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Application will be made to the London Stock Exchange plc for the New Ordinary Shares to be admitted to trading on AIM.



(Incorporated in England and Wales under the Companies Act 1985, with registered number 5043352)

Proposed Placing of 43,025,116,080 New Ordinary Shares at one penny per New Ordinary Share, Compensatory Open Offer of 18,974,938,930 New Ordinary Shares at one penny per New Ordinary Share and Issue of 275,000,000 Preference Shares at one pound per Preference Share

Reorganisation of Share Capital

Notice of General Meeting and Notice of Class Meeting

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates set out in this timetable is indicative only and is subject to change. Please read the notes to this timetable set out below.

<i>Event</i>	<i>Time and/or date</i>
Record Date for entitlement under the Compensatory Open Offer	5.00 p.m. on 22 September 2009
Announcement of the Placing and Compensatory Open Offer	7.00 a.m. on 24 September 2009
Ex-entitlement date for the Compensatory Open Offer	8.00 a.m. on 24 September 2009
Publication of Prospectus and despatch of Application Forms to Qualifying Non-CREST Shareholders and despatch of Circular and Forms of Proxy	24 September 2009
Open Offer Entitlements credited to stock account of Qualifying CREST Shareholders in CREST	25 September 2009
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 2 October 2009
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 5 October 2009
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 6 October 2009
Latest time and date for receipt of completed Application Forms and payment in full under the Compensatory Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 8 October 2009
Announcement of results of the Compensatory Open Offer through a Regulatory Information Service	9 October 2009
Rump Placing	9 October 2009
Record date for entitlement to vote at the General Meeting and Class Meeting	6.00 p.m. on 9 October 2009
Latest time and date for receipt of Forms of Proxy for:	
the General Meeting	10.00 a.m. on 11 October 2009
the Class Meeting	10.15 a.m. on 11 October 2009
General Meeting	10.00 a.m. on 13 October 2009
Class Meeting of Class B Shareholders	10.15 a.m. ⁴ on 13 October 2009
Admission and commencement of dealings in New Ordinary Shares	8.00 a.m. on 14 October 2009
New Ordinary Shares in uncertificated form expected to be credited to accounts in CREST	8.00 a.m. on 14 October 2009
Record date for consolidation of Ordinary Shares	5.00 p.m. on 21 October 2009
Despatch of cheques and crediting CREST amounts in respect of any premium payable to Shareholders in respect of the Rump Placing	21 October 2009
Effective date for consolidation of Ordinary Shares	8.00 a.m. on 22 October 2009
Despatch of definitive share certificates for the New Ordinary Shares in certificated form	by 28 October 2009

1. The times and dates set out in the expected timetable of principal events and mentioned throughout this document may be adjusted by the Company in which event details of the new times and dates will be notified to AIM and, where appropriate, Qualifying Shareholders.
2. References to times in this document are to London times unless otherwise stated.
3. If you have any queries on the procedure for acceptance and payment or the procedure for voting at the General Meeting, you should contact the Shareholder Helpline on 0871 664 0321 from within the United Kingdom or on + 44 20 8639 3399 if calling from outside the United Kingdom. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) on a Business Day. Calls to the Shareholder Helpline from outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline will not be able to provide legal, tax or financial advice or to advise on the merits of the Proposals.
4. Or as soon thereafter as the General Meeting is concluded or adjourned.

PLACING AND COMPENSATORY OPEN OFFER STATISTICS

Offer Price per New Ordinary Share	One penny
Number of Class A Shares in issue as at the date of this document	260,849,750
Number of Class B Shares in issue as at the date of this document	192,991,649
Number of SG Shares in issue as at the date of this document	176,754,408
Number of New Ordinary Shares to be issued by the Company pursuant to the Placing	43,025,116,080
Number of New Ordinary Shares to be issued by the Company pursuant to the Compensatory Open Offer	18,974,938,930
Number of Ordinary Shares issued pursuant to the Placing and Compensatory Open Offer	62,000,055,010
Number of Ordinary Shares arising out of the conversion of the 176,754,408 SG Shares to Ordinary Shares	3,099,999,777
Number of Ordinary Shares arising out of the conversion of the 260,849,750 Class A Shares to Ordinary Shares	260,849,750
Number of Ordinary Shares over which Warrants are expected to be issued ¹	2,836,666,668
Principal amount of the New Facility	£135,000,000
Number of Ordinary Shares issued pursuant to the Placing and Compensatory Open Offer and the Capital Reorganisation, as a percentage of Enlarged Share Capital ²	99.0 per cent.
Number of Ordinary Shares in issue immediately prior to the Subsequent Consolidation ²	65,553,896,186
Number of Ordinary Shares in issue immediately after the Subsequent Consolidation ³	655,538,962
Estimated net proceeds receivable by the Company from the Placing, Compensatory Open Offer and the New Facility after expenses ^{1,5}	£995,000,550
Gross discount of the Offer Price to the closing middle market quotation of Class B Shares of 32.75p on 23 September 2009	96.9 per cent.
Theoretical price excluding the Open Offer Entitlements based on the closing middle market quotation of Class B Shares of 32.75p on 23 September 2009	1.26p
Discount to the theoretical price excluding the Open Offer Entitlements based on the closing middle market quotation of Class B Shares of 32.75p on 23 September 2009	20.7 per cent.

1. The Warrant Instrument contains customary adjustment mechanisms. Please see paragraph 11.21 of Part XI (*Additional Information*) of the Prospectus for further information on the Warrants.
2. Assuming that none of the Warrants have been exercised.
3. On the basis of 100 Ordinary Shares consolidating into one Ordinary Share.
4. Includes the funds available under the New Facility and the Preference Shares to be issued under the Proposals. Total transaction costs of the Proposals are estimated to be £35 million.

LETTER FROM THE CHAIRMAN



(Incorporated in England and Wales under the 1985 Act with registered number 5043352)

Directors:

David Pritchard (*Independent non-executive Chairman*)
Johannes Groeller (*Non-executive Director*)
Peter Harned (*Non-executive Director*)
Philip Lader (*Non-executive Director*)
Jonathan Lane (*Non-executive Director*)
Sam Levinson (*Non-executive Director*)
Alex Midgen (*Non-executive Director*)
Brian Niles (*Non-executive Director*)

Registered Office:

One Canada Square
Canary Wharf
London
E14 5AB

24 September 2009

Dear Shareholder,

Proposed Placing and Compensatory Open Offer, Issue of Preference Shares and Reorganisation of Share Capital

1. Introduction

The Board announced on 28 August 2009 that the Company had entered into agreements to raise equity financing and to effect the Citi Loan Repurchase. Further details of the equity financing were subsequently announced on 3 September 2009. On 18 September 2009, the Board announced that Songbird Finance had agreed to purchase 54,007,620 CWG Shares. Following this, the Board has announced today that the Company proposes to raise £1,030 million (before expenses) through the Placing and Compensatory Open Offer, the issue of Preference Shares and the New Facility.

The Placing and Compensatory Open Offer, the issue of Preference Shares and the New Facility are the principal elements of the Proposals. The Citi Loan Repurchase and the Proposals are designed to enable the Company to establish a sustainable capital structure and to reduce its gearing.

The purpose of this document is to provide you with details of the Proposals and to ask you to vote in favour of the Resolutions which are to be proposed at the General Meeting and Class Meeting to be held on 13 October 2009.

2. Background to and reasons for the Proposals

2.1 *Current capital and financing structure of the Songbird Group*

The acquisition of a 66.3 per cent. stake in CWG by the Songbird Entities was completed in May 2004. The Songbird Entities' current holding in CWG is 60.8 per cent., following an exercise of warrants by third parties over CWG shares in November 2005. This will increase to 69.3 per cent. if the CWG Share Purchase is completed. The original Songbird capital and financing structure comprised four classes of issued shares, namely Class A Shares, Class B Shares, a Class D Share and SG Shares, and mezzanine financing.

Since 2004, the Board has sought to simplify the Songbird Entities' capital structure, which was reflected in the redemption and cancellation of the Class D Share in 2007. The mezzanine financing from 2004 was replaced initially in November 2005 with a term facility and a revolving credit facility. These facilities were, in turn, replaced in May 2007 with the Existing Facilities provided by Citi which mature on 21 May 2010. The Existing Facilities are secured by a debenture over the assets of Songbird Finance, a wholly-owned subsidiary of Songbird, which holds the Songbird Entities' interest in CWG, and a charge over the shares held by the Company in Songbird Finance and certain inter-company loans from the Company to Songbird Finance.

Since 2004, the Songbird Group has returned more than £657 million of value to Shareholders (equivalent to 105.11p per Share), driven by the performance of CWG's operations and the Songbird Group's capital and financing structure.

2.2 *Operational position of the Canary Wharf Group*

The operational position of the Canary Wharf Group is underpinned by:

- a weighted average unexpired lease term of 16.9 years (14.7 years assuming all outstanding options are exercised and that the lease entered into with Lehman in respect of 25-30 Bank Street remains in force); and
- a vacancy rate of 2.3 per cent., which, including the exercise of all break options of which the Canary Wharf Group had received notice as at 23 September 2009 (including the exercise by Morgan Stanley of a break option on space occupied at 20 Cabot Square which takes effect from 1 February 2010) will rise to 6.9 per cent.,

in each case calculated as at 30 June 2009. The average rents per sq ft on the Estate have, over the last 24 months, been relatively resilient, assisted by the low vacancy rate and the Canary Wharf Group's current policy of not building speculatively above ground on the Estate.

The Canary Wharf Group had unsecured cash deposits of £999.3 million as at 30 June 2009¹, which may provide the Canary Wharf Group with the opportunity to capitalise on any future recovery in the property market.

Some of the world's leading financial institutions and retailers are currently on the Estate. In addition, the Canary Wharf Group has a potential development pipeline of approximately 6.4 million NIA sq ft (including the 100,000 sq ft of retail space above the Crossrail station for which planning permission has been granted) with current developments including the staged development of Riverside South for J.P. Morgan and the Crossrail station development. Further details on the business of the Canary Wharf Group can be found in Part II (*Business Overview of the Songbird Group*) of the Prospectus.

2.3 *Reasons for the Proposals*

The Board's overall strategy for the Songbird Entities is to establish a sustainable capital structure and to reduce their gearing.

As part of this strategy, the Refinancing Committee was formed by the Board to focus on refinancing Songbird Finance's existing borrowings, particularly in the light of the Existing Facilities maturing in May 2010 and the fact that there was a material risk that Songbird Finance may breach the financial covenants contained in the Existing Facility Agreement should a refinancing not occur.

Given the recent turmoil in the credit markets and the fact that the amount of borrowing available to property companies in general has reduced in tandem with falling property values, the Refinancing Committee has considered a number of different methods and potential sources of funding to effect

¹ Cash deposits after deduction of £125.8 million at 30 June 2009 held by third parties as cash collateral for the Canary Wharf Group's borrowings, £13.4 million charged to third parties in connection with the Canary Wharf Group's construction obligations and further £7.3 million charged to third parties as security for the Canary Wharf Group's other obligations.

the refinancing. Having considered a range of options, the Refinancing Committee put forward the current refinancing and capital restructuring proposal which has been recommended by the Board.

As a result, on 28 August 2009, it was announced that the Citi Purchase Agreement had been entered into with Citi pursuant to which the Company has agreed, among other things, to purchase all of Citi's interests in the Existing Facility Agreement and related security at a five per cent. discount to the principal, accrued interest and fees outstanding under the Existing Facility Agreement at the date of purchase. It was also announced that the Company had entered into the Shareholder Commitment Agreement pursuant to which the New Majority Shareholders had made commitments to subscribe for and underwrite a substantial issue of New Ordinary Shares and Preference Shares in order to finance the Citi Loan Repurchase and that full details would be provided with the Company's announcement of its interim results on or about 24 September 2009. For further details of the Citi Purchase Agreement and the Shareholder Commitment Agreement see paragraph 9 below and paragraphs 11.4 and 11.5 of Part XI (*Additional Information*) of the Prospectus.

Subsequently, the Board announced on 18 September 2009 that Songbird Finance had entered into an agreement with Commerzbank AG to purchase 54,007,620 CWG Shares for a total consideration of £112.5 million. The purchase, if completed, will increase the Company's interest in CWG from 60.8 per cent. to 69.3 per cent. It was also announced that certain of the New Majority Shareholders have agreed to increase their commitments in relation to an enlarged equity raising to assist in funding the acquisition, with the remainder of the acquisition being funded by a new debt facility.

The principal elements of the Proposals are as follows:

- £430,251,161 (before expenses) to be raised by the issue of 43,025,116,080 New Ordinary Shares through the Placing at the Offer Price;
- £189,749,389 (before expenses) to be raised by the issue of 18,974,938,930 New Ordinary Shares through the Compensatory Open Offer at the Offer Price;
- £275,000,000 (before expenses) to be raised by the issue of 275,000,000 Preference Shares at a price of £1 each to Qatar Holding and FIC; and
- the New Facility of £135,000,000 to be provided to Songbird Finance by the New Majority Shareholders or their affiliates on the terms set out in the New Facility Agreement.

The Board believes that the Proposals outlined above will:

Place the Songbird Entities on a more secure, longer-term financial footing

By enabling the Company to effect the Citi Loan Repurchase, the uncertainty surrounding the Songbird Entities' short-term funding position will be addressed. The Proposals will also serve to strengthen the Company's balance sheet and reduce gearing, with the intention that the Company will be better able, going forward, to respond to changes in market conditions, favourable or otherwise.

Allow the Company to further simplify its capital and governance structure

Following Admission, the only equity shares in issue will be the Ordinary Shares, as all Class A Shares and SG Shares will be converted into Ordinary Shares and the Class B Shares will be renamed as Ordinary Shares (further details of the Capital Reorganisation are set out in paragraph 7 below). As part of the restructuring, the operation and constitution of the Board will also be simplified (further details of which are set out in paragraph 12 below).

Potentially improve liquidity in the Company's Shares traded on AIM

The Placing and Compensatory Open Offer, together with the Capital Reorganisation, will materially increase the number and proportion of Shares in the Company which are admitted to trading on AIM, thereby potentially increasing liquidity.

Provide an attractive basis for increasing the Company's stake in CWG

The purchase price of £112.5 million under the CWG Share Purchase implies a price of 207 pence per CWG Share, which represents a 28.1 per cent. discount to NAV of 288 pence per CWG Share as at 30 June 2009.

The Board also believes that for Shareholders, the Compensatory Open Offer presents an attractive basis for acquiring an indirect interest in the Canary Wharf Group's property portfolio.

The Offer Price of one penny per New Ordinary Share represents a discount of 24.2 per cent. to the adjusted NAV per share of 1.32 pence and 31.0 per cent. to the adjusted NNNAV per share of 1.45 pence per share, in each case adjusted for the effects of the Proposals.¹

Based on the Offer Price of one penny per New Ordinary Share, the Proposals offer an implied net initial yield (i.e. on the basis of net initial rent) of 7.8 per cent.² and an implied net top-up yield (i.e. on the basis of initial and top-up rent) of 8.2 per cent.³ on the office portfolio of the Canary Wharf Group. The implied net initial yield and implied net equivalent yield on the Canary Wharf Group's retail portfolio would be 6.9 per cent. and 7.7 per cent. respectively.

The Proposals further represent an opportunity to acquire an indirect interest in the underlying development properties⁴ of the Canary Wharf Group's property portfolio at an implied cost of £38 per sq ft,⁵ compared to peak market values of approximately £100 per sq ft.⁶

2.4 *Use of proceeds*

The Company is expecting to raise £1,030 million (before expenses) through the Proposals. The net proceeds to be raised are expected to be £995 million.

The Songbird Entities are proposing to use approximately £837.2 million of the funds raised by the Proposals to effect the Citi Loan Repurchase, £112.5 million for the CWG Share Purchase and approximately £35 million to pay the total transaction costs associated with such repurchase and the other Proposals.

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1. Adjusted NAV of £867.1 million (1.32 per Share) and adjusted NNNAV of £950.7 million (1.45 per Share) have been calculated by adjusting the balance sheet net assets of £331.2 million as at 30 June 2009 for (a) the effects of the Proposals as per the unaudited pro forma statement of net assets set out in Part IV of the Prospectus and (b) the adjustments required to derive adjusted NAV and adjusted NNNAV figures on a basis consistent with the statement of these figures as at 30 June 2009 set out in paragraph 1.11 of Part VI of the Prospectus ("*Operating and Financial Review*"), including adjustments for the minority interests and SG Shares to reflect the effects of the Proposals.
 2. Calculated on the basis of the initial rent of the Canary Wharf Group's office portfolio as at 30 June 2009 divided by the implied cost, being £488 per sq ft, of acquiring an indirect interest in the Canary Wharf Group's office portfolio based on the Offer Price (the "**Office Portfolio Implied Cost**"). The Office Portfolio Implied Cost is calculated assuming (a) an Offer Price of one penny per New Ordinary Share, (b) each Ordinary Share outstanding following Admission represents its proportional share of the net asset value of Canary Wharf Group's property portfolio and (c) each of the Canary Wharf Group's office, retail and development portfolios is attributed its pro rata allocation of the Offer Price based on the relative net asset values of those portfolios, subject to a floor of zero for the net asset value of each group of assets securing the same indebtedness, and also taking into account the debt of the Songbird Entities.
 3. Calculated on the basis of top-up rent as at 30 June 2009 divided by the Office Portfolio Implied Cost. Top-up rent is the rent on the Canary Wharf Group's office portfolio, assuming expiry of rent free periods, the letting of all vacant space and including contractual and open market rate uplifts for the next 5 years.
 4. Comprising 25 Churchill Place, North Quay, Heron Quays West, Newfoundland and Crossrail retail.
 5. This is the implied cost of acquiring an indirect interest in the Canary Wharf Group's development properties (see Note 3 above) based on the Offer Price (the "**Development Portfolio Implied Cost**"). The Development Portfolio Implied Cost is calculated assuming (a) an Offer Price of one penny per New Ordinary Share, (b) each Ordinary Share outstanding following Admission represents its proportional share of the net asset value of Canary Wharf Group's property portfolio and (c) each of the Canary Wharf Group's office, retail and development portfolios is attributed its *pro rata* allocation of the Offer Price based on the relative net asset values of those portfolios, subject to a floor of zero for the net asset value of each group of assets securing the same indebtedness, and also taking into account the debt of the Songbird Entities.
 6. This is calculated by reference to a valuation of the Canary Wharf Group's properties held for development of 5.2 million sq. ft and a market value of £511 million as at 30 June 2007.

