Member, whether to fill a vacancy or as an additional Committee Member, so that the total number of Committee Members shall not exceed the maximum number specified in clause 6.1.2. In appointing additional Committee Members, the Creditors' Committee shall endeavour to ensure that the composition of the Creditors' Committee is such that:
- (a) on or prior to the Bar Date it represents a proper balance of the interests of Submitted Scheme Claimants (but excluding for this purpose any Submitted Scheme Claimant's Disputed Scheme Claim) (and taking into account the Scheme Supervisors' views on the likely success or failure and the likely quantum of such Scheme Creditors' Submitted Scheme Claims) and the Scheme Creditors who have Ascertained Scheme Claims, but taking into account the quantum of different Scheme Creditors' Ascertained Scheme Claims; or
 - (b) after the Bar Date it represents a proper balance of the interests of the Scheme Creditors who have Ascertained Scheme Claims, but taking into account the quantum of different Scheme Creditors' Ascertained Scheme Claims.
- 6.2.2 The Scheme Creditors may, by a Creditors' Resolution passed at a meeting of Scheme Creditors convened and at where business is transacted, pursuant to Section 7, remove

any Committee Member from office and without prejudice to the Creditors' Committee's powers under clause 6.2.1 may by Creditors' Resolution appoint any person to be a Committee Member either to fill a vacancy or in addition to the existing Committee Members, but so that the total number of Committee Members shall not exceed the maximum number specified in clause 6.1.2.

6.2.3 The office of a Committee Member shall be vacated if any of the situations set out in clauses 6.2.4 to 6.2.5 applies or if that Committee Member:

- (a) resigns by notice in writing addressed to the Creditors' Committee;
- (b) is removed from office by a Creditors' Resolution;
- (c) ceases to become a Scheme Creditor (or is found not to have been one); or
- (d) fails to attend three consecutive meetings of the Creditors' Committee, unless the Creditors' Committee (excluding that Committee Member) resolves by a majority of two-thirds of the Committee Members present at a meeting of the Creditors' Committee that he should continue as a Committee Member.

6.2.4 In the case of an individual, the office of a Committee Member shall be vacated if that individual:

- (a) transfers or assigns a Scheme Liability or Ascertained Scheme Claim in accordance with clause 3.2 such that he is no longer a Scheme Creditor;
- (b) dies;
- (c) is admitted to hospital because of mental disorder or is the subject of an order concerning his mental disorder made by a court having jurisdiction in England or elsewhere in such matters;
- (d) becomes bankrupt or is subject to an individual voluntary arrangement or analogous process under the law of any jurisdiction to which he is subject;
- (e) becomes disqualified from acting as a director under the law of any jurisdiction to which he is subject; or
- (f) is convicted of an indictable offence, other than a road traffic offence.

6.2.5 In the case of a body corporate or partnership, the office of a Committee Member shall be vacated if that body corporate or partnership is dissolved or has transferred or assigned its Scheme Liabilities or Ascertained Scheme Claims in accordance with clause 3.2 such that the relevant body corporate or purchasing is no longer a Scheme Creditor.

6.2.6 In the case of a person appointed with the consent of the Scheme Supervisors under clause 6.1.10(b), the office of that Committee Member shall be vacated if that person has his written consent under that clause revoked by the Scheme Supervisors.

6.2.7 Any person entitled to appoint a Nominated Representative or an Alternate may from time to time revoke that appointment and appoint another Nominated Representative or Alternate by notice in writing to the Creditors' Committee, the Scheme Supervisors and the Company.

6.2.8 The appointment of a Nominated Representative or an Alternate (as the case may be) shall terminate automatically if:

- (a) his appointment is revoked by his appointor; or
- (b) the person whom that Nominated Representative or Alternate represents ceases to be a Committee Member; or
- (c) the Nominated Representative or Alternate ceases to be a senior executive, senior employee or professional adviser of the Committee Member whom he represents; or
- (d) the Nominated Representative or Alternate dies, becomes bankrupt or is disqualified from acting as a director in each case under the law of any jurisdiction to which he is subject or is convicted of an indictable offence.

6.3 Proceedings of the Creditors' Committee

6.3.1 The Company may appoint a representative or representatives to attend any meeting of the Creditors' Committee for the purposes of observing the meeting only. The Creditors' Committee may resolve to remove the Company representative from any meeting or part of any meeting, following which resolution, the representative shall withdraw, as resolved.

6.3.2 Where a majority of the Creditors' Committee considers it appropriate, the meeting of the Creditors' Committee may be conducted and held in such a way that persons who are not present together at the same place may attend it. Where a meeting is conducted and held in this manner, a Committee Member attends the meeting if that Committee Member is able to exercise any rights which that Committee Member may have to speak and vote at the meeting. Such meetings shall be conducted in accordance with the regime set out in rule 12A.26 of the Insolvency Rules.

