

Candover Investments plc

Notice of Annual General Meeting 2010

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Candover Investments plc, please forward this document and the accompanying form of proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Registered office:
20 Old Bailey
London EC4M 7LN

Registered number:
1512178

NOTICE is hereby given that the 2010 annual general meeting (the "Annual General Meeting") of Candover Investments plc (the "Company") will be held at Founders' Hall, 1 Cloth Fair, London EC1A 7HT on Thursday 20th May 2010 at 12 noon for the purposes set out below.

It is intended to propose resolutions 8 to 11 (inclusive) as special resolutions. All other resolutions will be proposed as ordinary resolutions.

The directors consider that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its members as a whole. The directors unanimously recommend that shareholders vote in favour of all proposed resolutions as they intend to do in respect of their own beneficial holdings.

Ordinary business

1 Report and accounts

To receive the audited financial statements for the year ended 31st December 2009, together with the reports of the directors and the auditors therein.

2 Directors' remuneration report

To approve the directors' remuneration report for the year ended 31st December 2009, contained in the audited financial statements.

3 – 4 Re-election and election of directors

3 To re-elect as director Mr Gerry Grimstone, who is retiring.

4 To elect as director Mr Malcolm Fallen, who was appointed since the last annual general meeting of the Company.

5 Reappointment of auditor

To reappoint Grant Thornton UK LLP as auditors of the Company.

6 Remuneration of auditor

To authorise the directors to agree the auditors' remuneration.

Special business

7 Authority to allot

That the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:

- (a) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £1,814,881 (such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum); and
- (b) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the Act) of £3,629,763 (such amount to be reduced by any allotments or grants made under (a) above) in connection with or pursuant to an offer by way of a rights issue in favour of ordinary shareholders in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever, provided that the authorities contained in paragraphs (a) and (b) shall expire at the conclusion of the annual general meeting of the Company following the passing of this resolution (or, if earlier, on 30th June 2011),

save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

8 Authority to disapply pre-emption rights

That subject to the passing of resolution 7, the directors be empowered pursuant to sections 570 (1) and 573 of the Companies Act 2006 (the "Act") to:

- (a) allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority conferred by that resolution; and
- (b) sell ordinary shares (as defined in section 560(1) of the Act) held by the Company as treasury shares for cash,

in either case as if section 561 of the Act did not apply to any such allotment or sale, provided that the power conferred by paragraphs (a) and (b) shall be limited to the allotment of equity securities for cash and the sale of treasury shares:

- (i) in connection with or pursuant to an offer of or invitation to acquire equity securities (but, in the case of the authority granted under resolution 7(b), by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities entitled to participate therein or if the directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and
- (ii) in the case of the authority granted under resolution 7(a) above (or in the case of any transfer of treasury shares), and otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount of £273,207,

and provided further that the power conferred by paragraphs (a) and (b) shall expire at the conclusion of the annual general meeting of the Company following the passing of this resolution (or, if earlier, on 30th June 2011), save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

9 Purchase of own shares by the Company

That the Company be and is authorised, generally and unconditionally, for the purposes of section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693(4) of the Act) of its own ordinary shares, on such terms and in such manner as the directors may from time to time determine, and where such ordinary shares are held as treasury shares, the Company may use them for the purpose of its employee share schemes; provided that:

- (a) the Company may not buy more than 3,264,609 ordinary shares, equal to 14.99% of the ordinary shares (not including shares held in treasury) issued at the date of the 2009 audited financial statements;
- (b) the minimum price that the Company may pay for each share is 25p which amount shall be exclusive of expenses, if any;
- (c) the maximum price (exclusive of expenses) that the Company may pay for each ordinary share is an amount equal to the higher of (i) 5% over the average of the mid-market quotations for the ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately before the day on which such share is contracted to be purchased and (ii) that stipulated by article 5(1) of the EU Buyback and Stabilisation Regulation 2003 (No. 2273/2003);
- (d) unless previously renewed, revoked or varied, this authority will last from the date of this Annual General Meeting until the next annual general meeting (or, if earlier, until 30th June 2011); and
- (e) the Company may, before this authority expires, make a contract to purchase ordinary shares which would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to such contract as if this authority had not expired.