If the Proposals are completed and the other conditions to the New Facility Agreement are satisfied, then, immediately after the completion of the Citi Loan Repurchase, the financial indebtedness of the Songbird Entities on a consolidated basis, being the drawn amount of the New Facility and the Preference Shares issued as part of the Proposals, is expected to be £375.0 million in principal amount. For further details of the effect of the Proposals and the Citi Loan Repurchase on the Songbird Group's net asset position, please see Part IV (*Unaudited Pro Forma Statement of Net Assets*) of the Prospectus.

2.5 ***Importance of the Proposals and irrevocable undertakings***

Under the Citi Purchase Agreement, the Company has the ability to buy all of Citi's interests in the Existing Facility Agreement by a date being not later than 20 October 2009. If the Proposals do not proceed, the Company will not be able to purchase Citi's interests unless the required funds to do so can be sourced from elsewhere.

Admission is expected to occur at 8.00 a.m. at 14 October 2009. If (i) Admission does not occur by 5.00 p.m. on 14 October 2009 and (ii) the Company has not by that time bought all of Citi's interests in the Existing Facility Agreement pursuant to the terms of the Citi Purchase Agreement, the Company's right to purchase Citi's interests will be automatically assigned to the New Majority Shareholders who are bound by the terms of the Shareholder Commitment Agreement to purchase Citi's interests in the Existing Facility Agreement on the terms of the Citi Purchase Agreement. In these circumstances, the New Majority Shareholders would become the lenders to Songbird Finance under the Existing Facility Agreement.

(a) *Implications if neither the Company nor the New Majority Shareholders acquire the Existing Facility Agreement*

If Admission occurs, the Company will have access to sufficient funds to complete the Citi Loan Repurchase. If neither the Company nor the New Majority Shareholders (in the latter case, in breach of their obligations under the Shareholder Commitment Agreement) have acquired Citi's interests in the Existing Facility Agreement on or before 20 October 2009, this will constitute an event of default under the Existing Facility Agreement. In these circumstances, Citi could require early repayment of the outstanding principal amount under the Existing Facilities, together with all interest accrued thereon, or enforce the security granted in respect of the loan, being a debenture over the assets of Songbird Finance, including its shares in CWG, and a charge over securities and certain inter-company receivables granted by the Company.

In addition, under the terms of the Shareholder Commitment Agreement and the Citi Purchase Agreement, the New Majority Shareholders have deposited £150 million into an escrow account. If neither the Company nor the New Majority Shareholders purchase all of Citi's interests in the Existing Facility Agreement on or before 20 October 2009 (other than as a result of a breach of the agreement by Citi), this money will be forfeited and transferred to Citi. If Admission has not occurred by 5.00 p.m. on 14 October 2009 and the New Majority Shareholders do not purchase Citi's interests on or before 20 October 2009 as a result of one or more of the New Majority Shareholders breaching its obligations under the Shareholder Commitment Agreement to fund its *pro rata* share of the purchase consideration payable to Citi, and the other New Majority Shareholders being unwilling or unable to fund the shortfall, the amount deposited into escrow by each non-defaulting New Majority Shareholder would be deemed, under the terms of the Shareholder Commitment Agreement, to be advanced as a loan to the Company. The terms of any such loans provide that they be repayable on demand, provided that they may not be repaid whilst the Existing Facilities are outstanding except by being replaced by other subordinated debt or equity. In these circumstances, the Company would have indebtedness of up to £150 million in addition to its indebtedness under the Existing Facility Agreement.

(b) *Implications of the New Majority Shareholders rather than the Company acquiring the Existing Facility Agreement*

If the New Majority Shareholders acquire the Existing Facility Agreement, the Existing Facilities would constitute a debt owed by Songbird Finance to the New Majority Shareholders. This will only arise if Admission has not occurred by 5.00 p.m. on 14 October 2009.

The Existing Facilities are due to mature on 21 May 2010, at which point Songbird Finance would be required to pay back the amount of the outstanding principal (being £880 million) plus any accrued interest thereon to the New Majority Shareholders. There can be no assurance that the Company would be able to refinance the Existing Facilities in advance of the maturity date or be able to repay the Existing Facilities at the maturity date.

In addition, the Existing Facility Agreement contains a number of financial and other positive and negative covenants meaning that the occurrence of certain events could result in the amounts borrowed thereunder and interest accrued on such amounts becoming immediately due and payable and there is a material risk that Songbird Finance would breach the financial covenants, or material adverse change or similar covenants, contained in the Existing Facility Agreement. If a breach of the Existing Facility Agreement were to occur and was not remedied within any applicable cure period then the New Majority Shareholders, would have the right, if a two-thirds majority of the New Majority Shareholders so chose, to require early repayment of the outstanding principal amount, together with all interest accrued thereon, or to enforce the security granted in respect of the loan as summarised above.

(c) *Implications if Admission does not occur and the Company does not complete the CWG Share Purchase*

Under the CWG Share Purchase Agreement, Songbird Finance has agreed to purchase 54,007,620 CWG Shares from Commerzbank AG by a date being not later than 20 October 2009. If Admission does not occur by 5.00 p.m. on 14 October 2009 and Songbird Finance has not, by that time, bought such shares, under the terms of the Share Purchase Commitment Agreement, Songbird Finance shall be deemed automatically to have assigned all of its rights under that agreement to GF Investments, Qatar Holding and FIC (or their nominated assignees) who are bound, by the terms of the CWG Share Purchase Commitment Agreement, to purchase such CWG Shares. In these circumstances, any of GF Investments, Qatar Holding and FIC is entitled to serve written notice on the Company within 30 calendar days of such purchase requiring it, or one of its wholly-owned subsidiaries, to purchase its CWG Shares bought from Commerzbank AG, at the price per share paid to Commerzbank AG. If the Proposals do not proceed, and the required funds cannot be sourced from elsewhere, Songbird Finance will not be able to purchase the CWG Shares and will be in breach of its obligations to do so.

Consequently, in the circumstances outlined in (a), (b) or (c) above, if the Proposals do not proceed, there would be a material uncertainty as to the ability of the Songbird Entities to continue as a going concern.

The Proposals are dependent upon the satisfaction of a number of conditions, including the passing by the Shareholders of the Resolutions. However, the Company has received irrevocable undertakings to vote in favour of the Transaction Resolution from Shareholders representing 95.63 per cent. of the total voting rights of the Company. The irrevocable undertakings also apply to the Ratification Resolution, although the holders of the SG Shares will not be entitled to vote on the Ratification Resolution. In addition, the required written consents to the variation of the rights to the Class A Shares and Class B Shares combined and to the SG Shares which are required to implement the Proposals have been obtained in accordance with the Existing Articles. Therefore, subject to the satisfaction of the other conditions set out in the Prospectus, the Proposals will proceed.

3. Summary of the Compensatory Open Offer

Qualifying Shareholders (other than, subject to certain exceptions, Restricted Shareholders) are invited to apply for New Ordinary Shares under the Compensatory Open Offer at the Offer Price of one penny per New Ordinary Share, payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of:

98.32 New Ordinary Shares for every one Class B Share

held and registered in the name of the Qualifying Shareholder at the Record Date and so in proportion to the number of Class B Shares then held. Open Offer Entitlements will be rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements will not be issued.

The Compensatory Open Offer is subject to the satisfaction of the following conditions:

- (i) the passing of the Resolutions without material amendment at the General Meeting;
- (ii) the Placing Agreement becoming unconditional in all respects (including in respect of the required monies being placed into escrow as described in paragraph 3 of Part I (*Information on the Placing and Compensatory Open Offer*) of the Prospectus) and not having been terminated in accordance with its terms; and
- (iii) Admission becoming effective by 8.00 a.m. on 14 October 2009 (or such later time as the Company and the Joint Bookrunners may decide).

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Class B Shares, which will, with effect from Admission, be renamed as Ordinary Shares.

To the extent that New Ordinary Shares are not subscribed for by Qualifying Shareholders by 11.00 a.m. on 8 October 2009, Open Offer Entitlements will lapse.

The Joint Bookrunners will (conditional on Admission), pursuant to the Rump Placing, use reasonable endeavours to procure placees for the Non-Accepted Shares at an aggregate price at least equal to the Minimum Rump Placing Amount. Any premium to the Minimum Rump Placing Amount will then (subject to the terms set out in Part III (*Terms and Conditions of the Compensatory Open Offer*) of the Prospectus) be paid to those Qualifying Shareholders who do not take up (or are deemed not to have taken up) some or all of their Open Offer Entitlements and to other Qualifying Shareholders who are not entitled to apply for New Ordinary Shares by virtue of their being resident in the United States or any other Restricted Jurisdiction, on a *pro rata* basis to the number of Non-Accepted Shares, save that amounts of less than £5 per holding will not be so paid but will be aggregated and paid to the Company.

The Compensatory Open Offer is fully underwritten as described in the Prospectus.

For further details of the Placing Agreement, the Placing Letters, the Share Subscription Agreements and the Glick Underwriting Agreement, please see paragraphs 11.8, 11.9 and 11.11 of Part XI (*Additional Information*) of the Prospectus.

4. Summary of the Placing

Holders of Class A Shares and SG Shares were, prior to the date of this document, invited to subscribe for New Ordinary Shares at the Offer Price, *pro rata* to their existing shareholding of Class A Shares and SG Shares, on the basis of 98.32 New Ordinary Shares, for every one Class A Share or SG Share held at the Record Date. Each Majority Shareholder has, prior to the date of this document, agreed with the Company whether or not it will take up its Placing Entitlements.

Where a Majority Shareholder has undertaken not to take up its Placing Entitlements, the New Ordinary Shares representing such Placing Entitlements have, under the Placing Letters, been placed with Qatar Holding and FIC.

5. Details of the Preference Share issue

In addition to the Placing and Compensatory Open Offer, the Company is proposing to issue 150,000,000 Preference Shares to Qatar Holding and 125,000,000 Preference Shares to FIC in each case at £1 per Preference Share. The issue of such Preference Shares is conditional upon the Placing Agreement, the Subscription Agreements and the Glick Underwriting Agreement becoming unconditional in all respects by 5.00 p.m. on 14 October 2009.

The Preference Shares will be non-voting, non-convertible and will carry the right to a fixed cumulative dividend (the “**Preferential Dividend**”) of 2.50 per cent. per quarter of the aggregate amount of the nominal value and any share premium paid up on such shares from time to time. The Preferential Dividend is payable quarterly in arrear and will compound quarterly to the extent not paid.

The Preferential Dividend will be paid in priority to dividends on all other classes of Shares in the capital of the Company (save for the dividend on the SG Shares referred to in paragraph 7 below). In addition, until the Preference Shares are redeemed, no dividends or distributions may be paid or declared by the Company on any Shares (other than Preference Shares) without the consent of persons holding at least 75 per cent. of the Preference Shares in issue.

In the event of a Liquidation Event (as defined in the New Articles and including a winding up of the Company), each Preference Share will carry the right to a return (the “**Preferential Return**”) of the aggregate amount of the nominal value and share premium paid up on such share from time to time plus the amount of any unpaid but accrued Preferential Dividend. The Preferential Return will be paid to the holders of the Preference Shares in priority to any payments to holders of the Ordinary Shares.

Save as set out below, Preference Shares will not be redeemable until at least two years after the date on which they are issued, at which point they will be redeemable at the option of the Company. If the Preference Shares are redeemed, they will, subject to the next paragraph, be redeemed for cash in an amount equal to the aggregate amount of the nominal value and share premium paid up on such share from time to time plus the amount of any unpaid but accrued Preferential Dividend (the “**Redemption Amount**”).

If Preference Shares are redeemed on or before the fifth anniversary of the date of their issue, the Preference Shares will be redeemed at a premium to the Redemption Amount. The amount of the premium to be paid depends upon the time at which the Preference Shares are redeemed.

Preference Shares will be redeemable for the Redemption Amount at the option of the holders of the Preference Shares at any time after the fifth anniversary of the date of their issue. However, if a holder of the Preference Shares elects to redeem them prior to the seventh anniversary of the date of their issue, the Company may elect not to redeem those shares before the seventh anniversary. If the Company does make such an election then the Preferential Dividend on the relevant Preference Shares will increase.

If at any time the aggregate Indebtedness of the Company and its Controlled Subsidiaries exceeds a maximum amount, each holder of Preference Shares is entitled to require the Company to redeem Preference Shares held by that holder having an aggregate redemption value equal to that excess (pro rated to the number of Preference Shares held by that holder as a proportion of all the Preference Shares then in issue). The maximum amount is £300 million plus the aggregate redemption monies paid on Preference Shares previously redeemed pursuant to this provision.

Further details of the rights of the Preference Shares can be found in paragraph 4 of Part XI (*Additional Information*) of the Prospectus.

6. Details of the New Facility

On 24 September 2009, the Company, Songbird Finance, Songbird Newco and Songbird Acquisition entered into the New Facility Agreement in respect of a £135 million term loan with Chichester Fund Limited, MSREF Special, MSREF-T, MSREF-TE, MSREI and affiliates of Qatar Holding and CIC, as lenders. The facility has an initial term of 364 days with the option for the Company to extend, subject to certain conditions (including meeting a certain loan-to-value ratio), for a further 364 day term. The New Facility is

to be used for Songbird Finance's general corporate purposes as well as to fund (directly or indirectly) in part the Citi Loan Repurchase and the CWG Share Purchase.

The New Facility Agreement obliges the Company and Songbird Finance to grant security over substantially the same assets as those securing the Existing Facility Agreement, and the other Songbird Entities to grant security over their assets.

During the initial 364 day term of the New Facility Agreement, interest is payable at a rate of seven per cent. per annum. If the extension option is utilised, the interest payable will increase by 1.5 per cent. per annum. In addition, Songbird Finance has agreed to pay an arrangement fee of two per cent. of the total commitments from the proceeds of the first drawdown under the New Facility. Interest will accrue on the arrangement fee at the rate of 7 per cent. per annum from the date of the agreement until the fee is paid. In addition, a 0.5 per cent. early termination fee is payable in certain circumstances. An extension fee of 1 per cent. on the available commitment and drawn amounts at that time is payable upon the exercise of the extension option.

The New Facility Agreement also obliges Songbird Finance to prepay certain amounts (which cannot be redrawn) on the occurrence of specified events:

- (i) the receipt of any distributions from CWG, subject to retention of certain permitted amounts;
- (ii) the sale of substantially all of the assets of the Songbird Group or the Canary Wharf Group; and
- (iii) the occurrence of a change of control of either the Company or Songbird Finance or CWG.

The New Facility Agreement contains no financial covenants other than a loan-to-value ratio tested at the Songbird Entities level which is one of the conditions that determines whether the New Facility may be extended for a further 364 days. The loan-to-value ratio requires that Songbird Finance's net debt be no greater than 92.5 per cent. of Songbird Finance's share of Canary Wharf Group's net asset value. The loan-to-value ratio is not tested at any time and is not used for any other purpose. For details of the conditions, see the summary of the New Facility in paragraph 11.20 of Part XI (*Additional Information*) of the Prospectus.

The New Facility Agreement contains customary undertakings and events of default including regarding certain matters relating to the Canary Wharf Group. On, and at any time following, the occurrence of an event of default which is continuing, the majority lenders may cancel any part of the total commitments; declare all or part of the New Facility due and payable; and/or declare that all of the New Facility be payable upon demand and/or enforce all or any part of their security in relation to the New Facility.

The Company has entered into a Warrant Instrument dated 24 September 2009, pursuant to which it has constituted two tranches of, in aggregate, 2,837 million Warrants to be issued to the lenders under the New Facility Agreement in certain circumstances.

Each Warrant is exercisable into one Ordinary Share of the Company, at an exercise price of £0.015. The Warrants are freely transferable (subject to certain securities law restrictions) and can be exercised at any time in the three-year period following first utilisation of the New Facility Agreement. The Warrant Instrument contains anti-dilution and adjustment provisions.

7. Reorganisation of Share Capital

The share capital of the Company is currently divided into Class A Shares, Class B Shares and SG Shares. The Company is proposing to reorganise its share capital structure, with effect from Admission, the effect of which would be that the Class B Shares are renamed Ordinary Shares and the SG Shares and Class A Shares are converted into Ordinary Shares.

The nominal value of the Class B Shares (which, as noted above, will be renamed as Ordinary Shares) currently exceeds the Offer Price. A company is not permitted to issue shares at a price which is less than their nominal value. Therefore, in order to effect the Placing and Compensatory Open Offer, it is proposed that each Class B Share of 10 pence (which, as mentioned above, will be renamed as Ordinary Shares) be subdivided and converted into one Ordinary Share of 0.1 pence and one Deferred Share of 9.9 pence.

As part of the Capital Reorganisation, it is proposed that each Class A Share in issue be subdivided and converted into one Ordinary Share and one Deferred Share. It is also proposed that the 176,754,408 SG Shares in issue be consolidated, and then subdivided and converted, to result in aggregate in 3,099,999,777. Ordinary Shares, such conversion rate being calculated to reflect the capital value of the SG Shares in the Company's accounts and the loss of the future preferential dividend rights which would otherwise attach to SG Shares. The right to the preferential dividends accrued on SG Shares up to Admission is to be preserved and the Board has today resolved to pay such preferential dividend (being an amount of £6,500,000), payment of which is to be made after payment of the dividends payable in respect of the first year of issue of the Preference Shares, and otherwise subject to the dividends on the Preference Shares not being in arrears.

The rights attaching to the Deferred Shares, which will not be listed, will render them effectively worthless. It is intended that they will be cancelled and an appropriate reserve created shortly after Admission. No share certificates will be issued in respect of the Deferred Shares. For further details on the Deferred Shares, please see Appendix II (*Summary of Final New Articles*) of this document.

The Capital Reorganisation is subject to the approval of Shareholders at the General Meeting. A summary of the Resolutions to be passed is set out in paragraph 14 below.

8. Citi Loan Repurchase

On 28 August 2009, the Company and Songbird Finance entered into the Citi Purchase Agreement with Citi pursuant to which the Company has the ability, among other things, to purchase all of Citi's interests in the Existing Facility and related security at a five per cent. discount to the principal, accrued interest and fees outstanding under the Existing Facility Agreement at the date of purchase. The Company may elect any Business Day up to and including 20 October 2009 as the date of purchase.

Under the terms of the Shareholder Commitment Agreement, the Company's rights and obligations under the Citi Purchase Agreement will be automatically assigned to Qatar Holding, CIC, GF Investments, the MSREF Funds and the MSRESS Funds if (i) Admission has not occurred by 5.00 p.m. on 14 October 2009 and (ii) the Company has not by that time completed the Citi Loan Repurchase.