6.3.3 Save as otherwise specifically provided in the Scheme, the Creditors' Committee may convene, adjourn and otherwise regulate its meetings in such manner as it considers appropriate. The quorum at any meeting of the Creditors' Committee shall be at least 50 per cent. of the Committee Members, attending in person or by conference call, provided that if a quorum is not present within 15 minutes from the time appointed for a meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be determined by the majority of the Committee Members present and the Committee Members present at any such meeting reconvened following an adjournment shall constitute a quorum. Each Committee Member shall have one vote and, except as otherwise provided in the Scheme, matters arising at a meeting shall be decided by a majority of votes cast at the meeting.

6.3.4 The Creditors' Committee shall meet with the Scheme Supervisors as often as is agreed with the Creditors' Committee. A meeting of the Creditors' Committee shall be called as soon as reasonably practicable if so requested by at least two Committee Members or if the Scheme Supervisors otherwise consider it appropriate. Except with the consent of all Committee Members, no meeting of the Creditors' Committee may be called on less than five Business Days' notice and, except with the consent of all Committee Members, no business may be transacted at any such meeting other than that set out in the notice of that meeting.

6.3.5 Each Committee Member (including any Nominated Representative or Alternate) and the Scheme Supervisors (or their representatives) shall be entitled to attend and receive notice of all meetings of the Creditors' Committee. The Scheme Supervisors shall be entitled to attend and speak, but not to vote, at all meetings of the Creditors' Committee. Notwithstanding the previous provisions of this clause 6.3.5, if so requested by the Creditors' Committee, the Scheme Supervisors (or their representative(s)) shall absent

themselves from all or such part of a meeting of the Creditors' Committee as the Creditors' Committee may specify.

6.3.6 The Creditors' Committee shall ensure that proper minutes shall be kept of all proceedings of the Creditors' Committee and such minutes shall at all reasonable times be open to inspection by any Committee Member (provided always that where the Scheme Supervisors attend any relevant meeting the Scheme Supervisors shall prepare such minutes on behalf of (and for the approval of) the Creditors' Committee). Copies of such minutes shall be sent as soon as practicable after each meeting to the Scheme Supervisors and each Committee Member. A resolution in writing (other than a resolution under clause 6.4.4(b)) agreed to by all Committee Members for the time being shall be valid and effective as if passed at a meeting of the Creditors' Committee duly convened and held. Each Committee Members may signify his agreement to a proposed written resolution when the Creditors' Committee receives from him a document identifying the resolution to which it relates and indicating his agreement to the resolution. The document may be sent to the members of the Creditors' Committee in hard copy form or in electronic form. For the avoidance of doubt, a Committee Member may indicate his agreement to the resolution by electronic form.

6.4 Powers

6.4.1 The Creditors' Committee shall have all the powers necessary or desirable to enable them to discharge their duties and responsibilities under the Scheme including without limitation in connection with their taking decisions and/or exercising discretion.

6.4.2 Before each meeting of the Creditors' Committee convened pursuant to clause 6.3.4 the Scheme Supervisors shall submit to the Creditors' Committee their report for the period since the last such report was prepared (or, with the consent of the Creditors' Committee in the case of the first such meeting, since the Effective Date) and, unless the Creditors' Committee agrees otherwise, at least one of them shall attend (or, with the consent of the Creditors' Committee appoint a representative to attend) at any meeting of the Creditors' Committee at which that Scheme Supervisors' Report is considered for the purpose of giving such explanations and information as the Creditors' Committee may require.

6.4.3 The Scheme Supervisors' Report, incorporating such amendments and redactions (if any) as may be agreed by the Scheme Supervisors and the Creditors' Committee, shall be made available to the Scheme Creditors in accordance with clause 7.1.7.

6.4.4 The Creditors' Committee shall be entitled:

(a) to require at least one of the Scheme Supervisors to attend any meeting of the Creditors' Committee;

(b) by a resolution passed by at least three-fourths by number (rounded up to the nearest whole number) of all the Committee Members to call upon a Scheme Supervisor to resign, provided that each such Scheme Supervisor and each Committee Member have been given at least 20 Business Days' notice of the proposed resolution and of the reasons why the resolution is to be put to the Creditors' Committee and have been given a reasonable opportunity to make representations at the meeting at which the resolution is proposed. If the Scheme Supervisor declines to resign within 5 Business Days of a resolution of the Creditors' Committee calling for his resignation a resolution requiring his removal shall be put before the next meeting of the Scheme Creditors and, if passed, the Scheme Supervisor shall vacate the office of Scheme Supervisor; and

- (c) upon removal of a Scheme Supervisor or if a Scheme Supervisor ceases to hold office for any other reason, to appoint any person qualified to act under clause 5.1.1 to be a Scheme Supervisor in their place (and a resolution requiring ratification of such appointment shall be put before the next meeting of Scheme Creditors pending which the appointee shall have full power to act as a Scheme Supervisor) save that if a resolution is passed at a meeting of Scheme Creditors requiring the removal of any of the Scheme Supervisors pursuant to clause 6.4.4(b) such appointment may be made by the Scheme Creditors at such meeting.