10 Notice period for general meetings

That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

11 Adoption of articles of association

That:

- (a) the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's articles of association; and
- (b) the articles of association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

By order of the Board

Philip Price
Company Secretary
24th March 2010

Registered office:
20 Old Bailey
London EC4M 7LN

Registered in England and Wales, number 1512178

Notes

1. Entitlement to attend and vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend, speak and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the Company's register of members at 6.00 pm on 18th May 2010; or, in the event of any adjournment, at 6.00 pm on the date which is two days before the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

2. Appointment of proxies

If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

If you are not a member of the Company as described in note 1 but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this 'appointment of proxies' section. Please read the section 'nominated persons' in note 10 below.

A proxy does not need to be a member of the Company but will need to attend the meeting in order to represent you. Details of how to appoint the chairman of the meeting (the "Chairman") or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, use the procedures set out in these notes and the notes to the proxy form.

If you select the 'Discretionary' option or if no voting indication is given on the proxy form, your proxy will vote or abstain from voting at his or her discretion. A vote withheld is not a vote in law, which means that any such vote will not be counted in the calculation of votes for or against the resolution. Your proxy will vote or abstain from voting as he or she thinks fit in relation to any other matter which is put before the meeting.

3. Appointment of proxy using the proxy form

The notes to the proxy form explain how to direct your proxy to vote on each resolution or to withhold their vote. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU;
- received by Capita Registrars no later than 12 noon on 18th May 2010; and
- accompanied by any power of attorney or other authority under which it is signed or a notarised copy of such power or a copy certified in accordance with the Powers of Attorney Act 1971 or in some other manner approved by the directors.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company, stating their capacity (e.g. director, secretary).

Alternatively, subject to the provisions of the Company's articles of association, you may register your proxy appointment and instructions, or the termination of a proxy's authority, on-line by visiting the website of our registrars, Capita Registrars, at www.capitashareportal.com. In order to use the on-line facility, you will need first to register on the share portal, if you have not already done so. Full instructions on how to use this service are available at www.capitashareportal.com. This website can be used only for the purpose stated above, and not for sending any other document or information.

4. Appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available at www.euroclear.com/CREST), subject to the provisions of the Company's Articles of Association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be made, properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications, and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must be transmitted so as to be received by the issuer's agent (ID: RA10) by 12 noon on 18th May 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After 12 noon on 18th May 2010 any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Appointment of proxy by joint members

In the case of joint holders of a share, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

6. Changing proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above and set out in the notes to the proxy form. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the proxy form enclosed with this document and would like to change the instruction using another proxy form, please contact Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU.

If you submit more than one valid proxy appointment in respect of your entire voting entitlement, the appointment received last before the latest time for the receipt of proxies will take precedence. Please also see the notes to the proxy form for further information.

7. Termination of proxy appointments

In order to revoke a proxy instruction you will need to inform the Company by sending written notice clearly stating your intention to revoke your proxy appointment to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Registrars no later than 12 noon on 18th May 2010.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

8. Corporate representatives

Any corporation which is a member can appoint a corporate representative who may exercise on its behalf all of its powers as a member. A corporation which is a member may appoint more than one corporate representative, provided each representative is appointed to exercise rights attached to different shares.

9. Issued shares and total voting rights

As at 24th March 2010 (being the last practicable day prior to the publication of this notice), the Company's issued share capital comprised 21,856,615 ordinary shares of 25p each, of which 78,035 are held as treasury shares, leaving a balance of 21,778,580 ordinary shares with voting rights.

10. Nominated persons

If you are a person who has been nominated under section 146 of the Companies Act 2006 (the "Act"), to enjoy information rights (a "Nominated Person"):

- you may have a right, under an agreement between you and the member of the Company who has nominated you to have information rights (a "Relevant Member"), to be appointed or to have someone else appointed as proxy for the meeting;
- if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
- your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

The statements in notes 2 to 7 (inclusive) above concerning the rights of members in relation to the appointment of proxies do not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

11. Website publication of audit concerns

A copy of this notice, and other information required by section 311A of the Act, can be found at www.candoverinvestments.com.

Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting for the financial year beginning 1st January 2009; or (ii) any circumstance connected with an auditor of the Company appointed for financial years beginning on or after 1st January 2009 ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act that the members propose to raise at the Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

12. Communication

You may not use any electronic address (within the meaning of section 333(4) of the Act provided in this notice of meeting (or in any related document) to communicate with the Company for any purposes other than those expressly stated.