Under the terms of the Citi Purchase Agreement, the Company agreed to procure that the New Majority Shareholders deposited £150 million in aggregate into an escrow account to be held for the benefit of the New Majority Shareholders and Citi. If Admission occurs, the escrow funds will be deemed to be advanced at Admission as loans from the Majority Shareholders to the Company, the terms of which provide that they are immediately repayable. The loan will be set-off against the Majority Shareholders' subscription monies. If the Citi Loan Repurchase is completed, the escrow funds will be transferred to Citi in partial payment of the purchase consideration. If Admission occurs, but the Citi Loan Repurchase does not complete due to a breach by Citi of its obligations under the Citi Purchase Agreement, the escrow funds will be returned to the Majority Shareholders who will, in turn, pay these funds to the Company.

Under the Citi Purchase Agreement it was agreed that if neither the Company nor the New Majority Shareholders completed such purchase on or before 20 October 2009, this would constitute an event of default under the Existing Facility Agreement and the deposit would be transferred to Citi. Until this date, Citi has agreed not to accelerate Songbird Finance's repayment obligations under the Existing Facility Agreement, enforce the security relating to that agreement or terminate the Hedging Agreement.

Following completion of the Citi Loan Repurchase, the Existing Facilities will become (in effect) an intra-group debt facility with Songbird Finance as borrower and Songbird Newco as lender. The Company will consider following completion of the Citi Loan Repurchase whether or not to leave such debt outstanding as an intra-group debt.

9. CWG Share Purchase

On 17 September 2009, Songbird Finance entered into an agreement with Commerzbank AG for the acquisition of 54,007,620 CWG Shares for a consideration of £112.5 million. The Company may elect any Business Day up to and including 20 October 2009 as the date of purchase.

Under the terms of the Share Purchase Commitment Agreement, the Company's rights and obligations under the CWG Share Purchase Agreement will be automatically assigned to Qatar Holding, FIC and GF Investments if (i) Admission has not occurred by 5.00 p.m. on 14 October 2009; and (ii) the Company has not by that time completed the purchase of the relevant CWG Shares.

Songbird Finance agreed with Commerzbank AG to procure that GF Investments deposited £20 million into an escrow account to be held for the benefit of GF Investments and Commerzbank AG. If Admission occurs, the escrow funds will be deemed to be advanced at Admission as a loan from GF Investments to the Company, the terms of which provide that it is immediately repayable. The loan will be set off against GF Investments' subscription monies. If Admission occurs, but the CWG Share Purchase does not complete due to a breach by Commerzbank AG of its obligations under the CWG Share Purchase Agreement, the escrow funds will be returned to GF Investments who will, in turn, pay these funds to the Company.

If the CWG Share Purchase is completed, the escrow funds will be transferred to Commerzbank AG in partial payment of the purchase consideration. If neither Songbird Finance nor any of Qatar Holding, FIC and GF Investments purchase the CWG Shares pursuant to the CWG Share Purchase Agreement, the deposit will be transferred to Commerzbank AG and no party shall have any further liability to the other, except if the failure to complete is due to a breach by Commerzbank AG of its obligations.

10. Share capital following Admission

Immediately following Admission, the total number of Shares in issue will be 66,429,964,262, comprising 65,553,896,186 Ordinary Shares, 275,000,000 Preference Shares and 601,068,076 Deferred Shares. As noted above, it is intended that the Deferred Shares will be cancelled shortly after Admission.

It is expected that on 22 October 2009, every 100 Ordinary Shares of 0.1 pence nominal value in issue will be consolidated into one Ordinary Share of 10 pence in nominal value. If the consolidation would result in a Shareholder being entitled to a fraction of an Ordinary Share, such fraction will, as far as possible, be aggregated with the fractions of other Ordinary Shares to which other Shareholders are entitled and those fractional entitlements will be sold in the market for the benefit of the Company.

The Subsequent Consolidation does not change the rights attaching to the Ordinary Shares and the restrictions to which they are subject.

11. Ownership of Songbird following Admission

The implementation of the Proposals will result in Shareholders experiencing a dilution in their existing ownership of the Company irrespective of whether they take up their Open Offer Entitlements because, pursuant to the Capital Reorganisation, the SG Shares will be converted into Ordinary Shares at a ratio in excess of one for one, thus having a dilutive effect on the economic (but not the voting) rights of Class B Shareholders.

Following Admission, Qualifying Shareholders who do not take up (or are deemed not to have taken up) any of their Open Offer Entitlements will experience, as a result of the Proposals, a dilution of 99.0 per cent. to their economic interests in the Company and a dilution of 94.4 per cent. to their voting interests in the Company which, following the exercise of the Warrants in full, would increase to dilutions of 99.1 per cent. and 94.6 per cent. respectively.

However, even Qualifying Shareholders who take up their full Open Offer Entitlements will, following Admission, experience, as a result of the Proposals, a dilution of 4.5 per cent. to their economic interests in the Company which, following the exercises of the Warrants in full, would increase to dilution of 8.4 per cent.

Immediately following Admission, the shareholding of each person who, directly or indirectly, is expected to be interested in three per cent. or more of the Company's share capital, and the amount of each such person's interest, is as follows:

	<i>Assuming full take up³ under the Compensatory Open Offer⁵</i>		<i>Assuming no take up⁴ under the Compensatory Open Offer^{1,2,5}</i>	
	<i>Number of Ordinary Shares¹</i>	<i>% of issued ordinary share capital</i>	<i>Number of Ordinary Shares¹</i>	<i>% of issued ordinary share capital</i>
<i>Holder of Ordinary Shares</i>				
Qatar Holding	15,700,260,462	24.0	19,600,598,578	29.9
FIC	9,648,963,263	14.7	19,600,598,578	29.9
Glick Shareholder Group	15,700,260,239	24.0	16,441,230,458	25.1
MS Shareholder Group ⁶	5,753,017,396	8.8	5,753,017,396	8.8
The Kingdom Trust	4,039,580,583	6.2		
Polygon	2,715,763,770	4.1	2,715,763,770	4.1
British Land	2,114,318,521	3.2		
			<i>Number of Preference Shares</i>	<i>% of issued Preference Share capital</i>
<i>Holder of Preference Shares</i>				
Qatar Holding			150,000,000	55
FIC			25,000,000	45

1. In addition, it is expected that affiliates of Qatar Holding will hold Warrants over 840,493,827 Ordinary Shares, affiliates of FIC will hold Warrants over 1,071,627,630 Ordinary Shares, affiliates of the Glick Shareholder Group will hold Warrants over 840,493,827 Ordinary Shares and affiliates of the MS Shareholder Group will hold Warrants over 84,049,383 Ordinary Shares.
2. Assuming no take up under the Rump Placing.
3. Other than those Qualifying Shareholders who have committed not to take up any of their Open Offer Entitlements.
4. Other than those Qualifying Shareholders who have committed to take up all or part of their Open Offer Entitlements.
5. Assuming no exercise of the Warrants.
6. FIC is a limited partner in one of the funds comprising the MS Shareholder Group accounting for an interest attributable to FIC in 2,109,118,629 Ordinary Shares assuming full take up under the Compensatory Open Offer and up to 2,479,479,262 Ordinary Shares assuming no take up under the Compensatory Open Offer. This interest is accounted for in the figures for the MS Shareholder Group.

Qatar Holding

Qatar Investment Authority is an authority of the State of Qatar. It was founded in 2005 to strengthen the country's economy by diversifying into new asset classes. For further information please refer to Qatar Investment Authority's website at www.qia.qa.

Qatar Holding is a wholly-owned subsidiary of Qatar Investment Authority. Qatar Holding was established in the Qatar Financial Centre in Doha, Qatar on 4 April 2006 under registration number 0004. Qatar Holding is the prime vehicle for Qatar Investment Authority's strategic and direct investments.

Fullbloom Investment Corporation

FIC, a limited liability company incorporated in the People's Republic of China, is a wholly-owned subsidiary of CIC. CIC, established on 29 September 2007, is an investment institution established as a wholly state-owned company under the Company Law of the People's Republic of China and headquartered in Beijing.

CIC's fundamental approach is to hold, manage, and invest its mandated assets to maximise shareholder value. It operates with independence and its investment decisions are based on the pure economics of each deal. While every investment is unique, CIC believes in the importance of having a long-term vision and, as a result, it is committed to investing for the long-term. As a commercial investment institution, CIC seeks high financial returns within its accepted risk tolerance.

MS Shareholder Group

The MS Shareholder Group consists of entities managed by Morgan Stanley Real Estate Investing. Morgan Stanley Real Estate Investing is one of the largest real estate investment managers globally. Since 1991, it has acquired \$173.5 billion of real estate assets worldwide and currently manages \$70.4 billion in real estate assets on behalf of its clients.

One of the entities within the MS Shareholder Group is MSSS. MSSS is a limited partnership whose general partner is an affiliate of the MSRESS Funds and whose limited partner is FIC. The voting of the Ordinary Shares to be held by MSSS will be a matter for its general partner subject to prior consultation with FIC.

Glick Shareholder Group

The Glick Shareholders are investment vehicles and trusts connected with Simon Glick and his family. Simon Glick is a New York based professional investor who has invested both his and his family's capital for over four decades. Areas in which Mr. Glick invests include risk arbitrage, statistical arbitrage, special situations, undervalued securities, private equity, bank debt and real estate. Mr. Glick first invested in the Canary Wharf Group in 1995 when CWG was purchased by a consortium of international property investors. He subsequently invested in the Company, as part of another international consortium (including the MSRFF Funds and MSRESS Funds) in 2004.

12. Governance of Songbird following Admission

The relationship between the New Majority Shareholders and the Company will be governed by the New Shareholders Agreement and the New Articles.

Pursuant to the New Articles, there will be a maximum of 14 directors on the Board, appointed as follows, depending on the percentage shareholding held by each New Majority Shareholder (as appropriate):

- up to two independent directors;
- up to three appointed by FIC;
- up to three appointed by the Glick Shareholders;
- up to three appointed by Qatar Holding; and
- up to three appointed by the MS Shareholders.

The Independent Directors will be appointed by the Board by a two-thirds majority, subject to annual ratification by Ordinary Shareholders. All directors will be obliged to comply with their duties under English law (including their duty to promote the success of the Company for the benefit of all its Shareholders). Certain decisions of the Board will need to be approved by a Two-thirds Majority Approval. For further details, see Appendix II (*Summary of Final New Articles*) of this document and paragraph 11.3 of Part XI (*Additional Information*) of the Prospectus. Each of the New Majority Shareholders also has the right to appoint a representative to the executive committee of the Board, which, among other things, reviews the Company's budget and operating plan on a regular basis.

In addition, the New Majority Shareholders have certain veto rights over actions by the Company relating to its capital structure. For full details of the arrangements between the New Majority Shareholders and the Company, see Appendix II (*Summary of Final New Articles*) of this document and paragraphs 4 and 11.3 of Part XI (*Additional Information*) of the Prospectus.

On 18 September 2009, the Company announced that Tim Roberts, a director of the Company nominated by British Land, had stepped down from the Board with effect from that date. British Land has committed to support the Proposals but is not taking up its rights in full under the Placing and Compensatory Open Offer.

13. Description of Participation by Party Shareholders

Due to the participation by the Glick Shareholders and members of the MS Shareholder Group in the Placing and Compensatory Open Offer and related arrangements, all the Directors (other than David Pritchard) have

conflicts of interests in respect of certain aspects of the Proposals. These conflicts of interests arise in a number of ways, including as a result of certain members of the Glick Shareholders and the MS Shareholders being party to the contractual arrangements which underpin the Proposals.

One of the duties of a director is to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the company. However, in the case of the Company and as permitted by the 2006 Act, the Existing Articles give the power to non-conflicted directors to authorise conflicts of interests of other directors, with the required quorum for a meeting to consider any such authorisation being two non-conflicted directors. Only one non-conflicted director, David Pritchard, was present at the meetings relating to the Proposals, and so there was not the required quorum to authorise these conflicts of interest. Given the time constraints of the refinancing and the Company's financial position, the directors decided, having taken appropriate advice, that it would be in the Company's best interests for the conflicted directors to attend and vote on the resolutions regarding the Proposals. Any alternative approach would have resulted in delay which would have jeopardised the opportunity for the Company to pursue the Proposals.

The Company intends to address the conflicts of interests described above by proposing the following resolutions at the General Meeting:

- (i) Part 8 of the Transaction Resolution; and
- (ii) a resolution to ratify the steps taken by the Board prior to the date of the General Meeting in connection with the Proposals, the Citi Loan Repurchase and the CWG Share Purchase (including the entry into of the Shareholder Commitment Agreement, the Share Purchase Commitment Agreement and the New Facility Agreement).

Both resolutions will be conditions to the implementation of the Proposals.

Shareholders should also be aware that the effect of passing the Ratification Resolution would be to absolve the Directors of any personal liability arising out of their conflicts of interests in respect of the Proposals. As referred to above, the Board believes that it acted in the best interests of the Company and its Shareholders as a whole at all times.

Given Sam Levinson's interests in the SG Shares held by the Glick Shareholders, the Glick Shareholders are not entitled to vote on the Ratification Resolution.

Certain transactions entered into by the Company are related party transactions under the AIM Rules for Companies, because certain of the parties to those transactions are substantial shareholders in the Company (the MSREF Funds and the Glick Shareholders) or associates of a substantial shareholder (Qatar Holding and certain affiliates of the MSREF Funds and the Glick Shareholders). Together, the Related Party Shareholders currently hold, directly or indirectly, Shares representing, in aggregate, 72.2 per cent. of the voting rights attached to the total issued share capital of the Company. The related party transactions are:

- the Shareholder Commitment Agreement, including the conversion of the SG Shares into Ordinary Shares;
- the Share Purchase Commitment Agreement;
- the New Facility and the related Warrants;
- the Glick Underwriting Agreement;
- the Glick Subscription Agreement;
- the MSREF Subscription Agreement;
- the MSSS Subscription Agreement;
- the Qatar Holding Placing Letter;
- the Preference Share Subscription Agreement; and
- the Escrow Agreement (together, the "**Related Party Arrangements**").

The Directors, other than those associated with any of the Related Party Shareholders, having consulted with J.P. Morgan Cazenove (in its capacity as the Company's nominated adviser pursuant to the AIM Rules), have confirmed that they are satisfied that the terms of the other Related Party Arrangements are fair and reasonable insofar as the Shareholders are concerned.

The Company has been advised by MSI, J.P. Morgan Cazenove and Rothschild in relation to the Proposals.

14. General Meeting

A notice convening a General Meeting of the Company to be held at 10 Upper Bank Street, London E14 5JJ on 13 October 2009 at 10.00 a.m is set out at the end of this document at which the resolutions described below will be proposed.

In accordance with Article 73 of the Existing Articles, all voting at the General Meeting will be conducted on a poll.

(a) Transaction Resolution

Part 1(A) of the Transaction Resolution proposes that, the Existing Articles be amended by deleting the provisions of the Company's memorandum of association due to the implementation of the 2006 Act which treats these provisions as provisions of the articles of association. Part 1(B) of the Transaction Resolution proposes the adoption of the Interim New Articles, conditional on Admission, in substitution for the Existing Articles. Part 1(C) of the Transaction Resolution proposes the adoption of the Final New Articles. This will take effect immediately after the Interim Articles taking effect or, if later, the time when the consent of Class B Shareholders to the adoption of the Final New Articles is obtained at the Class Meeting. The reason for adopting two sets of articles of association is explained in paragraph 15 below. A description of the provisions of the New Articles is set out in Appendix II (*Summary of Final New Articles*) of this document and a summary of the differences between the Interim New Articles and the Final New Articles is set out in Appendix IV (*Differences between the Interim New Articles and the Final New Articles*). Appendix III (*Additional changes to Existing Articles*) of this document describes additional amendments to the Existing Articles included in both the Interim New Articles and the Final New Articles to reflect current law.

Part 2(A) of the Transaction Resolution proposes that, conditional on and with effect from Admission, each of the SG Shares be consolidated, subdivided and converted to result in 3,099,999,777 Ordinary Shares and 147,226,677 Deferred Shares. Part 2(B) of the Transaction Resolution proposes that, conditional on and with effect from Admission, each Class A Share and each Class B Share be subdivided and converted into one Ordinary Share and one Deferred Share. Part 2(C) of the Transaction Resolution proposes that any accrued rights to dividends of any class of Shares be waived save for the rights to any unpaid dividend on the SG Shares resolved to be paid by the Board on 24 September 2009.

Part 3 of the Transaction Resolution seeks authority for the Board, conditional on Admission, to allot Ordinary Shares up to an aggregate nominal amount of £63,000,000, Warrants to subscribe for Ordinary Shares up to an aggregate nominal amount of £3,000,000 and Preference Shares up to an aggregate nominal amount of £275,000,000 in order to allot the New Ordinary Shares, the Warrants and the Preference Shares for the purposes of the Proposals.

Part 4 of the Transaction Resolution proposes, conditional on Admission, to disapply statutory pre-emption rights in relation to the allotment of equity securities for cash in connection with the Proposals.

Part 5 of the Transaction Resolution seeks additional authority, in place of the authority granted by Shareholders on 10 June 2009, to allot equity securities, including Ordinary Shares, to Ordinary Shareholders *pro rata* to their existing holdings and to other equity security holders, of up to a nominal amount of £21,851,298.79. This represents approximately 33.3 per cent. of the Enlarged Share Capital.

Part 6 of the Transaction Resolution proposes additional disapplication of statutory pre-emption rights in respect of either an offer of equity securities to Ordinary Shareholders *pro rata* to their existing holdings and other equity security holders or on a non-pre-emptive basis. In relation to any offer on a non-pre-emptive basis, the disapplication is limited to equity securities up to a nominal amount of £3,277,694.82, which represents approximately 5 per cent. of the Enlarged Share Capital.

Part 7 of the Transaction Resolution proposes that, on 22 October 2009 (or such later date as the Board may determine), every 100 Ordinary Shares be consolidated into one Ordinary Share of 10 pence each with the same rights and restrictions as those attaching to an Ordinary Share of 0.1 pence each.

Part 8 of the Transaction Resolution approves the Proposals and seeks a general authority for the Board to take any action it considers necessary or desirable in connection with the Proposals notwithstanding any conflicts or potential conflicts of interest of any member of the Board. For further details of such conflicts, see paragraph 13 above.

(b) ***Ratification Resolution***

For the reasons described in paragraph 13 above, this resolution seeks the ratification of the steps taken by the Board prior to the date of the General Meeting in connection with the Proposals, the Citi Loan Repurchase and the CWG Share Purchase (including the entry into the Shareholders Commitment Agreement, the Share Purchase Commitment Agreement and the New Facility Agreement).