6.4.5 The Creditors' Committee shall be entitled to engage legal and financial advisers from time to time as reasonable in order to assist them in carrying out their functions as the Creditors' Committee. At any particular time, the Creditors' Committee may only engage one legal adviser in any jurisdiction and one financial adviser. Reasonable costs of such advisers will be paid from the Scheme Creditor Settlement Amount within 10 Business Days of demand being made on the Scheme Supervisors.

6.4.6 The Creditors' Committee and the Company shall use reasonable endeavours to ensure that there are at least two duly qualified Scheme Supervisors in office at all times.

6.4.7 For the avoidance of doubt and subject to clauses 6.2.4(a) and 6.2.5, a Committee Member may assign or sub-participate the whole or part of a Scheme Liability and/or Ascertained Scheme Claim in accordance with clause 3.2.

6.5 **Majority Scheme Creditors' instructions**

6.5.1 The Creditors' Committee shall, subject to clause 6.6.1, (i) be entitled to exercise or refrain from exercising any right, power, authority or discretion vested in it as the Creditors' Committee as it thinks fit and in any event to act in accordance with any instructions given to it by a majority of the Scheme Creditors and (ii) not be liable (nor shall any of its members) for any act (or omission) if it acts (or refrains from taking any action)

- (a) in accordance with an instruction of a majority of the Scheme Creditors; or

- (b) in good faith.

6.5.2 For the purposes of this clause, a majority means a simple majority by value of the (i) Ascertained Scheme Claims or (ii) if on or prior to the Bar Date, the Ascertained Scheme Claims and Submitted Scheme Claims (but excluding for this purpose any Disputed Scheme Claims) of the Scheme Creditors entitled to vote and voting at a meeting of Scheme Creditors in accordance with clause 7.1.5.

6.5.3 For the purposes of clause 6.5, on or prior to the Bar Date, the value for which a Submitted Scheme Creditor votes shall be such sum as the Scheme Supervisor values in good faith such Submitted Scheme Claim (taking into account the Scheme Supervisors' view on the likely success or failure and the likely quantum of such Scheme Creditors' Submitted Scheme Claims).

6.6 **Duties**

6.6.1 Each Committee Member, each Nominated Representative, and each Alternate shall (and each Committee Member shall procure that any Nominated Representative or Alternate appointed by it or any Alternate appointed by its Nominated Representative shall), in performing their functions as such in relation to the Scheme, act bona fide in what such person reasonably considers to be the interests of the Scheme Creditors as a whole. For the avoidance of doubt (but without prejudice to its specific powers as set

out by the Scheme) it shall not be the duty of the Creditors' Committee to monitor the carrying out of the Scheme or the activities of the Scheme Supervisors.

- 6.6.2 It shall be the duty of each Committee Member who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company (other than any which arises as a result of the provisions of the Scheme) to declare (or procure that its Nominated Representative or Alternate or its Nominated Representative's Alternate shall declare) the nature of his or its interest at a meeting of the Creditors' Committee where that contract or arrangement is under consideration. For this purpose a general notice given to the Creditors' Committee to the effect that a Committee Member is an associate (within the meaning of section 435 of the Insolvency Act) of a specified company or firm and is to be regarded as interested in any such contract or arrangement with that company or firm shall be deemed a sufficient declaration of interest in relation to any such contract or arrangement. Such a Committee Member shall not be counted in the quorum, shall not be entitled to vote in relation to any matter relating specifically to any such contract, shall retire from the meeting for so long as the matter is discussed and voted upon and shall not receive any information, nor be entitled to inspect any part of the minutes of a meeting or the Creditors' Committee, relating thereto.
- 6.6.3 Each Nominated Representative or Alternate shall be entitled to report to the Committee Member appointing him on the proceedings of the Creditors' Committee and, so far as necessary for that purpose, to disclose confidential information of the Company to those officers, employees and professional advisers of that member or appointer who need to know it in connection with (where a Nominated Representative or Alternate is disclosing information) the performance of his or its responsibilities as a Committee Member, provided that such information does not to his or its knowledge (after due enquiry) relate to any matter where any such appointer has an interest in conflict with the Company (other than a general conflict arising as the result of the status of Committee Member or the appointers of a Nominated Representative or Alternate as Scheme Creditors). Each Committee Member shall, and shall procure that its Nominated Representative or Alternate or its Nominated Representative's Alternate and its officers, employees and professional advisers shall preserve the confidentiality of such information and shall use such information only for the purposes of their performing their responsibilities and functions (or their Nominated Representative's or Alternate's or their Nominated Representative Alternate's responsibilities and functions) in relation to the Creditors' Committee.