13. Members' questions

Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

14. Members' requisitions

Under section 338 and section 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date six clear weeks before the meeting and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

15. Documents on display

Copies of:

- (a) the letters of appointment of the non-executive directors of the Company; and
- (b) the new articles of association being proposed pursuant to resolution 11, together with a copy of the current articles of association, marked to show the changes being proposed pursuant to resolution 11,

will be available for inspection at the Company's registered office at 20 Old Bailey, London EC4M 7LN during normal business hours on any weekday (Saturdays and English public holidays excepted) from the date of this notice until the close of the Annual General Meeting and at the place of that meeting for at least 15 minutes prior to and during the meeting.

A copy of the proposed new articles of association will also be lodged with the Document Viewing Facility of the Financial Services Authority at 25 The North Colonnade, Canary Wharf, London E14 5HS.

Why has the Board recommended that these resolutions be passed?

Re-election of Gerry Grimstone (resolution 3)

Gerry Grimstone is seeking re-election in accordance with the Combined Code on Corporate Governance (the "Combined Code") as he has exceeded the nine year period of service recommended by the Combined Code as being potentially relevant as a test of independence. The board of directors (the "Board") acknowledges the Association of Investment Companies Code of Corporate Governance, which states that independence stems from the ability to make objective decisions that may be in conflict with those of

management. The directors believe that Gerry's long tenure on the Board has enhanced his ability to be independent and that he has demonstrated a strong commitment to the Company. Gerry's biographical details appear on page 20 of the Company's report and accounts for the year ended 31st December 2009 (the "Report and Accounts").

Election of Malcolm Fallen (resolution 4)

The Company's articles of association require that all new directors seek election to the Board at the annual general meeting following their appointment. Accordingly, Malcolm Fallen is submitting himself for election following his appointment to the Board in September 2009. Since joining the Board, Malcolm has proven the ability to bring a wide ranging set of skills, knowledge and experience to the Company and to the Board. Malcolm's biographical details appear on page 20 of the Report and Accounts.

Authority to allot (resolution 7)

The Company is seeking shareholder approval in relation to the allotment of securities. Under the provisions of the Companies Act 2006 (the "Act"), the shareholders of the Company need to authorise the Board to issue shares in the Company and any right to subscribe for, or to convert any securities into, shares in the Company. This includes convertible bonds, convertible loan stock, warrants and options. The authority granted at the Company's last annual general meeting is due to expire at this Annual General Meeting. Accordingly, resolution 7 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any securities into, shares (a) up to an aggregate nominal amount of £1,814,881 and (b) in connection with a rights issue up to an aggregate nominal amount (reduced by allotments under part (a) of the resolution) of £3,629,763. If given, these authorities will expire at the conclusion of the next annual general meeting or on 30th June 2011 (whichever is earlier). The thresholds set in resolution 7 are in line with the thresholds suggested by the Association of British Insurers (the "ABI") in their December 2008 guidance. If, during the year, the Company issues over one-third of its issued capital and the proceeds from a right issue exceed one-third of the pre-issued market capitalisation, then all the directors will stand for re-election at the next annual general meeting of the Company. The directors have no present intention of issuing shares pursuant to this authority.

Disapplication of pre-emption rights (resolution 8)

Resolution 8 seeks shareholder authority to disapply pre-emption rights. The directors require a power from shareholders to allot equity securities or sell treasury shares for cash and otherwise than to existing shareholders pro rata to their holdings. The power granted at the Company's last annual general meeting is due to expire at the Annual General Meeting. Accordingly, resolution 8 will be proposed as a special resolution to grant such a power. Apart from offers or invitations in proportion to the respective number of shares held, the authority will be limited to the allotment of equity securities and sales of treasury shares for cash up to 5% of the Company's issued ordinary share capital at 24th March 2010 (the latest practicable date prior to publication of this notice). If given, this power will expire at the conclusion of the next annual general meeting or on 30th June 2011 (whichever is earlier). This authority is in line with the revised December 2008 guidance issued by the ABI and the directors will have due regard to institutional guidelines in relation to any exercise of this authority, in particular the requirement for advance consultation and explanation before making any non pre-emptive cash issue pursuant to this resolution which exceeds 7.5% of the Company's issued share capital in any rolling three-year period.

Resolutions 7 and 8, if passed, are intended to provide the Board with greater flexibility and allow the directors to take decisive action when needed.