Given Sam Levinson's interests in the SG Shares held by the Glick Shareholders, the Glick Shareholders are not entitled to vote on the Ratification Resolution.

15. Class Meeting and Class Consents

A notice convening a Class Meeting of Class B Shareholders to be held at 10 Upper Bank Street, London E14 5JJ on 13 October 2009 at 10.15 a.m (or as soon thereafter as the General Meeting shall have concluded or been adjourned) is set out at the end of this document. At that meeting, Class B Shareholders will be asked to consent to the adoption of the Final New Articles. The Proposals are not conditional upon that consent being obtained.

Certain of the amendments to the Existing Articles which are contained in the Final New Articles vary the rights attaching to the Class B Shares without equally varying the rights attaching to the Class A Shares, and therefore require the consent of the Class B Shareholders to be given in accordance with the Existing Articles. In order not to inhibit or delay the Proposals in the event that such consent is not obtained prior to Admission (because, for example, the Class Meeting is adjourned through lack of a quorum), the Interim New Articles do not amend any of the provisions of the Existing Articles where such amendment may be a variation of the rights attaching to the Class B Shares without equally varying the rights attaching to the Class A Shares. The differences between the Final New Articles and the Interim New Articles are described in Appendix III of this document (*Additional Changes to Existing Articles*).

The resolution to be proposed at the Class Meeting must be passed by Class B Shareholders holding not less than two-thirds of the aggregate voting rights of the Class B Shares present in person or by proxy and entitled to vote on the resolution. The quorum at the Class Meeting is two Class B Shareholders present holding at least one-third in nominal value of the issued Class B Shares. If a quorum is not present at the Class Meeting it will be adjourned to 10.00 a.m. on 27 October 2009. At the adjourned meeting, the quorum will be one Class B Shareholder (which, following Admission, will be one Ordinary Shareholder). As any adjourned meeting is expected to take place following Admission when all of the existing issued share capital of the Company will have been renamed as, or converted into, Ordinary Shares, all Ordinary Shareholders (including holders of New Ordinary Shares) will be entitled to attend and vote at any adjourned Class Meeting. Proxies given for the Class Meeting will also be valid for any adjourned Class Meeting unless previously revoked or replaced. The latest time for the receipt of proxies for any adjourned Class Meeting will be 10.00 a.m. on 25 October 2009.

In addition, the adoption of the Final New Articles and the Interim New Articles will vary the class rights of the SG Shares, the Class A Shares and the Class B Shares in a manner which will (save as set out above) affect the holders of Class A Shares and Class B shares equally. Written consents to such variations have been obtained in accordance with the Existing Articles.

16. Action to be taken by shareholders

Forms of Proxy for use in connection with the General Meeting and the Class Meeting and an Application Form in relation to the Compensatory Open Offer are enclosed. Also enclosed is a Question and Answers booklet setting out the actions required from you in relation to the Proposals.

Whether or not you are able to attend the General Meeting or the Class Meeting in person, please complete and sign the Forms of Proxy in accordance with the instructions printed on the relevant form and return them to the Company's registrar, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and, in any event, no later than 10.00 a.m. on 11 October 2009 for the General Meeting and 10.15 a.m. on 11 October 2009 for the Class Meeting. Completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting or the Class Meeting, should you so wish.

If you are posting the Forms of Proxy and/or Application Form from within the United Kingdom, you can post the Forms of Proxy and the Application Form reply paid (in the case of the Application Form using the enclosed envelope). If you send your Forms of Proxy and/or Application Form by first class post within the United Kingdom, you are recommended to allow at least four business days for delivery.

If you have any questions on how to complete the Forms of Proxy or Application Form, you should contact the Shareholder Helpline on 0871 664 0321 from within the United Kingdom or on + 44 20 8639 3399 if calling from outside the United Kingdom. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open from 9.00 a.m. to 5.00 p.m. (London time) on a Business Day. Calls to the Shareholder Helpline from outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline will not be able to provide legal, tax or financial advice or to advise on the merits of the Compensatory Open Offer.

17. Recommendation

As referred to in paragraph 13, all of the directors (except David Pritchard) have conflicts of interests in respect of certain aspects of the Proposals. Notwithstanding this, as noted above, all of the directors took part in the discussions of the Board relating to the recommendations for the reasons explained in paragraph 13 above.

The Board considers that the Proposals and the approval of the Resolutions are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions and that holders of Class B Shares vote in favour of the resolution to be proposed at the Class Meeting.

Yours faithfully,


Chairman

APPENDIX I

SUMMARY OF CERTAIN AGREEMENTS

1. Shareholder Commitment Agreement

On 28 August 2009, the Company entered into the Shareholder Commitment Agreement with GF Investments, Qatar Holding, the MSREF Funds, the MSRESS Funds and CIC (acting on behalf of FIC) (the parties other than the Company, being together the “SCA Shareholders”). The Shareholder Commitment Agreement was subsequently amended and restated by an amendment and restatement agreement dated 24 September 2009 between the Company, the SCA Shareholders (other than CIC) and FIC.

1.1 *Escrow arrangements*

The SCA Shareholders (other than the MSRESS Funds) agreed to pay £150 million collectively in specified proportions into an escrow account in connection with the proposed purchase by the Company of the Existing Facility Agreement pursuant to the Citi Purchase Agreement.

Under the agreement, each SCA Shareholder has the option to fund its specified proportion of the Citi Deposit in dollars, rather than sterling. Where any SCA Shareholder has done this it is required to replace such dollar amount on or before 8 October 2009 with the appropriate amount of sterling as required by the terms of the escrow agreement which governs how the Citi Deposit is to be held in the escrow account.

If Admission occurs each SCA Shareholder (other than the MSRESS Funds) will with effect from Admission be deemed to have advanced a loan to the Company in the amount that it deposited with the escrow agent together with accrued interest. Where Admission does not occur, no loans will be deemed to have been advanced to the Company by the SCA Shareholders except where the funds deposited in escrow have been released to Citi as a consequence of a breach by an SCA Shareholder of its obligations under the Shareholder Commitment Agreement. In that case, a loan shall be deemed to have been advanced to the Company by each SCA Shareholder, save for the SCA Shareholder who is in breach of the agreement.

Where Admission has occurred, the obligation of the Company to repay the loan that is deemed to then arise will be offset against the obligation of each of the SCA Shareholders (other than the MSRESS Funds) to subscribe for Preference Shares pursuant to the Preference Share Subscription Agreement or New Ordinary Shares pursuant to the terms of the relevant Subscription Agreement.

If one or more of the SCA Shareholders (other than the MSRESS Funds) purchase the Existing Facility Agreement following assignment of the Company’s right to purchase the Existing Facility Agreement, the escrow funds will be applied towards that purchase, with any SCA Shareholder not participating in that purchase forfeiting its rights in respect of any escrow funds that it advanced.

1.2 *The Company and SCA Shareholder commitments*

Subject to Admission occurring before 5.00 p.m. on 14 October 2009, the Company has undertaken to implement the Citi Loan Repurchase on the terms set out in the Citi Purchase Agreement.

Each SCA Shareholder undertook to use its best endeavours to implement the proposed refinancing and the Placing and Compensatory Open Offer by the Company on a basis consistent with the arrangements contemplated by certain term sheets entered into between them and the Company (or on such other basis as agreed in the Placing Letters, Subscription Agreements, New Articles, the Glick Underwriting Agreement and the New Shareholders Agreement, the terms set out in the Prospectus and set out in other documents relating to the Proposals), and agreed to exercise all of its rights as a Shareholder, and to procure that each of its nominee directors on the Board exercise their rights as a director (subject to fiduciary duties), in order to fully implement the same. Each SCA Shareholder also undertook to provide all necessary waivers and other approvals required from it to permit the shareholder loans referred to in paragraph 11.5.1 of Part XI of the Prospectus to be made.

The term sheets referred to above set out the basis on which the refinancing and the Placing and Compensatory Open Offer should be conducted, including setting out the structure and size of the Placing and Compensatory Open Offer and the Offer Price. The term sheets also set out the maximum number of New Ordinary Shares which each SCA Shareholder should subscribe for in the Placing and Compensatory Open Offer and contain details of the Capital Reorganisation, including the proposed conversion of the SG Shares into Ordinary Shares on a basis which reflects the SG Shares' preferred capital rights. These term sheets were subsequently amended by the Share Purchase Commitment Agreement (further details of which are set out below).

Unless (i) by 5.00 p.m. on 14 October 2009 either Admission has occurred or (ii) the Company or one of its affiliates has purchased the Existing Facility Agreement by that time, the Company shall automatically be deemed to have assigned all of its rights under the Citi Purchase Agreement to the SCA Shareholders. Each SCA Shareholder must then fund the acquisition of the Existing Facility Agreement from Citi in the specified proportions (after taking into account any escrow funds it has advanced). If any SCA Shareholder fails to fund its specified proportion of the acquisition, any other SCA Shareholder may fund the shortfall, provided that if more than one SCA Shareholder wishes to fund the shortfall such amount shall be funded *pro rata* to each relevant SCA Shareholder's specified proportion. The SCA Shareholder(s) who funds the shortfall shall share in the portion initially paid to the escrow account by the SCA Shareholder which has failed to fund the acquisition.

Separately, if GF Investments is required to make any payment to The British Land Company PLC under the British Land Agreement or the Whitehall 2001 Funds Agreement, Qatar Holding and FIC shall reimburse GF Investments for their specified proportion of such payment.

If any SCA Shareholder fails to make a due payment under the Shareholder Commitment Agreement, they shall pay on demand to the other SCA Shareholders, in the specified proportions, a sum equal to the amount unpaid as liquidated damages.

2. CWG Share Purchase Agreement

On 17 September 2009, Songbird Finance entered into the CWG Share Purchase Agreement with Commerzbank AG under which Songbird Finance agreed to purchase from Commerzbank AG 54,007,620 CWG Shares (the "**Acquisition Shares**").

Songbird Finance will pay total consideration of £112.5 million to Commerzbank AG for the Acquisition Shares which will be transferred to Songbird Finance with full title guarantee and with all rights attaching to them, and free of all charges and encumbrances over them.

Subject to Commerzbank AG having proved to Songbird Finance's satisfaction that it is the registered legal owner of the Acquisition Shares (unless Songbird Finance and Commerzbank AG waive, by written agreement between themselves, the need to fulfil this condition), Songbird Finance may elect any Business Day from the date of satisfaction or waiver of this condition, up to (and including) 20 October 2009, as the date of purchase. If Songbird Finance fails to specify a date within this period, the purchase shall not take place and neither Songbird Finance nor Commerzbank AG shall have any obligation to complete the purchase.

Instead of acquiring the Acquisition Shares itself, Songbird Finance may, without the consent of Commerzbank AG, assign its rights and obligations under the agreement to any of its wholly-owned subsidiaries or one or more of Qatar Holding, GF Investments and FIC. An assignee may, by written notice of Songbird Finance to Commerzbank AG, be replaced by any one of that assignee's affiliates. Any such assignment is conditional upon all relevant assignees satisfying Commerzbank AG's know your client checks and receipt of an undertaking from each of them to perform all of Songbird Finance's obligations under the agreement.

A total of £20 million has been placed in escrow by GF Investments as a deposit to meet in part Songbird Finance's obligation to pay the purchase price. If the purchase does not proceed as intended (other than as a result of a breach by Commerzbank AG of its obligations under the agreement or the condition referred to above not being satisfied or waived), the deposit shall be transferred to Commerzbank AG for its own

account. This shall be the only remedy available to Commerzbank AG under the agreement, should the purchase not occur.

3. Share Purchase Commitment Agreement

On 17 September 2009 the Company, Songbird Finance, GF Investments, Qatar Holding, the MSREF Funds, the MSRESS Funds and CIC entered into certain arrangements in connection with the CWG Share Purchase.

GF Investments has advanced £20 million to be held in escrow pursuant to the terms of the CWG Share Purchase Agreement and an associated escrow agreement. Subject to Admission occurring, this amount shall be deemed to be a loan to the Company for the principal sum of £20 million plus interest accrued up to the date of Admission. If such loan is advanced, GF Investments' obligations to subscribe for New Ordinary Shares under the Glick Subscription Agreement shall be offset against the Company's obligation to repay that debt. If, however, following Admission, the sum in escrow is transferred to GF Investments, GF Investments undertakes to pay such sum to the Company as soon as possible.

Unless (i) Admission has occurred by 5.00 p.m. on 14 October 2009 or (ii) by that time the CWG Share Purchase under the CWG Share Purchase Agreement has occurred, Songbird Finance shall be deemed automatically to have assigned all of its rights under that agreement to GF Investments, Qatar Holding and CIC (or one of their nominated assignees) (together the "**Acquiring Shareholders**"). Each Acquiring Shareholder must then fund the acquisition of the CWG Shares from Commerzbank AG in the specified proportions. If any Acquiring Shareholder fails to fund its specified proportion of the acquisition, any other Acquiring Shareholder may fund the shortfall, provided that if more than one Acquiring Shareholder wishes to fund the shortfall such amount shall be funded *pro rata* to each relevant Acquiring Shareholder's specified proportion.

If, other than by reason of a breach by Commerzbank of its obligations, neither Admission nor the CWG Share Purchase have occurred by 5.00 p.m. on 14 October 2009 then each Acquiring Shareholder shall refund to GF Investments a specified amount of the sum held in escrow.

If Qatar Holding, CIC or GF Investments fails to make a due payment under the CWG Share Purchase Agreement, they shall pay on demand to the other Acquiring Shareholders, in the specified proportions, a sum equal to the amount unpaid as liquidated damages. GF Investments shall be entitled to recover any such sum in priority to the claims of any other Acquiring Shareholder.

Any Acquiring Shareholder shall be entitled to serve written notice on the Company requiring it, or one of its wholly-owned subsidiaries, to purchase any CWG Shares which such Acquiring Shareholder has acquired from Commerzbank AG following the assignment of Songbird Finance's rights under the CWG Share Purchase Agreement. The price to be paid for such purchase shall be the price per share paid by the Acquiring Shareholder to Commerzbank AG. Such notice must be delivered by no later than the 30th calendar day following the acquisition by the Acquiring Shareholder of any Acquisition Shares.

The parties agreed that the commitments by Qatar Holding, CIC, GF Investments, the MSREF Funds and the MSRESS Funds to participate in the Placing and Compensatory Open Offer as originally contained in the Shareholder Commitment Agreement be amended, in part to reflect increased commitments by Qatar Holding, CIC and GF Investments in order to fund, in part, the CWG Share Purchase.

4. Placing Letters

In connection with the Joint Bookrunners' obligations to use reasonable endeavours to procure places for the New Ordinary Shares pursuant to the Placing Agreement, the Joint Bookrunners, as agents of the Company, have entered into a Placing Letter with each of FIC and Qatar Holding. Pursuant to the terms of the Placing Letters each of FIC and Qatar Holding has:

- (A) agreed to acquire such number of firm placed New Ordinary Shares as are set out in paragraph 3.2 of Part I (*Information on the Placing and Compensatory Open Offer*) of the Prospectus;
- (B) agreed to acquire in aggregate up to a maximum of 3,900,338,116 New Ordinary Shares (in the case of Qatar Holding) and 9,951,635,315 New Ordinary Shares (in the case of FIC) for which valid

applications from Qualifying Shareholders are not received and which are not taken up in the Rump Placing; and

(C) given customary representations, warranties and undertakings to the Joint Bookrunners.

Pursuant to the Placing Letters, the Company has agreed to pay to each of Qatar Holding and FIC a commission of three per cent. of the value of the maximum number of New Ordinary Shares set out above and which FIC and Qatar Holding have agreed to take. An amount equal to this commission is deducted from the consideration payable by Qatar Holding and FIC under the Preference Share Subscription Agreement.

5. Glick Subscription Agreement

On 24 September 2009, the Company and GF Investments entered into the Glick Subscription Agreement for the issue of 12,600,260,462 New Ordinary Shares for a total consideration of £126 million. The consideration payable by GF Investments is reduced by the amounts GF Investments contributed to the Citi Deposit and the Commerzbank Deposit.

The Glick Subscription Agreement is conditional on the Placing Agreement and the Preference Share Subscription Agreement becoming unconditional in all respects (save for any condition in the Placing Agreement or the Preference Share Subscription Agreement relating to the Glick Subscription Agreement having become unconditional) by 5.00 p.m. on 14 October 2009. If the condition is not satisfied by this time, the Glick Subscription Agreement terminates.

The Company has provided customary warranties to GF Investments under the Glick Subscription Agreement. GF Investments has committed not to (other than to affiliates) sell, transfer or grant an encumbrance over any New Ordinary Shares subscribed for under the Glick Subscription Agreement for a period of six months from Admission.

The New Ordinary Shares have the rights set out in the New Articles as described in paragraph 4 of Part XI (*Additional Information*) of the Prospectus.

6. MSREF Subscription Agreement

On 24 September 2009, the Company and the MSREF Funds entered into the MSREF Subscription Agreement for the issue of 3,056,547,509 New Ordinary Shares for a total consideration of £30.6 million. The consideration payable by the MSREF Funds is reduced by the amount the MSREF Funds contributed to the Citi Deposits. The MSREF Funds have also given an irrevocable undertaking under the MSREF Subscription Agreement to accept or procure the acceptance of the Compensatory Open Offer in respect of the 5,459,023 Class B Shares to be offered.

The MSREF Subscription Agreement is conditional on the Placing Agreement and the Preference Share Subscription Agreement becoming unconditional in all respects (save for any condition in the Placing Agreement or the Preference Share Subscription Agreement relating to the MSREF Subscription Agreement having become unconditional) by 5.00 p.m. on 14 October 2009. If the condition is not satisfied by this time, the MSREF Subscription Agreement terminates.

The Company has provided customary warranties to the MSREF Funds under the MSREF Subscription Agreement. The MSREF Funds have committed not to (other than to affiliates) sell, transfer or grant an encumbrance over any New Ordinary Shares subscribed for under the MSREF Subscription Agreement for a period of six months from Admission.

The New Ordinary Shares have the rights set out in the New Articles as described in paragraph 4 of Part XI (*Additional Information*) of the Prospectus.

7. MSSS Subscription Agreement

On 24 September 2009, the Company and MSSS entered into the MSSS Subscription Agreement for the subscription of 2,109,118,629 New Ordinary Shares for a total consideration of £21.1 million. Under the MSSS Subscription Agreement, MSSS has also agreed to subscribe for up to 370,360,633 New Ordinary

Shares which valid applications from Qualifying Shareholders are not received and which are not taken up in the Rump Placing or by Qatar Holding or FIC under the Placing Letters.