6.7 Responsibility

- 6.7.1 No Scheme Creditor, Scheme Supervisor or the Company shall be entitled to challenge the validity of any act done or omitted to be done in good faith by any Committee Member (or Nominated Representative or Alternate) (aside in respect of the Scheme Supervisors pursuant to clause 5.7) in accordance with and to implement the provisions of the Scheme or the exercise by any such Committee Member (or Nominated Representative or Alternate) in good faith of any power conferred upon it or him by or for the purposes of the Scheme if exercised in accordance with and to implement the provisions of the Scheme and no such Committee Member (or Nominated Representative or Alternate) shall be liable for any loss or damage unless such loss or damage is attributable to its or his fraud.
- 6.7.2 No Committee Member (or Nominated Representative or Alternate) will be liable for any action taken by it (or any inaction) under or in connection with the Scheme, unless directly caused by its bad faith or wilful misconduct.

6.7.3 For the avoidance of doubt, the Creditors' Committee will have no fiduciary duties and will owe no duty of care to the Company or to any of the Scheme Creditors.

6.8 **Validation of acts**

All acts done by the Creditors' Committee or any member of the Creditors' Committee or any person acting as a Committee Member or as a Nominated Representative or Alternate shall, notwithstanding that it is afterwards discovered there was some defect in the appointment of a Committee Member or person acting as aforesaid, or that any of them were disqualified, be valid if every such person had been duly appointed and qualified.

6.9 **Expenses**

Each member of the Creditors' Committee, each Nominated Representative and each Alternate shall be entitled to be reimbursed out of the Scheme Creditor Settlement Amount upon written demand to the Scheme Supervisors for their reasonable out of pocket expenses incurred in attending meetings of the Creditors' Committee, or otherwise engaged on Creditors' Committee business, provided that such meetings are held in London or in such other place as the Scheme Supervisors may from time to time agree. Where a Committee Member, its Nominated Representative or any Alternate appointed by the Committee Member, its Nominated Representative must travel to attend a Creditors' Committee meeting in London (or such other place as the Scheme Supervisors have agreed), that Committee Member or Nominated Representative or Alternate shall (and any such Committee Member shall procure that such Nominated Representative or Alternate shall) use all reasonable endeavours to appoint as its Nominated Representative or Alternate (as the case may be) for that meeting an individual who is based in the locality of the venue of that Creditors' Committee meeting (although there is no obligation for a party who is a Committee Member to reside in London). Where the cost of an air fare is so permitted, it shall be the cost of an economy class fare only.

6.10 **Creditors' Committee – Vacancies**

6.10.1 If at any time there are less than three members of the Creditors' Committee or such lesser number as permitted by clause 6.1.2, the Creditors' Committee may continue to exercise all its functions under the Scheme (other than those provided for in clause 6.4.4) for a period of 28 days, during which time the remaining Committee Members shall endeavour to fill the vacancies on the Creditors' Committee.

6.10.2 If the Creditors' Committee fails to fill vacancies on the Creditors' Committee within such period of 28 days, the Scheme Supervisors shall use all reasonable endeavours to appoint, within a further 14 days, such additional Scheme Creditors to the Creditors' Committee as are required to fill such vacancies.

SECTION 7

MEETINGS OF SCHEME CREDITORS

7.1 Convening of Meetings

7.1.1 Meetings of Scheme Creditors are to be convened as follows:

- (a) the Scheme Supervisors shall, unless the Scheme Supervisors and the Creditors' Committee agree otherwise, convene a meeting of the Scheme Creditors at least once every 12 months; and
- (b) the Creditors' Committee may at any time require the Company to convene a meeting of the Scheme Creditors to consider a resolution:
 - (i) for the removal of a Scheme Supervisor pursuant to clause 6.4.4(b);
 - (ii) for the appointment of a Scheme Supervisor pursuant to clause 6.4.4(c); or
 - (iii) for such other purpose as it thinks fit;

and any such resolution shall be passed or rejected in accordance with the remainder of this Section 7.

7.1.2 The Scheme Supervisors may at any time convene a meeting of the Scheme Creditors for such purpose as they think fit.

7.1.3 Any five or more Scheme Creditors who have Ascertained Scheme Claims of an aggregate value in excess of 15 per cent of all Ascertained Scheme Claims or any 20 Scheme Creditors with Ascertained Scheme Claims may by notice in writing to the Scheme Supervisors require them to convene a meeting of Scheme Creditors for such purpose as they think fit. The relevant Scheme Creditors must specify the purpose for which the meeting is required and it shall be the duty of the Scheme Supervisors to summon a meeting of Scheme Creditors as soon as reasonably practicable for that purpose and to give such notice of the meeting as is necessary to enable such purpose to be carried out effectively in accordance with the provisions of the Scheme. At least one of the Scheme Supervisors shall be required to attend such meetings.

7.1.4 A majority in excess of two-thirds in value of the Scheme Creditors attending a meeting of the Scheme Creditors may resolve to remove the Scheme Supervisors from any meeting or part of any meeting, following which resolution the Scheme Supervisors shall withdraw, as resolved.

7.1.5 The following shall be entitled to attend a meeting of Scheme Creditors and to vote at that meeting:

- (a) on or before the Bar Date, any Submitted Scheme Claimant; and
- (b) at any time any Scheme Creditor with an Ascertained Scheme Claim.