Purchase of own shares by the Company (resolution 9)

The Company is seeking the authority from the shareholders to purchase up to 3,264,609 of its ordinary shares. In the event that ordinary shares are purchased, they would either be cancelled (and the number of shares in issue reduced accordingly) or, in accordance with the Act, be retained as treasury shares. The Company will consider holding any of its own ordinary shares repurchased pursuant to the proposed resolution in treasury rather than cancelling them. By holding its shares in treasury, the Company is afforded the ability to reissue treasury shares quickly and cost effectively, and gains additional flexibility in the management of its capital base. It should be noted that no dividends would be paid on shares while held in treasury, no voting rights would attach to them and the shares would be treated as if cancelled. The resolution follows the rules set down by the Act and the UK Listing Authority. The directors are committed to managing the Company's capital efficiently and will keep under review the possibility of buying back the Company's shares. However, they will only do this if they believe that it is in shareholders' best interests.

Notice period for general meetings (resolution 10)

Changes made to the Act by the Companies (Shareholders' Rights) Regulations 2009 increase the notice period required for general meetings of the Company to at least 21 clear days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings will continue to be held on at least 21 clear days' notice. Until the coming into force of the Companies (Shareholders' Rights) Regulations 2009 on 3rd August 2009, the Company was able to call general meetings, other than an annual general meeting, on at least 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability and retain the flexibility which enables swift and effective decision making by the Board, resolution 10 seeks the necessary shareholder approval. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Board consider this appropriate in relation to the business to be considered at the meeting. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. Note that the changes to the Act mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

Adoption of Articles of Association (resolution 11)

It is proposed in resolution 11 to adopt revised articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles"). The proposed changes primarily take account of the implementation of the remaining parts of the Act, which occurred on 1st October 2009 and the Companies (Shareholders' Rights) Regulations 2009 (the "Regulations"), which came into force on 3rd August 2009.

The principal changes introduced in the New Articles are summarised below. The New Articles, showing all the changes to the Current Articles, are available for inspection as noted at note 15 of this document.

1. The Company's objects

The provisions regulating the operations of the Company are currently set out in its memorandum of association and articles of association. The Company's memorandum contains, among other things, an objects clause which sets a very wide scope of activities that the Company is authorised to undertake. The Act significantly reduces the constitutional significance of a company's memorandum and provides that, with effect from 1st October 2009, a memorandum only records the names of a company's original subscribers and the number of shares each subscriber has agreed to take. Under the Act, the objects clause and certain other provisions which are contained in a company's memorandum are

deemed to be contained instead in the articles of association, but the Act allows companies to remove these provisions by special resolution. Further, the Act states that, unless the articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason, the Company is proposing to remove its objects clause together with other provisions of its memorandum which, by virtue of the Act, are treated as forming part of the Company's Current Articles. Resolution 11(a) confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders. The liability of the shareholders of the Company remains unchanged by resolution 11.

2. Authorised share capital and unissued shares

The Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. The directors will still be limited as to the number of shares they can allot because allotment authority continues to be required under the Act, save in respect of employee share schemes.

3. Voting by proxies on a show of hands

The Regulations have amended the Act, as originally enacted, so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member. In the latter case, the proxy has one vote for and one vote against a resolution if the proxy has been instructed by one or more members to vote for a resolution and by one or more members to vote against the same resolution. The New Articles reflect these changes and clarify how the provisions of the Act, which give a proxy a second vote on a show of hands, would apply to discretionary authorities.

4. Voting by corporate representatives

The Regulations have amended the Act in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles contain provisions which reflect these amendments.

5. Notice of general meetings

The Regulations have also amended the Act to require the Company to give at least 21 clear days' notice of general meetings unless, in the case of a general meeting which is not an annual general meeting, the Company offers members an electronic voting facility and a special resolution reducing the period of notice to not less than 14 clear days has been passed. Annual general meetings must continue to be held on at least 21 clear days' notice. The New Articles reflect these new requirements.

6. Adjournments for lack of quorum

Pursuant to the Act, as amended by the Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles reflect this requirement.

7. Articles reflecting statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Act are in the main amended to bring them into line with the Act.

Recommendation

The directors consider the passing of all of the resolutions to be in the best interests of the Company and its shareholders as a whole. Accordingly, your directors unanimously recommend that you vote in favour of the proposed resolutions, as they intend to do in respect of their own beneficial holdings.

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