The MSSS Agreement is conditional on the Placing Agreement and the Preference Share Subscription Agreement becoming unconditional in all respects (save for any condition in the Placing Agreement or the Preference Share Subscription Agreement relating to the MSSS Subscription Agreement having become unconditional) by 5.00 p.m. on 14 October 2009. If the Condition is not satisfied by this time, the MSSS Agreement terminates.

The Company has provided customary warranties to MSSS under the MSSS Subscription Agreement. MSSS has committed not to (other than to affiliates) sell, transfer or grant an encumbrance over any New Ordinary Shares subscribed for under the MSSS Subscription Agreement for a period of six months from Admission.

The New Ordinary Shares have the rights set out in the New Articles as described in paragraph 4 of Part XI (*Additional Information*) of the Prospectus.

8. Glick Underwriting Agreement

On 24 September 2009, the Company and Chichester Fund Limited entered into the Glick Underwriting Agreement. Under the Glick Underwriting Agreement, Chichester Fund Limited has agreed to subscribe for up to 1,900,000,000 New Ordinary Shares for which valid applications from Qualifying Shareholders are not received and which are not taken up in the Rump Placing or by Qatar Holding or FIC under the Placing Letters.

The Glick Underwriting Agreement is conditional on the Placing Agreement and the Preference Share Subscription Agreement becoming unconditional in all respects (save for any condition in the Placing Agreement or the Preference Share Subscription Agreement relating to the Glick Underwriting Agreement having become unconditional) by 5.00 p.m. on 14 October 2009. If the Condition is not satisfied by this time, the Glick Underwriting Agreement terminates.

The Company has provided customary warranties to Chichester Fund Limited under the Glick Underwriting Agreement. Chichester Fund Limited has committed not to (other than to affiliates) sell, transfer or grant an encumbrance over any New Ordinary Shares subscribed for under the Glick Underwriting Agreement for a period of six months from Admission.

A commission of three per cent. of the value of the maximum number of New Ordinary Shares for which Chichester Fund Limited has undertaken to subscribe for (being £570,000) is payable by the Company to Chichester Fund Limited under the terms of the Glick Underwriting Agreement. The consideration payable by Chichester Fund Limited is reduced by the amount of the consideration payable to Chichester Fund Limited.

The New Ordinary Shares have the rights set out in the New Articles as described in paragraph 4 of Part XI (*Additional Information*) of the Prospectus.

9. Preference Share Subscription Agreement

On 24 September 2009, the Company, Qatar Holding and FIC entered into a subscription agreement for the issue of 275 million Preference Shares at £1 per Preference Share for an aggregate consideration of £275 million. Under the Preference Share Subscription Agreement, Qatar Holding agreed to subscribe for 150 million Preference Shares for a total consideration of £150 million and FIC agreed to subscribe for 125 million Preference Shares for a total consideration of £125 million. The Preference Share Subscription Agreement is conditional on the Placing Agreement, the Subscription Agreements and the Glick Underwriting Agreement becoming unconditional in all respects (save for any condition in those agreements relating to the Preference Share Subscription Agreement having become unconditional) by 5.00 p.m. on 14 October 2009. If this condition is not satisfied by this time, the Preference Share Subscription Agreement terminates.

The Company has provided customary warranties to Qatar Holding and FIC under the Preference Share Subscription Agreement. A commission of two per cent. of Qatar Holding's and FIC's subscription amount is payable under the Preference Share Subscription Agreement therefore being £3 million in the case of Qatar Holding and £2.5 million in the case of FIC. The consideration payable by Qatar Holding and FIC is reduced by the amount Qatar Holding and FIC each contributed to the Citi Deposit and the commission due to each of them under the Placing Letters and the Preference Share Subscription Agreement.

Under the Preference Share Subscription Agreement, Qatar Holding and FIC have committed not to sell, transfer or grant an encumbrance over any New Ordinary Shares subscribed for under the Placing Letters for a period of six months from Admission (except to entities wholly owned by the Qatar Investment Authority in the case of Qatar Holding or to entities wholly owned by CIC in the case of FIC).

The Preference Shares have the rights set out in the New Articles as described in Appendix II (*Summary of Final New Articles*) of this document.

10. Escrow Agreement

On 24 September 2009, the Company, J.P. Morgan Cazenove as escrow agent (the "**Escrow Agent**"), the Joint Bookrunners, Qatar Holding, FIC, the MSREF Funds, MSSS, GF Investments II, LLC and Chichester Fund Limited, entered into the Escrow Agreement. Under the terms of the Escrow Agreement, Qatar Holding committed to deposit £290.9 million, FIC committed to deposit £274.5 million, the MSREF Funds committed to deposit £26.7 million, MSSS committed to deposit £24.8 million, GF Investments II, LLC committed to deposit £56 million and Chichester Fund Limited committed to deposit £18.4 million into escrow in relation to the Placing and Compensatory Open Offer and the Subscription for the Preference Shares by Qatar Holding and FIC. These deposits represent (net of commissions and their proportion of the Deposits):

- (A) Qatar Holding's and FIC's maximum commitments to subscribe for New Ordinary Shares under the Placing Letters and to subscribe for the Preference Shares under the Preference Share Subscription Agreement;
- (B) GF Investments' commitment to subscribe for New Ordinary Shares under the Glick Subscription Agreement;
- (C) MSREF's commitment to subscribe for New Ordinary Shares under the MSREF Subscription Agreement;
- (D) MSSS's maximum commitment to subscribe for New Ordinary Shares under the MSSS Subscription Agreement; and
- (E) Chichester Fund Limited's maximum commitment to subscribe for New Ordinary Shares under the Glick Underwriting Agreement.

The deposits made under the Escrow Agreement will be released to the Company immediately on Admission. Under the Escrow Agreement, amounts deposited by Qatar Holding, FIC, MSSS and Chichester Fund Limited may be returned to them to the extent that the relevant party is not required to subscribe for the maximum number of shares which it has agreed to subscribe for under the Placing Letters, MSSS Subscription Agreement or the Glick Underwriting Agreement (as applicable).

Under the Escrow Agreement, if Admission has not occurred by 5.00 p.m. on 14 October 2009 (or by such later time as may be agreed for satisfaction of the condition relating to Admission contained in the Placing Agreement in accordance with the terms of that Agreement), the monies deposited under the terms of the Escrow Agreement will be returned to each of the parties.

11. New Facility Agreement

(A) Background

On 24 September 2009, the Company, Songbird Finance, Songbird Newco and Songbird Acquisition entered into the New Facility Agreement in respect of a £135 million term loan with Chichester Fund

Limited, MSREF Special, MSREF-T, MSREF-TE, MSREI and affiliates of Qatar Holding and CIC, as lenders. The facility has an initial term of 364 days with the option to extend, subject to certain conditions, for a further 364 day term.

(B) *Purpose*

The New Facility is to be used for Songbird Finance's general corporate purposes as well as to fund (directly or indirectly) in part the Citi Loan Repurchase and the CWG Share Purchase.

(C) *Security*

The New Facility Agreement obliges the Company and Songbird Finance to grant security over substantially the same assets as those securing the Existing Facility Agreement, and Songbird Acquisition and Songbird Newco to enter into a debenture in an agreed form within 10 business days of first utilisation. Failure to comply with this obligation within the required time will result in a 5 per cent. per annum interest step up until the security is put in place.

The security granted by the Company and Songbird Finance will rank behind the security granted under the Existing Facility Agreement, which remains in place for the benefit of the lender(s) under the Existing Facility Agreement and Citi as hedge counterparty under the Hedging Agreement, until the Hedging Agreement terminates in May 2010.

(D) *Pricing*

During the initial 364 day term of the New Facility Agreement, interest is payable at a rate of 7 per cent. per annum. If the extension option is utilised, the interest payable will increase by 1.5 per cent. per annum.

In addition, Songbird Finance has agreed to pay an arrangement fee of 2 per cent. of the total commitments from the proceeds of the first drawdown under the New Facility. Interest will accrue on the arrangement fee at the rate of 7 per cent. per annum from the date of the agreement until the fee is paid. In addition, a 0.5 per cent. early termination fee is payable in certain circumstances.

An extension fee of 1 per cent. on the available commitment and drawn amounts at that time is payable upon the exercise of the extension option.

(E) *Repayment and prepayment*

Songbird Finance is permitted to make voluntary prepayments of a minimum of £100,000 on at least ten business days' prior notice.

The New Facility Agreement also obliges Songbird Finance to prepay certain amounts (which cannot be redrawn) on the occurrence of specified events:

- (i) the receipt of any distributions from CWG, subject to retention of certain permitted amounts;
- (ii) the sale of substantially all of the assets of the Songbird Group or the Canary Wharf Group; and
- (iii) the occurrence of a change of control of either the Company, Songbird Finance or CWG.

(F) *Loan-to-value ratio*

The New Facility Agreement contains no financial covenants other than a loan-to-value ratio tested at the Songbird Entities level which is one of the conditions that determines whether the New Facility may be extended for a further 364 days. For extension to be permitted, Songbird Finance's net debt must be no greater than 92.5 per cent. of Songbird Finance's share of Canary Wharf Group's net asset value. The loan-to-value is not tested at any other time and is not used for any other purpose.

(G) *Undertakings and events of default*

The New Facility Agreement contains customary undertakings and events of default including regarding certain matters relating to the Canary Wharf Group.

On and at any time following the occurrence of an event of default which is continuing, the majority lenders may cancel any part of the total commitments; declare all or part of the New Facility due and payable; and/or declare that all of the New Facility be payable upon demand and or enforce all or any part of their security in relation to the New Facility.

12. Warrant Instrument

The Company has entered into a Warrant Instrument dated 24 September 2009, pursuant to which it has agreed to issue two tranches of Warrants to the original lenders under the New Facility Agreement in certain circumstances.

The first tranche of Warrants (over 2,127,333,334 Ordinary Shares) will be issued on the date of first utilisation under the New Facility Agreement (if utilisation occurs).

The second tranche of Warrants (709,333,334) will be issued if:

- (i) following a period of two months after the date of first utilisation under the New Facility Agreement funds or commitments remain outstanding under the New Facility Agreement; or
- (ii) the amount drawn under the New Facility Agreement exceeds £101,250,000.

Each Warrant is exercisable into one Ordinary Share of the Company, at an exercise price of £0.015.

The Warrants are freely transferable (subject to certain securities law restrictions) and can be exercised at any time in the three-year period following first utilisation of the New Facility Agreement. The Warrant Instrument contains anti-dilution and adjustment provisions.

APPENDIX II

SUMMARY OF FINAL NEW ARTICLES

1. New Articles

The Final New Articles contain, among other things, provisions to the following effect.

1.1 *Limited liability*

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares in the Company held by them.

1.2 *Rights attached to Shares*

Subject to other Shareholders' rights and as otherwise set out in the Final New Articles, the Company may issue Shares with such rights and restrictions as it may by ordinary resolution decide, or (if there is no such resolution or so far as it does not make specific provision) as the Board with Two-thirds Majority Approval may decide. The Company may issue redeemable Shares subject to such terms, conditions and manner of redemption as the Board with Two-thirds Majority Approval may determine.

1.3 *Voting rights*

Each Ordinary Share will have one vote on a poll at any general meeting of the Company. The holders of Preference Shares shall not be entitled to receive notice of or to attend or vote at any general meeting of the Company. A Deferred Share shall not entitle the holder to receive notice of or to attend or vote at any general meeting of the Company.

1.4 *Dividends*

(A) *Preference Shares*

Holders of Preference Shares will be entitled to receive, in priority to any payment by way of dividend or other distribution to the holders of any other class of Shares (save as set out below in respect of the SG Dividend Agreement), a fixed cumulative preferential dividend of 2.50 per cent. per three calendar months accruing from day-to-day to be calculated on the basis of a 30 day calendar month. Dividends will be payable on the Preference Shares quarterly in arrear on the first business day of January, April, July and October. The Board may resolve in advance of the payment of a dividend accruing on the Preference Shares other than a dividend payable in January that such dividend shall not be payable. Any dividends not paid pursuant to such a resolution shall become payable on the next quarterly payment date falling in January. Any dividends not paid on the relevant quarterly payment date (whether or not due to be paid) will continue to accrue daily and will compound quarterly on each quarterly payment date at 2.50 per cent. per three calendar months.

The preferential dividend rights attaching to the Preference Shares are subject to an exception in respect of the right of any person to receive a dividend on the terms set out in the SG Dividend Agreement.

(B) *Deferred Shares*

A Deferred Share shall not entitle the holder to receive any dividend or other distribution.

(C) *Other dividends*

Subject to the rights attaching to the Preference Shares, the Company may, by ordinary resolution, from time to time declare dividends not exceeding the amount recommended by the Board (with Two-thirds Majority Approval). The Board may pay such interim dividends or

distributions as appear to the Board to be justified by the financial position of the Company (with Two-thirds Majority Approval). Subject to the rights attaching to the Preference Shares, the Board may pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of the Company, in the opinion of the Board, justifies its payment (with Two-thirds Majority Approval).

(D) *Restrictions relating to dividends, other distributions and redemptions*

The making, declaration or payment of any distribution in respect of any Share (other than a Preference Share and other than in accordance with the terms of the SG Dividend Agreement) is deemed to be a variation of the rights attaching to the Preference Shares. In addition, no dividend or other distribution may be declared or paid, or deemed to be declared or paid, to the extent prohibited by the Final New Articles or any legal or regulatory restriction or by the terms of any of the Company's financing documents by which the Company is bound, or (in the case of payment) if the Company has insufficient available cash flows for that purpose. Any such restriction will not prevent any dividend or other distribution from accruing or compounding.

1.5 *Liquidation or sale of the Company*

- (A) On: (i) a liquidation, dissolution or winding-up of the Company; (ii) the consolidation of the Company with, or the merger of the Company into, any other person (subject to certain excepted transactions); or (iii) the sale, lease or other disposition, in a single transaction or in a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries (taken as a whole) to any person(s), the assets of the Company available for distribution or, as appropriate, the consideration payable to the Shareholders in respect of the transaction, shall be distributed first in the payment to each holder of a Preference Share (before the payment of any amount to the holder of any other class of Shares in the Company), of an amount equal to the amount paid up on that Share plus an amount equal to all accrued and unpaid dividends in respect of that Share.
- (B) A Deferred Share shall entitle the holder on a return of assets on a winding up of the Company (but not otherwise) only to repayment of the amount paid up or credited as paid up on each Deferred Share after payment in respect of each Ordinary Share of the capital paid up or credited as paid up on such Share of £100 million in respect of each such Share.

1.6 *Transfer of Shares*

- (A) Shares are freely transferable.
- (B) The Shares are in registered form.
- (C) Any Ordinary Shares may be held in uncertificated form and, subject to the Final New Articles, title to uncertificated Shares may be transferred by means of CREST. Provisions of the New Articles do not apply to any uncertificated Shares to the extent that such provisions are inconsistent with the holding of Shares in uncertificated form or with the transfer of Shares by means of CREST.
- (D) Subject to the Final New Articles, any member may transfer all or any of his certificated Shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer must be executed by or on behalf of the transferor and (in the case of a partly paid Share) the transferee.
- (E) The transferor of a Share is deemed to remain the holder until the transferee's name is entered in the register.
- (F) The Board may, in its absolute discretion and without giving any reason, decline to register any transfer of any Share which is not a fully paid Share. The Board may also decline to register a transfer of a certificated Share unless the instrument of transfer:

- (i) is duly stamped and accompanied by the relevant Share certificate and such other evidence of the right to transfer as the Board may reasonably require;
 - (ii) is in respect of only one class of Share; and
 - (iii) if to joint transferees, is in favour of not more than four such transferees.
- (G) Registration of a transfer of an uncertificated Share may be refused in the circumstances set out in the CREST Regulations and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated Share is to be transferred exceeds four.

1.7 **Consolidation and subdivision of Shares**

Any resolution authorising the Company to subdivide any of its Shares may determine that, as between the Shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others. Whenever as a result of consolidation, consolidation and sub-division or sub-division of Shares any Shareholders would become entitled to fractions of a Share, the Board may deal with the fractions as it thinks fit.

1.8 **Variation of rights**

- (A) Subject to the provisions of the Acts, all or any of the rights attached to any existing class of Shares (or any special rights attaching to some only of the Shares of any class) may be varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued Shares of that class (excluding any Shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of those Shares.
- (B) Each of the following is deemed to be a variation of the rights attaching to the Preference Shares:
- (i) the making, declaration or payment of any dividend or other distribution (other than in respect of the right of any person to receive a dividend on the terms set out in the SG Dividend Agreement) in respect of any Share (other than a Preference Share);
 - (ii) the variation of the rights attaching to any other class of Share which is adverse to the rights of the holders of the Preference Shares;
 - (iii) the allotment or issue of any Share, any of the economic terms of which rank *pari passu* with or in priority to the Preference Shares;
 - (iv) the allotment or issue of any Share, any of the economic terms of which are more favourable to the holders thereof than the terms of the Preference Shares;
 - (v) the allotment or issue of further Preference Shares which, when aggregated with the Preference Shares in issue immediately following the Issue Date, are paid-up in aggregate in an amount in excess of £375 million;
 - (vi) the purchase by the Company of any Preference Share; and
 - (vii) the incurrence by the Company of Indebtedness which, when aggregated with all other Indebtedness of the Company, exceeds £300 million.

1.9 **General meetings**

The Board must convene a general meeting as soon as is practicable upon a requisition made by any of the New Majority Shareholders. General meetings may not take place on a weekend or on a Holiday. A quorate general meeting requires the presence in person or by proxy of at least two New Majority Shareholders.