7.1.6 The Company may appoint a representative or representatives to attend any meeting of Scheme Creditors for the purposes of observing the meeting only. A majority of the Scheme Creditors by value attending such meeting may resolve to remove the Company representative from any meeting or part of any meeting, following which resolution any such representatives shall withdraw, as resolved.

7.1.7 The most recent Scheme Supervisors' Report referred to in clause 6.4.3 (as amended and/or redacted) shall be laid before each meeting of Scheme Creditors convened

pursuant to clause 7.1.1(a) or 7.1.1(b) as the Creditors' Committee or the Scheme Supervisors (as the case may be) deem necessary or desirable and copies of all previous Scheme Supervisors' Reports shall be made available at such meeting. If the Scheme Supervisors or the Creditors' Committee (as the case may be) agree that such a meeting is not required, the Scheme Supervisors shall make such Scheme Supervisors' Report (as amended and or redacted in accordance with clause 6.4.3) available to Scheme Creditors and send a copy of the Scheme Supervisors' Report (as amended and or redacted in accordance with clause 6.4.3) to any Scheme Creditors who requests a copy.

7.1.8 At least 10 Business Days' notice shall be given of a meeting of Scheme Creditors to:

- (a) to each Submitted Scheme Claimant;
- (b) where called by the Creditors' Committee, to the Scheme Supervisors;
- (c) where called by the Scheme Supervisors, to each Committee Member, and
- (d) to the Company.

7.1.9 The accidental omission to give notice of a meeting of Scheme Creditors to, or the non-receipt of a notice of such a meeting by, any person entitled to receive notice (other than the Scheme Supervisors) shall not invalidate the proceedings at that meeting.

7.2 Resolution

If a meeting of Scheme Creditors is convened at a time when a resolution is to be put to remove a Scheme Supervisor which, if passed, would result in there being fewer than two Scheme Supervisors in office, the notice of meeting shall also include a resolution that a named person qualified to act under clause 5.1.1 and willing to be appointed, be appointed as a Scheme Supervisor in their place.

7.3 Voting

7.3.1 A resolution put to a meeting of Scheme Creditors shall be effective only if it is approved by a majority in value of the Ascertained Scheme Claims (or if on or prior to the Bar Date, Ascertained Scheme Claims and Submitted Scheme Claims (not being Disputed Scheme Claims)) of Scheme Creditors which are present and voting either in person or by proxy at a meeting.

7.3.2 Every Scheme Creditor entitled to vote shall have the right to appoint any person as his proxy to attend and vote instead of him. The instrument appointing a proxy may be in any form which the Scheme Supervisors may approve and must be lodged at the place specified in the notice of the meeting for the lodging of proxies not less than 48 hours before the meeting (or adjourned meeting) at which it is to be used.

7.3.3 No business shall be transacted at any meeting of Scheme Creditors unless a quorum is present when the meeting proceeds to business, two Scheme Creditors present in person or by proxy and having the right to vote at the meeting shall be a quorum, unless the Scheme Supervisors and the Creditors' Committee agree a smaller number. If a quorum is not present within 15 minutes from the time appointed for a meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to such time and place as may be determined by the majority of the Scheme Creditors present and the Scheme Creditors present at any such meeting reconvened following an adjournment shall constitute a quorum. All resolutions put to the vote of any meeting shall be decided on a poll (rather than on a show of hands).

- 7.3.4 One of the Scheme Supervisors shall preside (or shall nominate a representative to preside) at each meeting of the Scheme Creditors (unless the Creditors' Committee resolves otherwise and other than at a meeting at which a resolution to remove a Scheme Supervisor is proposed, when the Creditors' Committee shall select the individual to preside over such meeting) but if the Scheme Supervisor (or his nominated representative) or, if relevant, the individual selected by the Creditors' Committee, is not present within 30 minutes after the time appointed for opening the meeting or is unwilling to preside, the Scheme Creditors present in person or by proxy shall choose some member of the Creditors' Committee or, if no such member is present or if all such members present decline to preside, one of themselves, to be chairman of the meeting. If no person is willing to preside as chairman of the meeting, the meeting shall be adjourned for seven days, and, if no person is willing to preside as chairman of such meeting reconvened following an adjournment, the meeting shall be dissolved.
- 7.3.5 On or prior to the Bar Date and for the purposes of clause 7.3, the value for which a Submitted Scheme Claimant votes shall be such sum as the Scheme Supervisor values in good faith such Submitted Scheme Claim (but excluding for this purpose any Submitted Scheme Claimant's Disputed Scheme Claim) and taking into account the Scheme Supervisors' views on the likely success or failure and the likely quantum of such Scheme Creditors' Submitted Scheme Claims.

SECTION 8

COMPLETION OF THE SCHEME

8.1 Scheme Completion

The Scheme shall be completed on Scheme Completion, being a date, following the Bar Date when all Ascertained Scheme Claims have been paid in full.

