

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you should immediately consult an independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have recently sold or transferred all your ordinary class B shares in Songbird Estates plc, please pass this document and the accompanying form of proxy to the purchaser or transferee or to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



NOTICE OF ADJOURNED CLASS MEETING FOR HOLDERS OF ORDINARY CLASS B SHARES

NOTICE IS HEREBY GIVEN that an adjourned class meeting for the ordinary class B shareholders (the 'B Shareholders') of Songbird Estates plc (the 'company') will be held at One Canada Square, Canary Wharf, London E14 5AB on Tuesday 24 June 2008 at 9.30am for the purpose of considering and, if thought fit, passing the following resolution in accordance with the company's articles of association:

Variation of Class Rights

THAT any variation or abrogation of the rights attaching to the ordinary class B shares of the company occasioned by the adoption of new articles of association of the company as approved by shareholders of the company at the annual general meeting held on 28 May 2008, be and are hereby approved.

For further information see note 1 overleaf.

By order of the board

JOHN GARWOOD

Secretary

5 June 2008

Notes:

- 1 The adoption of new articles of association approved by shareholders at the annual general meeting of the company held on 28 May 2008 may constitute a variation of the rights of the B Shareholders. In accordance with the company's existing articles of association, the resolution seeks the consent of B Shareholders to any variation or abrogation of rights attaching to the ordinary class B shares occasioned by the adoption of those new articles. The principal approved changes are summarised in the Appendix and do not adversely affect your rights as a B Shareholder. To be effective, the resolution must be passed by B Shareholders holding shares representing not less than two-thirds of the aggregate voting rights held by those B Shareholders present and voting at the meeting.
- 2 Any B Shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. **If you previously lodged a form of proxy for the class meeting held on 28 May 2008, unless you wish to change your instruction, that form of proxy is still valid for this adjourned meeting.** A proxy need not be a member of the company.
- 3 To be valid, any form of proxy must be completed in accordance with the instructions printed on it and deposited with the Registrars at the address shown on the form of proxy **no later than 9.30am on Sunday 22 June 2008.** Completion of a form of proxy will not prevent a member from attending and voting at the meeting.
- 4 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the company specifies that only those members registered in the register of members as at **no later than 6.00pm on Sunday 22 June 2008** shall be entitled to attend and/or vote at the meeting. Changes to the register of members after **6.00pm on Sunday 22 June 2008** shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.
- 5 If a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote in accordance with the directions of all of the other corporate representatives for that shareholder, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions or; if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative (being the first corporate representative to register his attendance at the meeting) will be nominated from those corporate representatives who attend, to vote and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described above.
- 6 The Companies Act 2006 (the 'Act') allows a corporate shareholder to appoint more than one corporate representative and all of those representatives can attend and speak at the meeting. However, there is real doubt under the Act as to whether multiple corporate representatives are able to use their powers to vote in different ways. In light of the provisions of the Act and potential for confusion in relation to the appointment of corporate representatives, the most effective method of ensuring full representation of all shareholders is by the appointment of proxies rather than corporate representatives.

PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION AS APPROVED BY SHAREHOLDERS ON 28 MAY 2008

1 Form of resolution

The current articles of association (the 'Current Articles') contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being removed as the concept of extraordinary resolutions has not been retained under the Act. Further, the remainder of the provision is reflected in full in the Act.

The Current Articles enable members to act by written resolution. Under the Act public companies can no longer pass shareholder written resolutions. These provisions have therefore been removed in the new articles of association (the 'New Articles').

2 Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Act which reflect, in all material respects, the Current Articles. The relevant provisions have therefore been amended in the New Articles. Other minor changes have been made to the provisions relating to the variation of class rights in order to reflect the structure of the Songbird group in the veto rights attaching to the SG Shares.

3 Convening general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being removed in the New Articles because the relevant matters are provided for in the Act. In particular a general meeting (other than an annual general meeting) to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

4 Votes of members

The time limits for the appointment or termination of a proxy appointment have been altered by the Act so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed (but if they purport to exercise their rights in different ways, then the power is treated as not being exercised). The Current Articles are being amended to reflect all of the new provisions of the Act, together with provisions relating to electronic communications.