1.10 *Matters requiring consent of each New Majority Shareholder Group*

Each of the following requires the consent of each New Majority Shareholder Group (save in relation to any New Majority Shareholder Group which has ceased to be entitled to designate a Shareholder Director):

- (A) any variation of the rights attaching to the Ordinary Shares (including the dividend rights attached to such Shares);
- (B) any variation of the rights attaching to any class of Share (other than the Ordinary Shares) which adversely affects the rights attaching to the Ordinary Shares;
- (C) the Company redeeming or repurchasing (or otherwise reducing) any Ordinary Shares or any Shares (other than the Deferred Shares) ranking *pari passu* with, or junior to, the Ordinary Shares (other than in accordance with the rights attaching to any Share in the Company);
- (D) altering the Final New Articles;
- (E) altering the constitutional documents of any subsidiary of the Company (save where such subsidiary is not a Controlled Subsidiary and is not a direct subsidiary of the Company or of a Controlled Subsidiary and provided that the Company has endeavoured to prevent such alteration);
- (F) the Company or any of its subsidiaries entering into any transaction not contemplated by the budget and operating plan approved by the Board from time to time or entering into any such transaction on terms which are materially different to those contemplated by such budget and operating plan (other than a transaction in accordance with the rights attaching to any class of Share and save for any transaction entered into by a subsidiary which is not a Controlled Subsidiary and provided that the Company has endeavoured to prevent such transaction being entered into) that will result in adverse tax consequences for the relevant New Majority Shareholder;
- (G) the sale of all or substantially all of the assets of the Company (except as contemplated by the budget and operating plan approved by the Board from time to time (and, where any terms for such sale were contemplated in that budget and operating plan, on terms which are not materially different to those contemplated)) or the sale of any shares in a subsidiary by the Company or by a Controlled Subsidiary, including shares in CWG;
- (H) the grant of any right to subscribe for, or to convert any security into, shares in any of the Company's subsidiaries save where that subsidiary is not a Controlled Subsidiary and provided that the Company has endeavoured to prevent the grant of such right; and
- (I) the issue of any share by any of the Company's subsidiaries (excluding the issue of any share arising pursuant to the grant of any right to subscribe for, or to convert any security into, shares) save where that subsidiary is not a Controlled Subsidiary and provided that the Company has endeavoured to prevent such issue.

1.11 *Pre-emption rights*

- (A) Statutory pre-emption rights are extended to apply, save with the consent of each New Majority Shareholder Group, to issues of equity securities allotted wholly or partly paid up otherwise than in cash.
- (B) Any non-equity securities allotted by the Company must, save with the consent of the holders of Preference Shares, first be offered to the holders of Preference Shares on a pre-emptive basis.

1.12 *Redemption of Preference Shares*

- (A) Each Preference Share is redeemable:
- (i) at the option of the Company from the date falling two years after the Issue Date; or
 - (ii) at the option of the holder from the date falling five years after the Issue Date,
- in each case following service of a redemption notice.
- (B) If a redemption notice is served on the Company by a holder of Preference Shares as set out in paragraph 1.12(A) of this Appendix II on any date falling prior to the date falling seven years after the Issue Date, the Company may elect not to redeem the relevant Preference Share(s) (or some of them). If it so elects then:
- (i) if the relevant redemption notice is served on the Company on a date falling before the sixth anniversary of the Issue Date:
 - (a) the preferential dividend in respect of each Preference Share included in the redemption notice shall increase to 3.25 per cent. per quarter for the period commencing on the date immediately following the date of service on the Company of the relevant redemption notice and ending on the earlier of (x) the sixth anniversary of the Issue Date and (y) the date of redemption of that Preference Share; and
 - (b) the preferential dividend in respect of each Preference Share included in the redemption notice shall, unless that Preference Share is redeemed on or before the sixth anniversary of the Issue Date, increase to 3.75 per cent. per quarter for the period commencing on the date immediately following the sixth anniversary of the Issue Date and ending on the earlier of (x) the seventh anniversary of the Issue Date and (y) the date of redemption of that Preference Share; and
 - (ii) if the relevant redemption notice is served on the Company on a date falling on or after the sixth anniversary, but before the seventh anniversary, of the Issue Date, the preferential dividend in respect of each Preference Share included in the redemption notice shall increase to 3.75 per cent. per quarter for the period commencing on the date immediately following the date of service on the Company of the relevant redemption notice and ending on the earlier of (x) the seventh anniversary of the Issue Date and (y) the date of redemption of that Preference Share.
- (C) In addition, each holder of Preference Shares is entitled to require the Company to redeem such number of Preference Shares held by that holder having an Aggregate Redemption Value of £x on any date falling prior to the date falling seven years after the Issue Date, if the aggregate Indebtedness of the Company on that date exceeds the Maximum Indebtedness Amount, where:
- (i) the “**Aggregate Redemption Value**” of any Preference Shares means the aggregate redemption payment which would be payable in respect of those Preference Shares if they were to be redeemed on the date of service of such redemption notice;
 - (ii) the “**Maximum Indebtedness Amount**” means an amount equal to £300 million plus the aggregate of all redemption payments paid by the Company on or prior to the date of service of such redemption notice;
 - (iii) $x = \frac{y}{t}xz$
 - (iv) y equals the Aggregate Redemption Value of the Preference Shares held on the date of service of such redemption notice by that Shareholder;

- (v) t equals the Aggregate Redemption Value of all the Preference Shares in issue on that date; and
- (vi) z equals the aggregate Indebtedness of the Company on that date less the Maximum Indebtedness Amount.

1.13 *Disclosure of interests in Shares*

- (A) Subject to the rules of the London Stock Exchange, if a Shareholder, or any other person appearing to be interested in Shares held by that Shareholder, has been served notice under section 793 of the 2006 Act and has failed in relation to any Shares (the “**Default Shares**”), then the following sanctions apply unless the directors of the Company determine otherwise:
 - (i) the Shareholder shall not be entitled in respect of the Default Shares to attend or vote at any general meeting or at any separate meeting of the holders of that class of Shares or on any poll or to exercise any other right conferred by holding Shares in relation to any such meeting or poll; and
 - (ii) where the Default Shares represent 0.25 per cent. or more in nominal value of the issued Shares of their class:
 - (a) the Company is entitled to withhold any dividends and any other distribution payable on those Shares, and will not have any obligation to pay interest on any sum or distribution when it is finally paid or made to the Shareholder; and
 - (b) no transfer of any Shares held by the Shareholder shall be registered unless: (1) the Shareholder is not himself in default as regards supplying the information required (and the Shareholder provides evidence to the satisfaction of the directors of the Company that no person in default as regards supplying such information is interested in any of the Shares which are the subject of the transfer); (2) the transfer is an approved transfer; or (3) registration of the transfer is required by the CREST Regulations.
- (B) For these purposes:
 - (i) a person other than the relevant Shareholder shall be treated as appearing to be interested in that Share if the Shareholder has informed the Company that the person is, may be, or has been at any time during the three years immediately preceding the date upon which the disclosure notice is issued, so interested, or if the Company knows or has reasonable cause to believe that the person is, or may be, so interested;
 - (ii) “**interested**” shall be construed as it is for the purposes of section 793 of the 2006 Act;
 - (iii) reference to a person having failed to give or being in default as regards supplying the Company the information required by a notice served under section 793 of the 2006 Act includes: (A) reference to his having failed or refused to give all or any part of it; and (B) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
 - (iv) the “**prescribed period**” means fourteen days after the service of a notice served under section 793 of the 2006 Act;
 - (v) an “**approved transfer**” means, in relation to any Shares: (A) a transfer by way of or pursuant to acceptance of a takeover offer for the Company (as defined in section 974 (Meaning of “**takeover offer**”) of the 2006 Act); (B) a transfer in consequence of a sale made through a recognised investment exchange or recognised clearing house or any other stock exchange or market outside the United Kingdom on which the Shares are normally traded; or (C) a transfer which is shown to the satisfaction of the directors of the Company to be made in consequence of a *bona fide* sale of the whole of the

beneficial interest in the Shares to a person who is unconnected with the Shareholder and with any other person appearing to be interested in the Shares.

1.14 *Number of directors*

Unless otherwise determined by the Company, the number of directors of the Company shall be not fewer than two in number. There shall be a maximum number of directors equal to the maximum number of Shareholder Directors as may be designated at that time (as described in paragraph 1.15 of this Appendix II) plus two Independent Directors.

1.15 *Shareholder Directors*

- (A) If at any time the Percentage Voting Rights held by any New Majority Shareholder Group (other than the MS Shareholder Group) is at least 23 per cent., that New Majority Shareholder Group shall be entitled to designate three Shareholder Directors.
- (B) If at any time the Percentage Voting Rights held by any New Majority Shareholder Group (other than the MS Shareholder Group) is less than 23 per cent. but at least 14 per cent., that New Majority Shareholder Group shall be entitled to designate two Shareholder Directors.
- (C) If at any time the Percentage Voting Rights held by any New Majority Shareholder Group (other than the MS Shareholder Group) is less than 14 per cent. but at least 5 per cent., that New Majority Shareholder Group shall be entitled to designate one Shareholder Director.
- (D) If at any time the Percentage Voting Rights held by the MS Shareholder Group is at least 7.5 per cent. the MS Shareholder Group shall be entitled to designate three Shareholder Directors.
- (E) If at any time the Percentage Voting Rights held by the MS Shareholder Group is less than 7.5 per cent. but at least 5 per cent., the MS Shareholder Group shall be entitled to designate two Shareholder Directors.
- (F) The “**Percentage Voting Rights**” held by a New Majority Shareholder Group at any time shall mean the percentage represented by:
 - (i) the aggregate number of voting rights generally exercisable at general meetings of the Company attaching to Shares held by members of that New Majority Shareholder Group at that time; divided by
 - (ii) the aggregate number of voting rights generally exercisable at general meetings of the Company attaching to all Shares which are in issue or which have been unconditionally allotted on the Issue Date.

1.16 *Independent Directors*

The Company may elect by ordinary resolution, and the Board with Two-thirds Majority Approval may appoint, up to two persons as Independent Directors. An Independent Director must not be eligible to be designated a Shareholder Director and must not (save in relation to his role as Independent Director) be an employee of or consultant to the Company or any of its subsidiaries. Any Independent Director appointed by the Board shall retire at the next annual general meeting and shall then be eligible for re-appointment. At every annual general meeting, each Independent Director shall retire from office and may offer himself for re-appointment by the Shareholders. No member of a New Majority Shareholder Group nor any nominee of any member of a New Majority Shareholder Group shall be entitled to vote on any resolution at a general meeting concerning the appointment or removal of any Independent Director. The Company may, by special resolution, remove any Independent Director before the expiration of his period of office and may, by ordinary resolution, appoint another person who is willing to act to be an Independent Director in his place.

1.17 *Votes of directors at Board meetings*

- (A) Each director of the Company shall have a number of votes at any meeting of the Board determined as follows:
- (i) if at any time the number of directors designated by a particular New Majority Shareholder Group is less than the maximum number of directors which that New Majority Shareholder Group is entitled to designate, each director actually designated by that New Majority Shareholder Group shall have a number of votes equal to (x) the maximum number of directors which that New Majority Shareholder Group is entitled to designate, divided by (y) the number of directors holding office who were designated by that New Majority Shareholder Group; and
 - (ii) otherwise as director shall have one vote.

Decisions of the Board shall be by simple majority of votes cast unless otherwise provided in the New Articles. A quorum necessary for the transaction of the business of the Board requires the presence of directors of the Company entitled to exercise not less than a majority of the total votes that may be cast at that Board meeting.

- (B) One person may be designated as a director of the Company by more than one New Majority Shareholder Group and, in votes of the directors of the Company, that director shall have the sum of the number of votes to which the New Majority Shareholder Group(s) that have designated him as a director of the Company is entitled pursuant to the New Articles (although for the purposes of determining if a quorum is present such director shall only be counted once).

1.18 *Matters requiring Two-thirds Majority Approval*

- (A) The following decisions of the Board shall require Two-thirds Majority Approval:
- (i) the Company or any of its subsidiaries entering into a Substantial Transaction (save for any Substantial Transaction entered into by a subsidiary of the Company which is not a Controlled Subsidiary and provided that the Company has endeavoured to prevent such transaction being entered into);
 - (ii) the Company or any of its Controlled Subsidiaries incurring any indebtedness or refinancing existing indebtedness save to the extent contemplated by the budget and operating plan approved by the Board of the Company from time to time;
 - (iii) any decision of the Board or the board of directors of a Controlled Subsidiary relating to the incurrence by any subsidiary of the Company (other than a Controlled Subsidiary) of any indebtedness or to the refinancing by any subsidiary of the Company (other than a Controlled Subsidiary) of existing indebtedness save to the extent contemplated by the budget and operating plan approved by the Board from time to time;
 - (iv) a return of capital or purchase of its own shares by the Company or any other reorganisation of the Company's share capital;
 - (v) the exercise of voting rights held by the Company or any Controlled Subsidiary in any body corporate or other undertaking which is not a Controlled Subsidiary;
 - (vi) the Company or any of its subsidiaries entering into any agreement or arrangement with any member of a New Majority Shareholder Group or an associate of any member of a New Majority Shareholder Group save for any agreement or arrangement entered into by a subsidiary of the Company which is not a Controlled Subsidiary and provided that the Company has endeavoured to prevent such agreement or arrangement being entered into;

- (vii) the payment by the Company or any of its subsidiaries of any fees or compensation to any member of a New Majority Shareholder Group or any of its associates save for any payment made by a subsidiary of the Company which is not a Controlled Subsidiary and provided that the Company has endeavoured to prevent such payment being made; and
 - (viii) the creation by the Company or any Controlled Subsidiary of any encumbrance over the shares or other interests in any body corporate or other undertaking held by it.
- (B) A “**Substantial Transaction**” means any transaction which exceeds 25 per cent. in any of the class tests (as defined in the AIM Rules for Companies) (excluding any transactions of a revenue nature in the ordinary course of business and transactions to raise finance which do not involve a change in the fixed assets).

1.19 *Remuneration of directors*

- (A) The directors of the Company may be paid fees at such rate as may from time to time be determined by the Board, provided that the aggregate of all fees so paid to the directors of the Company (excluding amounts payable under any other provision of the Final New Articles) shall not exceed an amount per annum as may from time to time be decided by the Board or by ordinary resolution of the Company.
- (B) Each director of the Company may be reimbursed his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board, or committees of the Board or of the Company or any other meeting which as a director of the Company he is entitled to attend, and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company’s business or in the discharge of his duties as a director.

1.20 *Pensions and gratuities for directors*

The Board or any committee authorised by the Board may exercise the powers of the Company to provide benefits either by the payment of gratuities or pensions or by insurance or in any other manner for any Independent Director or former Independent Director or his relations, dependants or persons connected to him.

1.21 *Directors’ interests in contracts*

- (A) A Shareholder Director shall not be counted in the quorum, nor shall he be entitled to vote in respect of any part of any meeting of the Board dealing with any dispute, conflict or proceedings by the Company or any of its subsidiaries against, or between the Company or any of its subsidiaries and any member of the New Majority Shareholder Group which designated him as such or any of the associates of a member of such New Majority Shareholder Group, or any dispute, conflict or proceedings by a member of the New Majority Shareholder Group which designated him as such or any of the associates of a member of such New Majority Shareholder Group against, or between such person and the Company or any of its subsidiaries.
- (B) Subject to the provisions of the Acts and the New Articles (where applicable):
- (i) a director of the Company or proposed or intending director of the Company is not disqualified by his office from contracting with the Company or its subsidiaries, nor is any contract in which he is interested liable to be avoided;
 - (ii) a director of the Company may hold any other office or, if an Independent Director, place of profit with the Company or any of its subsidiaries (except that of auditor) in conjunction with his office of director for such period (subject to the provisions of the Acts) and upon such other terms as the Board may decide, and may (if an Independent Director) be paid such extra remuneration for so doing as the Board or any committee so authorised by the Board may decide;

- (iii) a director of the Company may also be or become a director or other officer of, or be otherwise interested in, or contract with, any subsidiary of the Company or a company in which the Company may be interested and shall not be liable to account to the Company or its members for any benefit received by him, nor shall any such contract be liable to be avoided;
- (iv) the Board may cause any voting power conferred by the shares in any subsidiary of the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit. A director of the Company may also vote on and be counted in the quorum in relation to any of such matters;
- (v) a director of the Company may act by himself or his firm in a professional capacity for the Company or its subsidiaries (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services; and
- (vi) a director of the Company shall not vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or, if an Independent Director, place of profit with the Company or any subsidiary of the Company or a company in which the Company is interested or as regards which the Company has any power of appointment.

1.22 *Directors' interests other than in relation to transactions or arrangements with the Company*

- (A) If a situation (a "**Relevant Situation**") arises in which a director of the Company (a "**Conflicted Director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, the following provisions shall apply if the conflict of interest does not arise in relation to a transaction or arrangement with the Company:
 - (i) if a Relevant Situation arises from the appointment or proposed appointment of a person as a director of the Company, the Board (other than the Conflicted Director, and any other director of the Company with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the appointment of the Conflicted Director and the Relevant Situation on such terms as they may determine; and
 - (ii) if the Relevant Situation arises in circumstances other than those set out in paragraph 1.22(A)(i) of this Appendix II, the Board (other than the Conflicted Director, and any other director of the Company with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the Relevant Situation and the continuing performance by the Conflicted Director of his duties on such terms as they may determine with respect to the Relevant Situation.
- (B) A Conflicted Director must act in accordance with any terms determined by the directors of the Company with respect to the Relevant Situation. Subject to compliance with such terms (if any), a Conflicted Director shall not be in breach of any duty to the Company under section 175 of the 2006 Act in respect of a Relevant Situation which has been authorised in respect of him by the directors of the Company under these provisions. For the purposes of any meeting referred to in these provisions (for the purposes only of the consideration of, and voting upon, any resolution referred to in paragraph 1.22(A) of this Appendix II) a quorum necessary for the transaction of the business of the Board shall require the presence of at least two directors of the Company.
- (C) If a Relevant Situation has been authorised by the Board as described in paragraph 1.22(a) then:

- (i) the Conflicted Director shall not be required to disclose to the Company any confidential information relating to that Relevant Situation if to do so would result in a breach of duty or obligation of confidence owed by him in relation to that Relevant Situation; and
 - (ii) the Conflicted Director may absent himself from meetings of the Board (or the relevant part thereof) at which anything relating to the Relevant Situation will or may be discussed and the Conflicted Director shall not be in breach of any duty to the Company in respect of the Relevant Situation by reason of having acted in accordance with this provision with respect to the Relevant Situation or in accordance with any terms determined by the directors of the Company under paragraph 1.22(A) above with respect to the Relevant Situation.
- (D) A director of the Company shall not, by reason of his holding an office as a director of the Company (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from:
- (i) any Relevant Situation authorised under the provisions of the Final New Articles; or
 - (ii) any interest permitted under certain provisions of the Final New Articles,
- and no contract shall be liable to be avoided on the grounds of any director of the Company having any type of interest authorised under those provisions or permitted under certain provisions of the Final New Articles.

1.23 ***Borrowing powers***

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities, and to give security, whether outright or as collateral, for any debt, liability or obligation of the Company or of any third party.