8.2 Scheme Completion

Effective upon Scheme Completion:

- (a) the Scheme Supervisors shall give notice on the Scheme Website and to any Scheme Creditor with an Ascertained Scheme Claim that Scheme Completion has occurred;
- (b) the Scheme Payments made to a Scheme Creditor (if any) shall be the Company's total and complete Liability to each Scheme Creditor in respect of each Scheme Liability;
- (c) the Scheme Payments made to a Scheme Creditor shall be in full and final settlement of all and any Ascertained Scheme Claims of that Scheme Creditor;
- (d) all Scheme Liabilities shall be released;
- (e) the Scheme Supervisors shall be discharged from all liability both in respect of acts or omissions of theirs in the Scheme and otherwise in relation to their conduct as Scheme Supervisors; and
- (f) save for the provisions of clauses 1.1, 2.3, 5.1.3, 5.6, 6.7, 6.8, 8.1, 8.2, 9.1 and 9.6 and any other provision relating to the compromise of Scheme Liabilities, all of which shall survive Scheme Completion, the obligations and rights under the Scheme shall end.

SECTION 9

GENERAL SCHEME PROVISIONS

9.1 Effective Date

The Scheme shall become effective on the Effective Date.

9.2 Modification of the Scheme

The Company may at any court hearing to sanction the Scheme consent on behalf of the Scheme Creditors to any modification of or addition to the Scheme or any terms or conditions that would not directly or indirectly have a materially adverse effect on the interests of any Scheme Creditor (whose consent is not obtained) under the Scheme (taking into account for this purpose only its interests as a Scheme Creditor).

9.3 Application of the Scheme

The provisions of this Scheme shall apply to each Scheme Creditor whether or not he participates in the Scheme in any way and at any stage.

9.4 Notices

Any notice or written communication given under the Scheme shall be deemed to have been delivered on the earliest of:

- (a) if delivered by hand, the first Business Day after it is delivered;
- (b) if sent by pre-paid first class post or airmail, the second Business Day after posting if the recipient is in the country of dispatch, otherwise the seventh Business Day after posting;
- (c) if sent electronically, the first Business Day beginning after the expiration of 24 hours from the time it was sent; or
- (d) the Business Day on which the notice or communication is actually received by the recipient.

9.5 Electronic communications

Notwithstanding anything to the contrary in the Scheme, any notice or communication required to be or which may be sent under the Scheme may, at the option of the Company, the Creditors' Committee, the relevant Scheme Creditor, the Scheme Supervisors or Committee Member, be given or sent by the Company, the Committee Member, the Creditors' Committee, the Scheme Supervisors or the relevant Scheme Creditor in electronic form (i.e. by email or fax) to the address or number specified for that purpose by that Scheme Creditor, the Creditors' Committee, the Committee Member, the Scheme Supervisors or the Company.

9.6 Governing law and jurisdiction

The Scheme and any non-contractual obligations arising out of or in connection with the Scheme shall be governed by and construed in accordance with the laws of England and Wales. The Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with the Explanatory Statement or any provision of the Scheme, or any act or omission under the Scheme or in any way in connection with its administration. For such purposes, the Scheme Creditors irrevocably submit to the jurisdiction of the Court.

SCHEDULE 1 TO THE SCHEME – EXCLUDED LIABILITIES

1. Any ordinary course business liability of the Company properly incurred after the Record Date. For the avoidance of doubt, and without limitation, this does not include Schemed Lease Liabilities.
2. All Liabilities of the Company to those persons who are at either the date of this document or the Effective Date directors of the Company in respect of their wages, bonuses, expenses, other remuneration, pension contributions, contractual indemnities, notice pay (including pay in lieu of benefits due during any notice period), redundancy pay, and payments due under staff retention arrangements or performance incentive arrangements.
3. All liabilities owed to the Excluded Trade Creditors set out in Schedule 3.
4. Any Company liability for a fine or criminal or regulatory penalty.
5. Any payments properly made by the Company pursuant to the Scheme (including without limitation the payment of Scheme Costs).
6. Any Liability of the Company relating to the AssetCo Pension Scheme.
7. Any Liability of the Company which is less than £100.
8. Any Liability of the Company for the legal fees of Northern Bank Limited, Supply 999 Holdings Limited and Supply 999 Limited in terms of the court orders made in High Court Actions 5656 of 2011 and 3969 of 2011 on 11 July 2011, 25 July 2011 or any subsequent hearings of the same actions (following court assessment if not otherwise agreed or ordered).
9. Any Liability of the Company to Northern Bank Limited in terms of an asset finance facility which may have been granted to the Company by Northern Bank Limited.
10. Save for any liability of the Company to any Group Company Creditor, any Liability of AssetCo plc, Abu Dhabi Branch which directly relates to its operations in the United Arab Emirates, including, without limitation, any Liability of AssetCo plc, Abu Dhabi Branch in respect of:
 - (a) the performance in the United Arab Emirates of any obligation of the Company;
 - (b) the supply by the Company of any services in the United Arab Emirates;
 - (c) any obligation or Liability of the Company in respect of or relating to its joint venture with Emirates Response Services LLC in respect of AssetCo Emirates Response Services LLC; and
 - (d) any obligation or Liability of the Company in respect of or relating to any agreement or arrangement between the Company and Special Operations Command, United Arab Emirates Armed Forces (including, without limitation, and obligation or Liability under or in respect of any advance payment guarantee and performance and/or warranty bond issued by BNP Paribas).