5 Conflicts of interest

The Act sets out directors' general duties which largely codify the existing law but with some changes. Under the Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The Act allows directors of public companies to authorise conflicts and potential conflicts to avoid a breach of duty, if appropriate, provided the articles of association contain a provision to this effect. The New Articles (with effect from 1 October 2008) give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

The New Articles contain provisions relating to confidential information and attendance at board meetings to protect a director from being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors.

Given that the majority of the directors are directly appointed by persons who may have interests which compete with those of the company, your directors have always been aware of the potential for conflicts of interest arising and have, in the past, taken such steps as the board considered appropriate to deal with such conflicts on a case-by-case basis. The directors intend to adopt a similar approach under the new provisions of the Act. The directors do not believe that any person should, solely by virtue of the identity of his appointing shareholder, be prevented from being a director of the company, as they consider that to be unnecessary and contrary to the corporate governance regime which has been in place since the time of the company's admission to AIM. However, where a real conflict or potential conflict of interest exists, the directors intend to put in place such measures as are appropriate to protect the interests of the company. Such measures may include, for example, a requirement that conflicted directors should not be present at any board discussion of a particular matter and should not receive information relating to that matter.

Directors may, on occasion, be excluded from meetings of the board as a result of the terms of the authorisation of a conflict or potential conflict of interest. The board quorum provisions contained in the Current Articles have been amended slightly to ensure a quorate board can convene regardless of whether certain directors may be excluded by reason of such conflict or potential conflict.

6 Quorum at separate general meetings

The Current Articles do not specify the quorum for separate general meetings of the holders of a class of shares (other than a meeting relating to the variation of class rights). The New Articles clarify that position by stating that the quorum at such meetings be two shareholders of the relevant class.

7 Postponement of general meetings

The requirement that the company publish notices of postponed meetings in national newspapers is proposed to be removed. Instead, shareholders must be given five days' prior notice of postponement of meetings.

8 Records to be kept

The provisions in the Current Articles requiring the Board to keep accounting records have been removed as this requirement is contained in the Act.

9 Management Directors

The Current Articles provide for there to be up to two Management Directors, which does not accord with current practice. The provisions relating to Management Directors are being removed.

10 Deemed service of notices on overseas shareholders

Under the Current Articles, notice is deemed served on overseas shareholders ten clear days after the notice is put in the post. Service on overseas shareholders will now be deemed to take place (i) if sent by airmail, 96 hours after posting, and (ii) if sent by international courier, two days following that on which it is delivered to the courier.

11 Power to stop sending notices or other documents

A new provision to allow the company to stop sending notices/documents to shareholders if on two consecutive occasions notices/documents are returned undelivered has been incorporated into the New Articles.

12 Distribution of assets otherwise than in cash

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the company going into liquidation. These provisions have been removed in the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

13 Disclosure of interests in shares

The Act allows a public company to require any person who it believes to be, or to have been, interested in its shares to provide certain details relating to its shareholding, including details of other persons interested in the same shares. Failure to comply is a criminal offence, and can lead to the court imposing restrictions preventing the relevant shares, *inter alia*, from being transferred or voted. However, the court process can be relatively slow, and accordingly many listed public companies include additional restrictions in their articles of association. The Current Articles do not contain any such provisions. In line with market practice, such provisions are included in the New Articles which provide that, if a person fails to give the company the required statutory information within 14 days of being requested to do so (and for so long as the default continues), the relevant shares cannot be voted. In addition, if the shares represent 0.25% or more of the relevant class, the company may withhold dividend payments on those shares and certain transfer restrictions apply.

14 Electronic and web communications

Provisions of the Act which came into force in January 2007 and previous legislation enable companies to communicate with members by electronic and/or website communications. The New Articles allow communications to members in electronic form and, in addition, they also permit the company to take advantage of new provisions relating to website communications. Before the company can communicate with a member by means of website communication, the relevant member must be asked individually by the company to agree that the company may send or supply documents or information to him by means of a website, and the company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

15 Directors' indemnities and loans to fund expenditure

The Act has, in some respects, widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. The New Articles will entitle directors and other officers (but not auditors) to be indemnified by the company against any proven or alleged negligence, default, breach of duty or breach of trust in relation to the company, and will allow the company otherwise to provide indemnities and funding to the directors and other officers of the company and of associated companies to the fullest extent permitted. However, such provisions are subject to the requirements of the Act, which broadly prevents such indemnities from extending to liabilities where the director is found to be at fault.