1.24 ***Insolvency of New Majority Shareholder Group***

Where an insolvency event has occurred in relation to a member of a New Majority Shareholder Group, until such time (if any) as that insolvency event has ceased or that person has ceased to be a member of that New Majority Shareholder Group:

- (i) the presence of any Shareholder Director designated by members of that New Majority Shareholder Group shall not be required to constitute a quorum at any meeting of the Board or committee meeting;
- (ii) the vote of any such Shareholder Director shall not be counted on any matter at any Board or committee meeting and any resolution of the directors of the Company which would otherwise require the vote in favour of any such Shareholder Director to be passed shall no longer require such vote; and
- (iii) any such Shareholder Director shall be deemed not to be a director of the Company for the purposes of determining whether a majority of the directors is present at a Board or committee meeting or whether a resolution of the Board has been passed with Two-thirds Majority Approval.

APPENDIX III

ADDITIONAL CHANGES TO EXISTING ARTICLES

1. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The 2006 Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act the objects clause and all other provisions which are contained in a company's memorandum for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

Further the 2006 Act states that unless a company's 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 all other provisions of its memorandum which, by virtue of the 2006 Act, are treated as forming part of the Company's articles of association as of 1 October 2009. Paragraph 1(A) of Resolution 1 to be proposed at the General Meeting 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.

2. Articles which duplicate statutory provisions

Provisions in the Existing Articles which replicate provisions contained in the 2006 Act are in the main to be removed in the New Articles or amended to bring them into line with the 2006 Act.

3. Change of name

Under the 1985 Act, a company could only change its name by special resolution. Under the 2006 Act a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the Board (with Two-thirds Majority Approval) to pass a resolution to change the Company's name.

4. Authorised share capital and unissued shares

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the 2006 Act, save in respect of employee share schemes.

5. Redeemable shares

Under the 1985 Act, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The 2006 Act enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares (other than the Preference Shares) but if it did so the Board would need shareholders' authority to issue new shares in the usual way.

6. Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the 1985 Act, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves, as well as shareholder authority to undertake the relevant action. The Existing Articles include these enabling provisions. Under the 2006 Act a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

7. Use of seals

Under the 1985 Act, a company required authority in its articles to have an official seal for use abroad. Under the 2006 Act, such authority will no longer be required. Accordingly, the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

8. Voting on a show of hands

Under the Existing Articles, all voting at general meetings must be on a poll. In light of the Company's proposed new share capital structure, this requirement will be removed in the New Articles and new provisions included in relation to voting on a show of hands and the procedures for a poll.

The 2006 Act 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 which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles contain a provision clarifying how the provision of the 2006 Act giving a proxy a second vote on a show of hands should apply to discretionary authorities.

9. General

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

APPENDIX IV

DIFFERENCES BETWEEN THE INTERIM NEW ARTICLES AND THE FINAL NEW ARTICLES

The Interim New Articles and the Final New Articles are identical in all material respects, save as follows. References to Ordinary Shares include, prior to Admission, Class B Shares.

1. Variation of class rights

The procedure for the variation of the class rights attaching to Ordinary Shares described in Appendix II will not apply in the Interim New Articles. Instead, the procedure in the Existing Articles will be retained. The requirement in the Existing Articles to obtain the consent of Ordinary Shareholders to a delisting of Ordinary Shares will be retained in the Interim New Articles.

The procedure set out in the Final New Articles for the variation of the class rights attaching to Ordinary Shares requires a higher level of those voting to sanction a variation of the rights attaching to Ordinary Shares (three-quarters) than the procedure set out in the Interim New Articles (two-thirds). The Board therefore considers that the provisions in the Final New Articles provide Ordinary Shareholders with a higher level of protection than the Interim New Articles.

2. Drag-along rights

Under the Existing Articles, if a person who is not a member of a Majority Shareholder Group or an associate of a member of any such group acquires all of the issued SG Shares and Class A Shares in a single transaction or a series of related transactions, then that person shall be entitled to acquire all of the Class B Shares at a price per Share equal to the highest price paid by the third party for a Class A Share pursuant to such transaction(s).

These provisions are retained in the Interim New Articles. However, as there will be no SG Shares or Class A Shares in issue following Admission, these provisions are redundant and accordingly do not appear in the Final New Articles.

3. Tag-along rights

Under the Existing Articles, if a person who is not a member of a Majority Shareholder Group or an associate of a member of any such group acquires, in aggregate, 30 per cent. or more of the voting rights attached to the issued Shares of the Company in a single transaction or a series of related transactions, that person shall be required to make an offer to all remaining Shareholders to acquire the Shares held by them. The price to be paid by that person for each such Share shall be equal to the highest price paid by that person for a Class A Share pursuant to such transaction(s). If no Class A Shares are acquired pursuant to the transaction(s), then the price to be paid for each Class B Share will be one which is comparable to the price paid for the Shares acquired pursuant to the transaction(s) and, in any event, the price offered for Class A Shares and Class B Shares shall be the same.

These provisions are retained in the Interim New Articles. However, they replicate to a certain extent provisions of the City Code, but apply different (and, in part, conflicting) procedural requirements to those of the City Code. The Board considers that Ordinary Shareholders are adequately protected by the City Code and, accordingly, these provisions do not appear in the Final New Articles.

4. Voting rights

Under the Final New Articles, Ordinary Shares carry one vote per share. In the Existing Articles and the Interim New Articles, Ordinary Shareholders have one vote for every 10 pence in nominal value of Ordinary shares held. The Board considers that this may be confusing to Shareholders in light of the proposed reorganisation of the Company's share capital, and that, accordingly, the provisions of the Final New Articles should be adopted.

5. Independent Directors

The Existing Articles set out a procedure for the appointment of a single Independent Director, which requires annual ratification by Ordinary Shareholders at a separate class meeting.

The Final New Articles contemplate two Independent Directors who must be reappointed annually at the Company's annual general meeting. The New Majority Shareholders are not entitled to vote on any such reappointment.

The Interim New Articles applies the ratification procedure in the Existing Articles to the appointment of one of the Independent Directors, although Ordinary Shareholders should note that (following Admission) the New Majority Shareholders would be entitled to vote on any such ratification. Under the Interim New Articles, the new procedure set out in the Final New Articles applies to the appointment of any second Independent Director.

DEFINITIONS

The following definitions apply throughout this document (other than in the General Meeting Notice) unless the context requires otherwise:

“2006 Act”	the Companies Act 2006, to the extent in force at the date of this document;
“Acts”	the Companies Act 1985, as amended, and the 2006 Act;
“Admission”	the admission of the New Ordinary Shares to trading on AIM;
“Aggregate Redemption Value”	has the meaning set out in the New Articles;
“AIM”	the AIM market operated and regulated by the London Stock Exchange;
“AIM Rules for Companies”	the rules for AIM companies published by the London Stock Exchange;
“AIM Rules for Nominated Advisers”	the rules for nominated advisers to AIM companies published by the London Stock Exchange;
“Application Form”	the personalised application form by which Qualifying Non-CREST Shareholders may take up and apply for New Ordinary Shares under the Compensatory Open Offer;
“Banks”	J.P. Morgan Cazenove, MSI and Rothschild;
“Board” or “Directors”	the board of directors of the Company;
“Business Day”	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
“Canary Wharf Group”	Canary Wharf Group plc and its subsidiaries;
“Capital Reorganisation”	subdivision and conversion of the Class A Shares, Class B Shares and SG Shares into Ordinary Shares and Deferred Shares;
“CIC”	China Investment Corporation;
“Citi”	Citibank, N.A., London Branch;
“Citi Loan Repurchase”	the repurchase of Citi’s interests under the Existing Facility Agreement in accordance with the terms of the Citi Purchase Agreement;
“Citi Purchase Agreement”	the purchase agreement dated 28 August 2009 entered into between Songbird, Songbird Finance and Citi relating to the Existing Facility Agreement;
“Class A Shares”	the Ordinary Class A Shares (as defined in the Existing Articles) in the capital of the Company with a nominal value of 10 pence each having the rights and subject to the restrictions set out in the Existing Articles;
“Class B Shares”	the Ordinary Class B Shares (as defined in the Existing Articles) in the capital of the Company with a nominal value of 10 pence each having the rights and subject to the restrictions set out in the Existing Articles;

“Class B Shareholder”	the holders, from time to time, of the Class B Shares;
“Class D Share”	the class D ordinary share in the capital of the Company;
“Class Meeting”	the class meeting of Class B Shareholders convened for 13 October 2009, notice of which is set out in this document (or any adjournment thereof);
“Compensatory Open Offer”	the compensatory open offer of 18,974,938,930 New Ordinary Shares by the Company to Qualifying Shareholders, pursuant to the terms and conditions described in Part III (<i>Terms and Conditions of the Compensatory Open Offer</i>) of the Prospectus and, in the case of Qualifying Non-CREST Shareholders, in the Application Form;
“Controlled Subsidiary”	means any subsidiary of the Company where the Controlled Shareholder(s) of that subsidiary holds, or together hold, at least 75 per cent. of the voting rights generally exercisable at general meetings of that subsidiary and, for these purposes, “ Controlled Shareholder ” means, in relation to any subsidiary of the Company, a shareholder in, or member of, that subsidiary which is either the Company or is itself a Controlled Subsidiary;
“CWG”	Canary Wharf Group plc;
“CWG Shares”	ordinary shares of one penny each in the capital of CWG;
“CWG Share Purchase”	the purchase by the Company of the 54,007,620 CWG Shares from Commerzbank AG for a consideration of £112.5 million pursuant to the terms of the CWG Share Purchase Agreement;
“CWG Share Purchase Agreement”	the agreement entered into between the Company and Commerzbank AG on 17 September 2009 in respect of the CWG Share Purchase;
“Deferred Shares”	the deferred shares in the Company of 9.9 pence each, having the rights and subject to the restrictions set out in the New Articles;
“Enlarged Share Capital”	the ordinary share capital of the Company following completion of the Placing and Compensatory Open Offer and Capital Reorganisation but prior to the Subsequent Consolidation;
“Escrow Agent”	has the meaning given in paragraph 1.11 of Appendix I;
“Escrow Agreement”	the agreement dated on or about the date of this document between the Company, the Escrow Agent, the Joint Bookrunners, Qatar Holding, FIC, the MSREF Funds, MSSS, GF Investments and Chichester Fund Limited, for the deposit of monies into escrow in relation to the Placing and Compensatory Open Offer;
“Estate”	the Canary Wharf estate, being the mixed office and retail development on or adjacent to the two wharfs formerly known as Canary Wharf together with North Quay, Riverside South and Heron Quays West;
“Existing Articles”	the articles of association of the Company in force as at the date of this document;
“Existing Facilities”	the £880 million credit facilities made available to the Company pursuant to the Existing Facility Agreement, comprising a sterling term loan facility of £800 million and a sterling revolving loan facility of £80 million;

“Existing Facility Agreement”	the facility agreement dated 17 May 2007 entered into between the Company, Songbird Finance, Citigroup Global Markets Limited, Citibank N.A., London Branch and Morgan Stanley Mortgage Servicing Limited;
“FIC”	Fullbloom Investment Corporation, a limited liability company incorporated in the People’s Republic of China with registered number 100000000041765(4-2) and a wholly-owned subsidiary of CIC and, where the context requires, its permitted successors or assigns;
“Final New Articles”	the new articles of association of the Company which are proposed to be adopted pursuant to Part 1(C) of the Transaction Resolution, the details of which are set out in Appendix II (<i>Summary of Final New Articles</i>) of this document;
“Forms of Proxy”	the form of proxy for use at the General Meeting and the Class Meeting which accompany this document;
“FSA”	the Financial Services Authority of the United Kingdom;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“General Meeting”	the general meeting of the Company convened for 13 October 2009, notice of which is set out in the Circular (or any adjournment thereof);
“General Meeting Notice”	the notice of the General Meeting set out in this document;
“Glick Shareholders”	GF Investments, Daniel Sklarin as sole trustee of the Louis and Simon Glick New Jersey 1987 Trust, Daniel Sklarin as sole trustee of the Louis Glick and Seymour Pluchenik New Jersey 1987 Trust and Chichester Fund Limited, and any associate of any Glick Shareholder to whom shares in the Company are transferred or issued, in each case for so long as such person holds Shares;
“Glick Subscription Agreement”	the agreement dated on or about the date of this document between the Company and GF Investments relating to GF Investments’ subscription for New Ordinary Shares pursuant to the Placing;
“Glick Underwriting Agreement”	the agreement dated on or about the date of this document between the Company and Chichester Fund Limited relating to Chichester Fund Limited’s commitment to underwrite certain of the New Ordinary Shares;
“Hedging Agreement”	the ISDA master agreement schedule and confirmation relating to an interest rate swap and cap transaction entered into between Songbird Finance and Citi on 25 May 2007 (with a trade date of 21 May 2007);
“Indebtedness”	the principal amount outstanding from time to time under any loan facility (whether syndicated or bilateral) provided to the Company or any of its Controlled Subsidiaries (other than CWG and any of its subsidiaries) by, or any issue of bonds, notes, debentures, loan stock or similar instrument by the Company or any of its Controlled Subsidiaries (other than CWG and any of its subsidiaries) to, any person which is not the Company or a subsidiary of the Company;

“Independent Director”	an independent director of the Company appointed pursuant to the Existing Articles or, where the context requires, the New Articles;
“Interim New Articles”	the new articles of association of the Company which are proposed to be adopted pursuant to Part 1(B) of the Transaction Resolution, the details of which are set out in Appendix IV (<i>Differences between the Interim New Articles and the Final New Articles</i>) of this document;
“Issue Date”	close of business on the date on which the first Preference Share is issued;
“Joint Bookrunners”	J.P. Morgan Cazenove and MSI;
“J.P. Morgan Cazenove”	J.P. Morgan Cazenove Limited, a firm authorised and regulated by the FSA and on the FSA Register (number 140767);
“JPMSL”	J.P. Morgan Securities Ltd.;
“Liquidation Event”	has the meaning set out in the New Articles;
“London Stock Exchange”	London Stock Exchange plc;
“Majority Shareholders”	the MS Shareholders, British Land, the Glick Shareholders and the Whitehall 2001 Funds and each a “Majority Shareholder”
“Majority Shareholder Groups”	the MS Shareholder Group, British Land, the Glick Shareholder Group and the Whitehall Shareholder Group and each a “Majority Shareholder Group” ;
“Maximum Indebtedness Amount”	has the meaning given in paragraph 1.12(c) of Appendix II (<i>Summary of Final New Articles</i>) of this document;
“Minimum Rump Placing Amount”	the amount that is equal to (a) the Offer Price multiplied by the number of Non-Accepted Shares for which subscriber(s) are procured by the Joint Bookrunners pursuant to the Rump Placing, and (b) the expenses of the procurement of such subscriber(s) (including any applicable brokerage, transaction levies, trading fees, commissions and amounts in respect of VAT which are not recoverable);
“MSI”	Morgan Stanley & Co International plc, a firm authorised and regulated by the FSA and on the FSA Register (number 165935);
“MSREF Funds”	the real estate private equity funds managed by MSREF IV International-G.P., L.L.C., consisting of MSREF-TE, MSREF-T, MSREI and MSREF Special;
“MSREF Special”	Morgan Stanley Real Estate Fund IV Special International, L.P., a limited partnership organised under the laws of Delaware and having its offices at 1585 Broadway, 37th Floor, New York, New York 10036;
“MSREF Subscription Agreement”	the agreement dated on or about the date of this document between the Company and the MSREF Funds relating to their subscription for New Ordinary Shares pursuant to the Placing and Compensatory Open Offer;

“MSREF-T”	Morgan Stanley Real Estate Fund IV International-T, L.P., a limited partnership organised under the laws of Delaware and having its offices at 1585 Broadway, 37th Floor, New York, New York 10036;
“MSREF-TE”	MSREF IV TE Holding, L.P., a limited partnership organised under the laws of the Cayman Islands and having its offices at P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, BWI;
“MSREF”	Morgan Stanley Real Estate Investors IV International, L.P., a limited partnership organised under the laws of Delaware and having its offices at 1585 Broadway, 37th Floor, New York, New York 10036;
“MSRESS Funds”	the real estate private equity funds managed by MSDW Real Estate Special Situations II Manager, L.L.C., consisting of MS Special II, MS Special II-T, MS Special II Investors, MS Special II-A, MS Special II-B and MS Special II-C and/or their respective successors and assigns;
“MS Shareholder Group”	all of the MS Shareholders, acting together as a group;
“MS Shareholders”	one or more (as the case may be) of the MSREF Funds, the MSRESS Funds, MSSS, the Princes Gate Investors and MSQ and/or any of their successors and permitted assigns;
“MSSS”	MSRESS II Co-Investment Partnership L.P., a limited partnership organised under the laws of the Cayman Islands and having its offices at P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, acting by its general partner MSRESS II GP Co-Investment Ltd.;
“MSSS Subscription Agreement”	the agreement dated on or about the date of this document between the Company and MSSS relating to its subscription for and commitment to underwrite certain of the New Ordinary Shares;
“New Articles”	the Final New Articles or, where the context so requires, the Interim New Articles;
“New Facility”	the £135 million loan provided by certain of the New Majority Shareholders or their affiliates to Songbird Finance pursuant to the terms of the New Facility Agreement;
“New Facility Agreement”	the agreement dated on or about the date of this document between the Company and the New Majority Shareholders in respect of the New Facility;
“New Majority Shareholders”	the MS Shareholders, the Glick Shareholders, Qatar Holding and FIC and each a “New Majority Shareholder” ;
“New Majority Shareholder Groups”	the MS Shareholder Group, the Glick Shareholder Group, Qatar Holding and FIC and each a “New Majority Shareholder Group” ;
“New Ordinary Shares”	the Ordinary Shares to be issued by the Company pursuant to the Placing and Compensatory Open Offer;
“Non-Accepted Shares”	any New Ordinary Shares which are not (or are deemed not to have been) taken up under the Compensatory Open Offer;
“Offer Price”	one penny per New Ordinary Share;