SCHEDULE 2 TO THE SCHEME – SPECIMEN CLAIM FORM

PLEASE READ THE GENERAL INSTRUCTIONS AND GUIDANCE NOTES PRIOR TO
COMPLETING THIS FORM

ASSETCO PLC

SCHEME OF ARRANGEMENT UNDER PART 26 OF THE COMPANIES ACT 2006

CLAIM FORM

General Instructions

1. This is a Claim Form, as referred in the AssetCo plc scheme of arrangement (the “Scheme”), which came into effect on **[insert date]** 2011. This form is to be used by Scheme Creditors (as that term is defined in the Scheme) in order to submit a claim in the Scheme.
2. Terms used in this document which are not defined in this document (e.g. “Scheme Payment” and “Scheme Supervisors”, both referred to below) have the same meanings as are given to them in the Scheme.
3. As stated in the Scheme, in order to be entitled to any Scheme Payments under the Scheme, you must complete a Claim Form and submit it to the Scheme Supervisors so that it arrives on or before the Bar Date, which is **[insert date]**.
4. Before completing this Claim Form please read the guidance notes at Part C of this Claim Form.
5. If necessary, please use additional sheets of paper to provide further information. If you do use additional sheets of paper, please ensure that each one is securely fastened to your Claim Form, that each one is clearly marked with the name of the Scheme Creditor and the words “Claim Form – additional information”, and also that it is clear to which question(s) that additional information relates.

IN ADDITION TO COMPLETING THIS CLAIM FORM, PLEASE PROVIDE FULL DOCUMENTATION TO EVIDENCE THE NATURE VALIDITY AND VALUE OF YOUR SUBMITTED SCHEME CLAIM(S).

Part A – General Details

1. NAME OF SCHEME CREDITOR⁽ⁱ⁾
2. ADDRESS OF SCHEME CREDITOR⁽ⁱⁱ⁾
3. CONTACT NAME⁽ⁱⁱⁱ⁾
4. CONTACT EMAIL ADDRESS
5. CONTACT TELEPHONE NUMBER(S)
6. CONTACT FAX NUMBER

To be signed below by the Scheme Creditor or a duly authorised individual on behalf of a Scheme Creditor. If you are a duly authorised representative, agent or attorney of a Scheme Creditor, please enter the capacity in which you have signed the form (for example director, partner or agent and/or attorney) below.

A signature on this form shall constitute the giving of a warranty that:

- (a) the signatory has been duly authorised by the relevant Scheme Creditor to the sign the form on its behalf; and
- (b) all of the information you have provided on this Claim Form, and any additional information you have provided with it, is true and accurate to the best of your knowledge and belief.

PRINT NAME:	
POSITION:	
SIGNATURE:	DATE:

Part B – Claim Details

- 1 **PLEASE DESCRIBE THE NATURE OF EACH SUBMITTED SCHEME CLAIM AND HOW IT AROSE (E.G. THE CONTRACT / AGREEMENT UNDER WHICH IT ARISES):** ^(iv)

- 2 **DATE THAT THE SUBMITTED SCHEME CLAIM WAS INCURRED:**

- 3 **PLEASE STATE THE TOTAL VALUE OF YOUR SUBMITTED SCHEME CLAIM AS AT THE RECORD DATE, INCLUDING THE SPLIT BETWEEN PRINCIPAL, INTEREST AND ANY OTHER CONSTITUENT AMOUNTS:**^(v)

- 4 **PLEASE STATE THE LEGAL BASIS OF YOUR CLAIM AGAINST THE COMPANY:**^(vi)

- 5 **IS ANY PARTY JOINTLY LIABLE FOR THE SUBMITTED SCHEME CLAIM? IF SO, PLEASE IDENTIFY THE PARTY(IES) IN QUESTION AND SPECIFY THE NATURE OF THE CLAIM AGAINST EACH ONE:**

- 6 **PLEASE STATE ANY OTHER FACTS OF WHICH YOU ARE AWARE WHICH WOULD ASSIST THE SCHEME SUPERVISORS IN CONSIDERING THE SUBMITTED SCHEME CLAIM:**^(vii)

- 6 **PLEASE DETAIL ANY SECURITY WHICH YOU CONSIDER HAS BEEN GRANTED BY THE COMPANY IN RESPECT OF YOUR SUBMITTED SCHEME CLAIM:**

HOW TO SUBMIT THIS CLAIM FORM

On completing this Claim Form, please send it, together with any additional material you are providing with it, by one of the following methods:

- (a) by hand to Robert Jonathan Hunt and David Christian Chubb, the Scheme Supervisors of AssetCo plc, PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT;
- (b) by post to Robert Jonathan Hunt and David Christian Chubb, the Scheme Supervisors of AssetCo plc, PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT;
- (c) by fax, marked for the attention of Robert Jonathan Hunt and David Christian Chubb, the Scheme Supervisors of AssetCo plc, on fax number 020 7212 7500;
or
- (d) by email to employees of PricewaterhouseCoopers LLP authorised by the Scheme Supervisors.

TO BE CONSIDERED, YOUR CLAIM FORM MUST ARRIVE ON OR BEFORE THE BAR DATE, BEING [INSERT DATE].

Part C – Guidance notes

- (i) The name of the Scheme Creditor should be the full legal name of the Scheme Creditor including (if relevant) its company number.
- (ii) If the Scheme Creditor is a company then the address given should be its registered address or the place to which correspondence should be directed. If the Scheme Creditor is an individual then the address given should be their home address or the place to which correspondence should be directed.
- (iii) Please give the name of the person for whose attention correspondence relating to the Scheme Claim should be directed.
- (iv) The description of the nature of the Submitted Scheme Claim and how it arose should describe the circumstances giving rise to the Submitted Scheme Claim in sufficient detail for the Scheme Supervisors to determine the validity of the Submitted Scheme Claim and its amount. This should include, for example, the date on which any relevant agreement was signed and the date and location of any relevant events.

Scheme Supervisors may request further information from Scheme Creditors in relation to any Submitted Scheme Claims.

- (v) Please explain the value given to the Submitted Scheme Claim.

The value of the Submitted Scheme Claim should be expressed in Sterling unless the Submitted Scheme Claim arises in another currency. If the Submitted Scheme Claim arises in another currency then you should explain why it does, and express the value of the claim in the relevant currency.

If the Submitted Scheme Claim is the sum of a number of amounts (e.g. a principal amount, plus interest), then you should state what those constituent amounts are and what they represent. Other amounts could include, for example, lease rental obligations, dilapidations claims, VAT etc.

Where insufficient space has been provided to detail all the components of your claim, such as is likely to be the case for complex leasehold liability claims, please provide your calculations and assumptions on additional sheets of paper securely fastened to your Claim Form, clearly marked on each one with the name of the Scheme Creditor and the words "Claim Form – additional information", and make clear to which question this additional information relates.

- (vi) When stating the legal basis of the Liability of the Company, you should explain the legal nature of the claim that the Scheme Creditor is making, e.g. "claim for a debt owed under a credit facility" or "claim for breach of contract".
- (vii) In addition to stating any other facts of which you are aware which would assist the Scheme Supervisors in considering the Submitted Scheme Claim, you should provide any evidence you have which supports the Submitted Scheme Claim.

PLEASE PROVIDE FULL DOCUMENTATION IN SUPPORT OF THE SUBMITTED SCHEME CLAIM(S).

SCHEDULE 3 TO THE SCHEME – EXCLUDED TRADE CREDITORS

1. Espirito Santo Investment Bank.
2. Execution Noble & Company Limited.
3. McGrigors LLP.
4. PricewaterhouseCoopers LLP.
5. Arden Partners plc.
6. Rubicon Corporate Print Limited.
7. Davis & Co (International Lawyers).
8. Tim Barrett or Tudor Davies or any company, LLP or other entity owned or controlled (directly or indirectly) by either Tim Barrett or Tudor Davies.
9. BJC Networks Limited.
10. Stephenson Harwood.
11. Computershare Investor Services PLC.
12. London Stock Exchange plc, the UK Listing Authority and the Takeover Panel.

SCHEDULE 4 TO THE SCHEME – SCHEME LEASE LIABILITIES

Any Liability of the Company, including without limitation liability for rent (including sums becoming due as a result of the determination of rent review) service charges, insurance rents and other outgoings, liability for repairs and dilapidations, and whether falling due for payment before, on or after the Record Date and whether payable by the Company as tenant, guarantor, former tenant, former guarantor or otherwise) in relation to any lease which falls into any one or more of the following categories:

- (a) which has at the Record Date terminate (whether by effluxion of time, surrender, forfeiture or otherwise);
- (b) of which the current tenant is not a member of the Group as at the Effective Date;
- (c) which has been assigned by the tenant and the assignee is not a member of the Group;
- (d) of which the tenant has sub-let the whole of the demised premises and the sub tenant is not a member of the Group; or
- (e) (whether or not falling into one of the above categories) any obligation of the Company in respect of or relating to premises known as Units 3 and 5 Papworth Business Park, Papworth, Everard, Cambridgeshire including, without limitation, any obligation of the Company to indemnify Brook Henderson Group Limited under the terms of a Main Sale and Purchase Agreement between Marcus John Shannon and Others and the Company (then names Asfare Group plc) and dated 5 March 2007 and in particular (but without limitation) to indemnify Brook Henderson Group Limited in the event that Brook Henderson Group Limited is called upon to make any payment under a guarantee granted by Brook Henderson Group Limited to or for the benefit of any landlord of the aforesaid premises.