“Open Offer Entitlements”	entitlements to subscribe for New Ordinary Shares allocated to a Qualifying Shareholder pursuant to the Compensatory Open Offer;
“Ordinary Shareholders”	holders of Ordinary Shares;
“Ordinary Shares”	prior to the Subsequent Consolidation, the ordinary shares of 0.1 pence each in the capital of the Company and after the Subsequent Consolidation, ordinary shares of 10 pence each in the capital of the Company, in each case having the rights and subject to the restrictions set out in the New Articles;
“Placing”	the placing of 43,025,116,080 New Ordinary Shares pursuant to the terms and conditions of the Placing Agreement
“Placing Agreement”	the placing agreement entered into between the Company, J.P. Morgan Cazenove Limited, JPMSL, Morgan Stanley & Co. International plc and Rothschild on or about the date of this document;
“Placing Entitlements”	entitlements to subscribe for New Ordinary Shares allocated to holders of Class A Shares and SG Shares pursuant to the Placing;
“Placing Letters”	the placing letters entered into between the Joint Bookrunners and each of Qatar Holding and FIC on or about the date of this document;
“Preference Shares”	the preference shares of £1 each in the capital of the Company having the rights and subject to the restrictions set out in the New Articles;
“Preference Share Subscription Agreement”	the subscription agreement entered into between the Company, Qatar Holding and FIC on or about the date of this document in respect of their subscription for Preference Shares;
“Preferential Dividend”	has the meaning set out in paragraph 5 of the Chairman’s Letter;
“Preferential Return”	has the meaning set out in paragraph 5 of the Chairman’s Letter;
“Proposals”	the Placing and Compensatory Open Offer, the entry into the New Facility Agreement, the issue of Preference Shares and the Capital Reorganisation;
“Prospectus”	the prospectus issued in respect of the Compensatory Open Offer;
“Qatar Holding”	Qatar Holding LLC, established in the Qatar Financial Centre in Doha with registration number 0004 and a wholly-owned subsidiary of Qatar Investment Authority, and where the context requires, its permitted successors and assigns;
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Class B Shares on the register of members of the Company on the Record Date are in uncertificated form;
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders whose Class B Shares on the register of members of the Company on the Record Date are in certificated form;
“Qualifying Shareholders”	holders of Class B Shares on the register of members of the Company on the Record Date;
“Ratification Resolution”	the resolution set out as resolution 2 in the General Meeting Notice;

“Record Date”	5.00 p.m. on 22 September 2009;
“Redemption Amount”	has the meaning set out in paragraph 5 of the Chairman’s Letter;
“Refinancing Committee”	a committee of the Board formed to focus on refinancing Songbird Finance’s existing borrowings;
“Related Party Shareholders”	the Glick Shareholders, the MS Shareholders, Qatar Holding and each of their associates (as defined in the AIM Rules for Companies);
“Residual Shares”	all or any Non-Accepted Shares which are not placed with placees pursuant to the Rump Placing and/or any Non-Accepted Shares placed with placees pursuant to the Rump Placing who fail to meet their payment obligations for all or any Non-Accepted Shares and/or any New Ordinary Shares representing the aggregate of fractional entitlements which are not placed in the market for the benefit of the Company;
“Resolutions”	the Transaction Resolution and the Ratification Resolution;
“Restricted Jurisdiction”	the United States, Canada, Australia, Republic of South Africa, New Zealand and Japan and any other jurisdiction where the extension or availability of the Compensatory Open Offer (and any other transaction contemplated thereby) would breach any applicable law;
“Restricted Shareholders”	subject to the exception as set out in paragraph 7 of Part III (<i>Terms and Conditions of the Compensatory Open Offer</i>) of the Prospectus Qualifying Shareholders who have registered addresses in, who are incorporated in, registered in or otherwise resident or located in, the United States or any other Restricted Jurisdiction;
“Rothschild”	NM Rothschild & Sons Limited, a company incorporated in England and Wales with registered number 925279 whose registered office is New Court, St. Swithin’s Lane, London EC4P 4DU;
“Rump Placing”	the proposed placing, conditional on Admission, of any Non-Accepted Shares by the Joint Bookrunners, as agent of the Company, pursuant to which the Joint Bookrunners will use reasonable endeavours to procure placees for the Non-Accepted Shares at an aggregate price at least equal to the Minimum Rump Placing Amount;
“SCA Shareholders”	as defined in paragraph 1 of Appendix I of this document;
“SG Dividend Agreement”	an agreement dated 24 September 2009 between the Company and the Glick Shareholders relating to the payment of a dividend to the holders of SG Shares;
“SG Shares”	the SG Shares (as defined in the Existing Articles) of 10 pence each in the Company having the rights and subject to the restrictions set out in the Existing Articles;
“Share Purchase Commitment Agreement”	the shareholder commitment agreement dated 17 September 2009 entered into between the Company, GF Investments, Qatar Holding, the MSREF Funds and CIC;

“Shareholder Commitment Agreement”	the shareholder commitment agreement dated 28 August 2009 entered into between the Company, GF Investments, Qatar Holding, the MSREF Funds and CIC, as amended;
“Shareholder Director”	a person designated as a director of the Company by a Majority Shareholder and appointed by the Board under the Existing Articles, or a director of the Company designated by a New Majority Shareholder Group and appointed by the Board under the New Articles;
“Shareholders”	the holders of any issued shares in the capital of the Company from time to time and “Shareholder” means any one of them;
“Shares”	the issued shares in the capital of the Company including the Preference Shares and Deferred Shares, where the context so requires;
“Songbird” or “Company”	Songbird Estates plc;
“Songbird Acquisition”	Songbird Acquisition Limited, a company incorporated in England and Wales with registered number 5075686 and whose registered office is at One Canada Square, Canary Wharf, London E14 5AB;
“Songbird Entities”	Songbird and its wholly-owned subsidiaries being Songbird Acquisition, Songbird Finance and Songbird Newco;
“Songbird Finance”	Songbird Finance Limited, a company incorporated in England and Wales with registered number 6208721 and whose registered office is at One Canada Square, Canary Wharf, London E14 5AB;
“Songbird Group”	the Songbird Entities and the Condor Group;
“Songbird Newco”	Songbird Finance (Two) Limited, a company registered in England and Wales with registered number 7020675 and whose registered office is at One Canada Square, Canary Wharf, London E14 5AB;
“Subscription Agreements”	the Glick Subscription Agreement, the MSREF Subscription Agreement and the MSSS Subscription Agreement;
“Subsequent Consolidation”	the consolidation of Ordinary Shares on the basis of 100 Ordinary Shares to one ordinary share to take place on 22 October 2009;
“Transaction Resolution”	the resolution set out as resolution 1 in the General Meeting Notice;
“Two-thirds Majority Approval”	in relation to a decision of the Board on a particular matter, approval of that decision by resolution of the Board passed by at least two-thirds of the directors of the Company then in office;
“Warrant Instrument”	the warrant instrument executed by the Company on 24 September 2009;
“Warrants”	the warrants exercisable into Ordinary Shares in the share capital of the Company to be issued to New Majority Shareholders pursuant to the terms of the Warrant Instrument.

Songbird Estates plc

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Songbird Estates plc (the “**Company**”) will be held at 10 Upper Bank Street, Canary Wharf, London, E14 5JJ on 13 October 2009 at 10.00 a.m. for the purpose of considering and, if thought fit, passing resolution 1 as a special resolution and resolution 2 as an ordinary resolution.

Resolution 1

THAT:

1.

- (A) the articles of association of the Company be amended by deleting all of the provisions of the Company’s memorandum of association which, by virtue of section 28 of the Act, are to be treated as provisions of the Company’s articles of association;
- (B) conditional upon Admission, the regulations contained in the document entitled “Interim New Articles of Association of Songbird Estates plc” produced to the meeting (the “**Interim New Articles**”), marked “A” and initialled by the Chairman for the purposes of identification, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, all existing articles of association; and
- (C) conditional upon Admission, subject to the sanction of the holders of Class B Shares pursuant to the Company’s articles of association, the regulations contained in the document entitled “Final New Articles of Association of Songbird Estates plc” produced to the meeting, marked “B” and initialled by the Chairman for the purposes of identification, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Interim New Articles, such adoption to be with effect from the later of (i) the time immediately following the adoption of the Interim New Articles becoming effective and (ii) the time at which such sanction of the holders of Class B Shares is obtained;

2. conditional upon, and with effect from Admission:

- (A) in respect of each holder of SG Shares at the Subdivision Record Time, all of the SG Shares held by such holder at the Subdivision Record Time be consolidated and converted into a single share, and such share then be subdivided and converted into a number of 0.1p Ordinary Shares equal to the Ordinary Share Number and a number of Deferred Shares equal to the Deferred Share Number, where:
 - (i) the “**SG Shares Converted**” means, in respect of each holder of SG Shares, the number of SG Shares which are consolidated pursuant to this paragraph 2(A);
 - (ii) the “**Aggregate Nominal Value**” means, in respect of each holder of SG Shares, the aggregate nominal value of the SG Shares which are consolidated pursuant to this paragraph 2(A), being the SG Shares Converted multiplied by £0.10;
 - (iii) the “**SG Proportion**” means the SG Shares Converted divided by 176,754,408;
 - (iv) the “**Deferred Share Number**” means the SG Proportion multiplied by £14,575,440.80, divided by £0.099 and, if not a whole number, rounded up to the nearest whole number;
 - (v) the “**Deferred Share Nominal Value**” means the Deferred Share Number multiplied by £0.099;
 - (vi) the “**Ordinary Share Nominal Value**” means the Aggregate Nominal Value less the Deferred Share Nominal Value; and

- (vii) the “**Ordinary Share Number**” means the Ordinary Share Nominal Value divided by £0.001;
 - (B) each of the Class A Shares and Class B Shares in issue at the Subdivision Record Time be subdivided and converted into one 0.1p Ordinary Share and one Deferred Share; and
 - (C) rights which the holders of SG Shares, Class A Shares and Class B Shares may have to accrued dividends at the time of Admission be hereby abrogated save for the rights to any unpaid dividend on the SG Shares resolved to be paid by the Board on 24 September 2009 which right shall be retained by the holders of the relevant shares;
3. subject to and conditional upon Admission, the Board be authorised for the purposes of section 551 of the Act to exercise all powers of the Company to allot 0.1p Ordinary Shares up to an aggregate nominal amount of £63,000,000, to grant rights to subscribe for such shares (within the meaning of sections 549(3) and 551(6) of the Act) pursuant to the Warrants up to an aggregate nominal value of £3,000,000 and to allot Preference Shares up to an aggregate nominal amount of £275,000,000, such authority to expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted after such expiry and the Board may allot shares in pursuance of any such offer or agreement notwithstanding that the authority conferred by this resolution has expired;
4. subject to and conditional upon Admission, the Board be empowered pursuant to section 570 of the Act to allot equity securities (as defined in the Act) wholly for cash pursuant to the authority conferred by paragraph 3 of this resolution as if section 561(1) of the Act did not apply to any such allotment;
5. without prejudice to the authority conferred on the Board at paragraph 3 above, the Board be authorised, in substitution for the authority conferred on the Board on 10 June 2009, to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to a nominal amount of £21,851,299 such authority to expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement notwithstanding that the authority conferred by this resolution has expired;
6. without prejudice to the authority conferred on the Board at paragraph 4 above, the Board be empowered to allot equity securities (as defined in the Act) wholly for cash pursuant to the authority conferred by paragraph 5 of this resolution and/or where the allotment is treated as an allotment of equity securities under section 560(2)(b) of the Act, as if section 561(1) of the Act did not apply to any such allotment, such power to be limited:
- (A) to the allotment of equity securities in connection with an offer of equity securities:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities, as required by the rights of those securities or, as the Board otherwise considers necessary,and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
 - (B) to the allotment (otherwise than under paragraph (A) above) of equity securities up to a nominal amount of £3,277,695,

such power to apply until the end of the next annual general meeting, but during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended;

7. at the Consolidation Effective Time:
- (A) every 100 0.1p Ordinary Shares then in issue be consolidated into one ordinary share of 10 pence (each a “**New 10p Ordinary Share**”);
 - (B) each New 10p Ordinary Share created pursuant to this resolution shall have the same rights as, and shall be subject to the same restrictions as, the 0.1p Ordinary Shares from which such share arises have immediately prior to the Consolidation Effective Time;
 - (C) where such consolidation results in any member being entitled to a fraction of a New 10p Ordinary Share, such fraction of a New 10p Ordinary Share shall, as far as possible, be aggregated with the fractions of New 10p Ordinary Shares to which other members of the company may be entitled into New 10p Ordinary Shares representing such fractions (the “**Fractional Entitlement Shares**”);
 - (D) the Board be authorised to sell (or appoint any other person to sell) to any person, on behalf of the relevant members, all Fractional Entitlement Shares at the best price reasonably obtainable, and that the Company may retain the net proceeds of sale of such Fractional Entitlement Shares and any director of the Company (or any person appointed by the Board) shall be authorised to do all such acts and things as the Board considers necessary or expedient to effect the sale of such shares to, or in accordance with the directions of, any buyer of any such Fractional Entitlement Shares; and
8. the Proposals (including the Subscription Agreements, the Glick Underwriting Agreement and the New Facility Agreement), the Citi Loan Repurchase and the CWG Share Purchase be approved and the Board be authorised to take any action which it considers necessary or desirable in connection with the Proposals, notwithstanding any conflicts or potential conflicts of interest or duties of any member of the Board.

Resolution 2

That the steps taken by the Board prior to the date of this meeting in connection with the Proposals, the Citi Loan Repurchase and the CWG Share Purchase (as described in the Circular and the Prospectus and including the entry into of the Shareholder Commitment Agreement, the Share Purchase Commitment Agreement and the New Facility Agreement) be and are hereby ratified and approved, notwithstanding any conflicts of interests or duties of the Board.

For the purpose of the resolutions, the following terms shall bear the following meanings:

“ 0.1p Ordinary Shares ”	ordinary shares of 0.1p each in the capital of the Company having the rights and restrictions set out in the Interim New Articles;
“ Act ”	the Companies Act 2006;
“ Admission ”	admission to trading on AIM of the 0.1p Ordinary Shares (i) to be issued under the Placing and Compensatory Open Offer and (ii) arising pursuant to paragraph 2 of Resolution 1;
“ Board ”	the board of directors of the Company;
“ Citi Loan Repurchase ”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“ Class A Shares ”	Ordinary Class A Shares in the capital of the Company;

“Class B Shares”	Ordinary Class B Shares in the capital of the Company;
“Compensatory Open Offer”	has the meaning given to it in the circular to the Company’s Shareholders dated the same date as this notice;
“Consolidation Effective Time”	8.00 a.m. on 22 October 2009 (or such other time and/or date as the Board may otherwise determine);
“CWG Share Purchase”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“Deferred Shares”	deferred shares of 9.9p each in the capital of the Company having the rights and restrictions set out in the Interim New Articles;
“Existing Articles”	the articles of association of the Company currently in force;
“Fractional Entitlement Shares”	has the meaning set out in paragraph 7(C) of resolution 1;
“Glick Subscription Agreement”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“Glick Underwriting Agreement”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“Interim Articles”	has the meaning given in paragraph 1(B) of resolution 1;
“MSREF Subscription Agreement”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“MSSS”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“New Facility Agreement”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“New Ordinary Shares”	the Ordinary Shares to be issued by the Company pursuant to the Placing and Compensatory Open Offer;
“Placing”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“Preference Shares”	the preference shares of £1 each in the capital of the Company having the rights and subject to the restrictions set out in the Interim New Articles;
“Proposals”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“SG Shares”	SG shares in the capital of the Company;
“Shareholder Commitment Agreement”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“Share Purchase Commitment Agreement”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice;
“Subdivision Record Time”	5.00 p.m. on the day before Admission;
“Subscription Agreements”	has the meaning given to it in the circular to the Company’s shareholders dated the same date as this notice; and

“Warrants”

the warrants exercisable into Ordinary Shares in the share capital of the Company to be issued to the new majority shareholders pursuant to the terms of a warrant instrument executed by the Company on 24 September 2009.

By order of the board

JOHN GARWOOD

Secretary

24 September 2009

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by the company's registrars at the address shown on the proxy form by no later than 10.00 a.m. on 11 October 2009. The return of a completed proxy form will not prevent a shareholder from attending the General Meeting and voting in person if he/she wishes to do so.
3. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6.00 p.m. on 9 October 2009 (or, in the event of any adjournment, 6.00 p.m. on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
4. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member so long as each corporate representative is duly authorised/appointed in respect of different shares.
5. As at 23 September 2009 (being the last business day prior to the publication of this notice), the Company's issued share capital consists of 176,754,408 SG shares and 260,849,750 Class A shares carrying eight votes each and 192,991,649 Class B shares, carrying one vote each. Therefore, the total voting rights in the Company as at 23 September 2009 are 3,693,824,913.

Songbird Estates plc

NOTICE OF CLASS MEETING OF THE HOLDERS OF ORDINARY CLASS B SHARES

NOTICE IS HEREBY GIVEN that a class meeting of the holders of Ordinary Class B shares in Songbird Estates plc (the “**Company**”) will be held at 10 Upper Bank Street, Canary Wharf, London, E14 5JJ on 13 October 2009 at 10.15 a.m. (or as soon thereafter as the general meeting of the Company convened for that date has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution in accordance with the Company’s articles of association:

That any variation or abrogation of the rights attaching to the Ordinary Class B Shares in the capital of the Company occasioned by the adoption of the Final New Articles of the company pursuant to paragraph 1(C) of resolution 1 proposed at the general meeting of the Company convened for 13 October 2009 be and is hereby approved.

By order of the board

JOHN GARWOOD

Secretary

24 September 2009

Notes:

1. The resolution to be proposed at the Class Meeting must be passed by Ordinary Class B Shareholders holding not less than two-thirds of the aggregate voting rights of the Ordinary Class B Shares present in person or by proxy and entitled to vote on the resolution. The quorum at the Class Meeting is two Ordinary Class B Shareholders present holding at least one-third in nominal value of the issued Ordinary Class B Shares. **If the Class Meeting is adjourned through lack of a quorum or for any other reason, it will be reconvened at 10.00 a.m. on 27 October 2009 at One Canada Square, Canary Wharf, London, E14 5AB. No further notice will be given of the adjourned meeting.** The quorum at any adjourned meeting will be one holder of Ordinary Class B Shares holding any number of such shares.
2. Ordinary Class B Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the Class Meeting. A shareholder may appoint more than one proxy in relation to the Class Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the company. A proxy form which may be used to make such appointment and to give proxy instructions accompanies this notice.
3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by the company’s registrars at the address shown on the proxy form by no later than 10.15 p.m. on 11 October 2009. The return of a completed proxy form will not prevent a shareholder from attending the Class Meeting and voting in person if he/she wishes to do so.
4. To be entitled to attend and vote at the Class Meeting (and for the purpose of the determination by the Company of the votes they may cast), Ordinary Class B Shareholders must be registered in the register of members of the Company at 6.00 p.m. on 9 October 2009 (or, in the event of any adjournment, 6.00 p.m. on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Class Meeting.
5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member so long as each corporate representative is appointed in respect of different shares.

